

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

MINUTES

Wednesday, June 20, 2012

The meeting was called to order at 10:02 a.m.

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

Staff Present: Jeff Wurm, State Treasurer's Office
Catherine Brown, Attorney General's Office
Mark Paxson, State Treasurer's Office

MINUTES

The minutes for the May 16, 2012, meeting were approved, 3-0.

PMIB DESIGNATION

Mr. Jeff Wurm of the State Treasurer's Office presented a Portfolio Summary Report as of May 31, 2012. On that day, the portfolio stood at \$64.183 billion. The effective yield was 0.359%, the quarter-to-date yield was 0.365% and the year-to-date yield was 0.384%. The average life of the portfolio was 224 days. AB 55 Loans approved were \$282 million, with a disbursed amount of \$129 million. The Local Agency Investment Fund had \$22.327 billion total deposits, with 2,723 total participants.

Ms. Kristin Szakaly-Moore of the State Treasurer's Office Cash Management Division presented a summary of forecasted revenue changes in the portfolio for the Pooled Money Investment Account (PMIA) for the period June 18, 2012 through August 17, 2012. Anticipated receipts for this nine-week period total \$36.6 billion. Ms. Szakaly-Moore highlighted the key receipts.

Ms. Coleen Morrow of the State Controller's Office, Cash Management Bureau and Division of Account and Reporting continued the presentation. Ms. Morrow highlighted the major disbursements anticipated for the reporting period of June 18, 2012 through August 17, 2012. Anticipated disbursements for the nine-week period total \$46.759 billion.

Designation No. 1756 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. This Authorization for General Fund Internal Borrowing for July 1, 2012 through September 30, 2012 the amount estimated to be available from various internal funds is up to \$19.672 billion, was approved, 3-0

STATE CONTROLLER'S OFFICE - EXPLANATION OF INTERNAL BORROWING PRACTICES (Informational Item)

Ms. Coleen Morrow of the State Controller's Office presented a summary of Cash Management and General Fund Borrowing practices. The information was provided in response to inquiries from State agencies and other entities regarding the State's internal borrowing practices. The document was prepared by the State Controller's Office in collaboration with the State Treasurer's Office and the Department of Finance. The document is provided as an informational item and the State Controller's Office requested that document be posted to the respective websites of the State Controller, the State Treasurer and the Department of Finance for State agencies and other stakeholders to reference when seeking clarification of the State's borrowing practices. The Board concurred with this suggestion.

DECLARATION OF SURPLUS MONEY/REDUCTION OF SURPLUS MONEY

Mr. Jeff Wurm presented the changes in the Surplus Money Investment Fund for the period May 1, 2012, through May 31, 2012. Declaration of Surplus Money was in the amount of \$8.404 billion. A reduction in Surplus Money was in the amount of \$10.329 billion. An attached list from the State Controller's office shows the breakdown. The Surplus Money Declaration/Reduction for the month of May, was approved, 3-0.

SURPLUS MONEY INVESTMENT FUND REQUEST (SMIF)

Mr. Wurm presented one SMIF request from the California Department of Insurance to participate in the Surplus Money Investment Fund:

Fortis Benefits Insurance Company Settlement Agreement
Special Deposit Fund #0942

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

AB55 LOAN PROGRAM (Government Code § 16312)

Ms. Tiffany Connelly with the Public Finance Division of the State Treasurer's Office presented the PMIA loans monthly reporting. There was \$281.858 million of outstanding AB55 loans as of May 31, 2012. Staff recommended approval for the four AB55 Loan renewal requests, Items 8-a through 8-d on the June 20, 2012 agenda in the amounts shown on column F of Exhibit A of the Staff Report. These items reflected increases necessary for the requesting departments to pay accrued interest and administrative costs. All four loan requests were in compliance with current AB55 loan policy.

	<u>PMIB Loan No.</u>	<u>Department & Bond Act</u>	<u>Amount</u>
a.	1120050	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Altaville Forest Fire Station: Replace Automotive Shop	\$32,000.00
b.	1120051	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Higgins Corner Forest Fire Station: Replace Facility	30,000.00
c.	1120052	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Garden Valley Forest Fire Station: Replace Facility	28,000.00
d.	1120053	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds San Mateo/Santa Cruz Unit Headquarters: Relocate Automotive Shop	80,000.00

The PMIB accepted staff recommendations and approved the four loan renewal requests, 3-0.

PUBLIC COMMENT

None.

ADJOURNMENT

In the absence of further business, the meeting was adjourned at 10:11 a.m.

Respectfully submitted,

Bettina Redway
Executive Secretary