

POOLED MONEY INVESTMENT BOARD

**State Treasurer's Office
915 Capitol Mall, Room 587
Sacramento, California 95814**

MINUTES

Friday, August 21, 2009

The meeting was called to order at 10:05 AM.

Roll: Francisco Lujano, for State Treasurer Bill Lockyer
Tom Sheehy, for Director of Finance Michael C. Genest
Rick Chivaro, for State Controller John Chiang

Staff Present: Bill Dowell, State Treasurer's Office
Mark Paxson, State Treasurer's Office
Stepan Haytayan, Attorney General's Office

MINUTES

The Minutes for the August 19, 2009 meeting will be presented at the September board meeting.

CONSIDERATION AND ADOPTION OF ONE OR MORE RESOLUTIONS CALLING FOR OPTIONAL REDEMPTION PRIOR TO MATURITY OF SOME OR ALL OUTSTANDING REGISTERED WARRANTS ON ONE OR MORE REDEMPTION DATES PURSUANT TO GOVERNMENT CODE SECTION 17221.5, SUBDIVISION (b).

Mr. Mike Havey of the State Controller's Office (SCO) explained that based on analysis performed by his office of information received from the Department of Finance (DOF), the SCO was recommending that all Registered Warrants issued between July 2, 2009 and September 3, 2009, with a maturity date of October 2, 2009, be redeemed at the earlier date of September 4, 2009. He noted this recommendation was based on extensive in-house analysis, stress-testing and recently enacted budget solutions. Mr. Havey pointed out the cash flow projections took into account deferrals relating to CalWorks, some education payments and other factors.

Mr. Doug Craig of the DOF indicated that his office also believed there will be sufficient money to redeem the Registered Warrants on September 4, 2009. Ms. Katie Carroll of the State Treasurer's Office (STO) said that her office does not perform independent analysis of cash flows, but relies on the SCO and DOF. However, based on what she did know, she agreed with Mr. Havey's comments and the recommendation to redeem the Registered Warrants on September 4, 2009.

Mr. Chivaro made a motion to adopt Resolution 2009-2 (attached), authorizing redemption of the Registered Warrants on September 4, 2009. Mr. Sheehy seconded the motion. Mr. Lujano remarked the STO was comfortable supporting the motion in light of the fact that \$1.5 billion in interim financing had been arranged to be in place by August 27, 2009.

The Chair asked for a Roll Call vote and the motion carried, 3-0.

PUBLIC COMMENT

None.

ADJOURNMENT

In the absence of further business, the meeting was adjourned at 10:20 AM.

Respectfully submitted,

Bettina Redway
Executive Secretary