

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

MINUTES

Wednesday, December 14, 2011

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

Roll: Francisco Lujano for State Treasurer Bill Lockyer
John Hiber for State Controller John Chiang
Todd Jerue for Director of Finance Ana J. Matosantos

Staff Present: Jeff Wurm, State Treasurer's Office
Tad Egawa, Attorney General's Office

MINUTES

The minutes for the November 16, 2011, meeting were approved, 3-0.

PMIB DESIGNATION

Mr. Jeff Wurm of the State Treasurer's Office presented a Portfolio Summary Report as of November 30, 2011. On that day, the portfolio stood at \$66.287 billion. The effective yield was 0.380%, the quarter-to-date yield was 0.393% and the year-to-date yield was 0.391%. The average life of the portfolio was 220 days. AB 55 Loans approved stood at \$308 million, with \$167 million having been disbursed. The Local Agency Investment Fund had deposits totaling \$21.507 billion, with 2,780 participants.

Ms. Kristin Szakaly-Moore of the State Treasurer's Office Cash Management Division presented a summary of the Forecast of Changes in Portfolio for the Pooled Money Investment Account (PMIA) for the period December 12, 2011, through February 17, 2012. Ms. Szakaly-Moore highlighted the key receipts, as presented in Attachment 1. For this ten-week period, a total of \$51.133 billion were anticipated in receipts.

Ms. Coleen Morrow of the State Controller's Office continued the presentation with an estimate of the PMIA disbursements for the period December 12, 2011, through February 17, 2012. Ms. Morrow highlighted the major disbursements, also as shown in Attachment 1. For this ten-week period, a total of \$45.100 billion were anticipated in disbursements.

Designation No. 1750 was approved, 3-0.

AUTHORIZATION FOR GENERAL FUND INTERNAL BORROWING

Mr. Wurm 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 January 1, 2012, through March 31, 2012, in the amount of up to \$20.741 billion, was approved, 3-0.

DECLARATION OF SURPLUS MONEY/REDUCTION OF SURPLUS MONEY

Mr. Wurm also presented the changes in the Surplus Money Investment Fund for the period November 1, 2011, through November 30, 2011. During the month, \$9.166 billion was declared Surplus in various special funds, while \$9.033 billion was declared to be a Reduction in Surplus. The Surplus Money Declaration/Reduction for the month of November, 2011, was approved, 3-0.

SURPLUS MONEY INVESTMENT FUND REQUEST

There were no SMIF requests this month.

ARRANGEMENTS WITH BANKS - - INFORMATION ITEM

Mr. Mark Hariri, Director of the State Treasurer's Office, Cash Management Division presented this information item and reported the following:

The cost of banking services provided by all banks during fiscal year 2010-11 was \$8.8 million which represents a saving of \$924,320 in comparison with the prior fiscal year's cost of \$9.7 million, and 2.4 million in savings in comparison with fiscal year 2008-09 cost of 11.3 million. Mr. Hariri noted that for the 2011-12 Fiscal Year, no new fees will be added to compensate the banks for the services that they provide to the state, however, a number of reduced fees have been negotiated with the banks.

In addition, he also explained that in addition to the Remote Site Deposit Program that was implemented last year with a number of agencies, an Image Cash Letter Program (ICL) is also underway and that the first major department will fully implement by February, 2012.

Mr. John Hiber asked what the cutoff is for when banks can make deposits. Mr. Hariri said that the deposit images would allow banks to make later deposits and still get same day credits. Mr. Francisco Lujano said the report was very thorough and it appeared Cash Management spent a great deal of time on it. Mr. Hiber then added that he agreed with Mr. Lujano. He said it was apparent Cash Management's team put in a lot of hard work, did a great job in advancing electronic images, and that the report was very thorough and even fun to read.

Mr. Hariri expressed that if it weren't for the current administration's support, the team wouldn't have been able to accomplish all that we accomplished over the past 2 years.

AB 55 LOAN APPLICATIONS (Government Code § 16312)

Ms. Tiffany Connelly of the State Treasurer's Office Public Finance Division presented one informational item; the monthly report of the current outstanding approved AB55 Loans, which stood at \$308,389,533.16 as of November 30, 2011. Ms. Connelly also noted that Loan Renewal Request (Item 8.a) had been withdrawn.

a.	1120018	Department of Corrections and Rehabilitation- SPWB Lease Revenue Bonds, AB 900- DeWitt Nelson Correctional Facility	\$852,000.00
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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