

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

MINUTES

Wednesday, August 18, 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: Bill Dowell, State Treasurer's Office
 Catherine Brown, Attorney General's Office
 Mark Paxson, State Treasurer's Office

MINUTES

The minutes for the July 16, 2010, were approved, 3-0.

PMIB DESIGNATION

Mr. Bill Dowell of the State Treasurer's Office presented a Summary Report as of July 31, 2010. On that day, the portfolio stood at \$68.488 billion. The effective yield was 0.516%, the quarter-to-date yield was 0.531% and the year-to-date yield was 0.531%. The average life of the portfolio was 199 days. AB 55 Loans approved stood at \$352 million, with \$267 million having been disbursed. The Local Agency Investment Fund had deposits totaling \$23.012 billion, with 2,778 participants.

Ms. Kristin Szakaly-Moore of the State Treasurer's Office Cash Management Division presented a summary of the forecasted revenue changes in the portfolio for the Pooled Money Investment Account (PMIA) for the period August 16, 2010, through October 22, 2010. Ms. Szakaly-Moore highlighted the key receipts, as presented in Attachment 1. For this period, a total of \$37.295 billion were anticipated in receipts.

Ms. Kathy Perry of the State Controller's Office continued the presentation with an estimate of the PMIA disbursements for the period August 16, 2010, through October 22, 2010. Ms. Perry highlighted the major disbursements, also as shown in Attachment 1. For this period, a total of \$44.341 billion was anticipated to be disbursed.

Designation No. 1734 was approved, 3-0.

DECLARATION OF SURPLUS MONEY/REDUCTION OF SURPLUS MONEY

Mr. Dowell presented the changes in the Surplus Money Investment Fund for the period July 1, 2010, through July 31, 2010. During the month, \$6.992 billion was declared Surplus in various special funds, while \$7.529 was declared to be a Reduction in Surplus.

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

SURPLUS MONEY INVESTMENT FUND REQUEST

Mr. Dowell presented a request to join the Surplus Money Investment Fund from the Department of Insurance:

Special Deposit Fund
Litigation Deposit Fund
Fund Number 9422242

The Board accepted the staff recommendations of the State Controller's Office and the State Treasurer's Office and approved the request, 3-0.

INVESTMENT POLICY

Mr. Dowell made the annual presentation of the PMIA Investment Policy to the PMIB. He explained the only change for this year was clarification regarding the term "Agencies" and that it included both Federal and Supranational Agencies. This was consistent with the descriptions in Government Code Section 16430.

AB 55 LOAN APPLICATIONS (Government Code § 16312)

Mr. Phil Osborn of the State Treasurer's Office Public Finance Division presented the staff recommendations (See Exhibit A, presented in Attachment 2). Staff recommended the PMIB approve renewal of the four loans, as shown below. Furthermore, it was recommended the PMIB continue its freeze on disbursements for approved AB 55 loans, except for disbursements authorized by the Department of Finance's Budget Letter 09-09.

Agenda Item	Loan Number	Department/Program	Adjusted Loan Amount
a.	1010007	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Altaville Forest Fire Station: Replace Auto Shop	\$28,000.00

b.	1010008	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Higgins Corner Forest Fire Station: Replace Facility	\$25,000.00
c.	1010009	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Garden Valley Forest Fire Station: Replace Facility	\$23,000.00
d.	1010010	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds San Mateo/Santa Cruz Unit Headquarters: Relocate Auto Shop	\$75,000.00

The PMIB accepted the staff recommendations, renewed the loans and approved the continuation of the disbursement freeze, 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