

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

MINUTES

Wednesday, March 17, 2010

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

Roll: Francisco Lujano for State Treasurer Bill Lockyer
Richard Chivaro for State Controller John Chiang
Cynthia Bryant for Director of Finance Ana J. Matosantos

Staff Present: Vernon Brewer, State Treasurer's Office
Catherine Brown, Attorney General's Office
Mark Paxson, State Treasurer's Office

MINUTES

The minutes for the February 17, 2010, meeting were approved, 3-0.

PMIB DESIGNATION

Mr. Vernon Brewer of the State Treasurer's Office presented a Summary Report as of February 28, 2010. On that day, the portfolio stood at \$67.988 billion. The effective yield was 0.533%, the quarter-to-date yield was 0.567% and the year-to-date yield was 0.704%. The average life of the portfolio was 200 days. AB 55 Loans approved stood at \$0.353 billion, with \$0.325 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$24.292 billion, with 2,776 participants.

Designation No. 1729 was approved, 3-0.

AUTHORIZATION FOR GENERAL FUND INTERNAL BORROWING

Mr. Brewer 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 for the period April 1, 2010, through June 30, 2010, in the amount of up to \$18,481,000,000.

DECLARATION OF SURPLUS MONEY/REDUCTION OF SURPLUS MONEY

Mr. Brewer presented the changes in the Surplus Money Investment Fund for the period February 1, 2010, through February 28, 2010. During the month, \$6,333,469,000.00 was declared surplus in various special funds, while \$6,115,227,000.00 was declared to be a reduction in surplus.

The Surplus Money Declaration/Reduction for the month of February, 2010, was approved, 3-0.

SURPLUS MONEY INVESTMENT FUND REQUESTS

The following SMIF Request presented to the Board from the Department of Industrial Relations:

Special Deposit Fund
Self-Insured and Insured Employers Assessment
Fund Number 0942128

The State Controller's Office determined that no action is required on this request because the fund was previously approved for surplus money investment participation and will continue until the fund is no longer available, required, or the period of availability is no longer extended.

AB 55 LOAN APPLICATIONS (Government Code § 16312)

Ms. Amanda Johnson of the State Treasurer's Office Public Finance Division presented the staff recommendations. **See Attachment A.**

Cynthia Bryant of the Department of Finance pointed out that the Department of Finance does not agree with counsel on the staff report that the litigation (Steinberg v. Schwarzenegger) is still a problem. She said the Department of Finance thinks that the recent appellate decision regarding the challenge to the governor's veto was favorable and that it's a positive sign for favorable resolution on this matter. She also stated that we are in a very good climate and it's time for us to get this project going and that the Department of Finance would like to have the higher loan rate on this project.

A motion was made to approve loan renewal requests, items 7.a – 7.d and 7.f - 7.j. The motion was approved, 3-0.

A representative from CDCR, stated that the condemned inmate complex project is as important today as it was in 2003, when the legislature first authorized that project and explained to the Board that it's important the project be continued.

Ms. Bryant made a motion that item 7.e be approved at the level of \$83,860,686 and the loan period be extended. The motion failed 1-2.

Ms. Bryant made a second motion to extend the loan term (staff recommendation on item 7.e). The motion was approved 3-0.

A Motion was made to approve staff recommendation number 2 on the staff report (recommendation on AB 55 loans disbursement freeze). Motion was approved 3-0.

Agenda Item	Loan Number	Department/Program	Adjusted Loan Amount
a.	0900063	California Housing Finance Agency CalHFA Revenue Bond Program Loan Warehousing Program (Revolving)	\$90,000,000.00
b.	0900064	Department of Mental Health SPWB Lease Revenue Bonds Patton State Hospital, EB Building: Renovate Admission Suite, Fire Life Safety & Environment, and Seismic Retrofit, Ph 2 & 3	\$2,048,598.00
c.	0900065	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds, AB900 CA Men's Colony, San Luis Obispo: 50- Bed Mental Health Crisis Facility	\$11,722,834.00 \$6,762,734.00
d.	0900066	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds, AB900 CA Rehabilitation Center, Norco: Men's Dormitory Replacement, Ph 2	\$50,877.00
e.	0900067	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds San Quentin State Prison: Condemned Inmate Complex	\$83,860,686.00 19,126,942.00
f.	0900068	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Academy: Construct Dormitory and Expand Messhall	\$887,211.00 \$598,000.00
g.	0900069	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Badger Forest Fire Station: Replace Facility	\$661,605.00 \$344,915.00
h.	0900070	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Intermountain Conservation Camp: Replace Facility	\$1,553,101.00 \$1,045,882.00
i.	0900071	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Miramonte Conservation Camp: Replace Facility	\$2,406,526.00

j.	0900072	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Warner Springs Forest Fire Station: Replace Facility	\$2,120,586.00 \$953,986.00
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The ten renewal loan requests were approved, as recommended by staff, 3-0.

PUBLIC COMMENT

None.

ADJOURNMENT

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

Respectfully submitted,

Bettina Redway
Executive Secretary