

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

MINUTES

Wednesday, October 16, 2013

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

Roll: Katie Carroll for State Treasurer Bill Lockyer
 Richard Chivaro for State Controller John Chiang
 Eraina Ortega for Director of Finance Michael Cohen

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 September 18, 2013 meeting were approved, 3-0.

PMIB DESIGNATION

Mr. Jeff Wurm of the State Treasurer's Office presented a Portfolio Summary Report as of September 30, 2013. On that day, the portfolio stood at \$56.617 billion. The effective yield was 0.253%, the quarter-to-date yield was 0.265% and the year-to-date yield was 0.265%. The average life of the portfolio was 239 days. AB55 Loans approved were \$377 million with a disbursed amount of \$204 million. The Local Agency Investment Fund had \$19.284 billion total deposits, with 2,613 total participants.

Mr. Wurm informed the Board in accordance with the new Investment Policy that Microsoft Commercial Paper has been added back into the list of approved investments. Ms. Carroll inquired as to the reason. Ms. Evelyn Gorman, with the State Treasurer's Office, Investment Division, explained that Microsoft had discontinued their participation in the program last spring and they have now chosen to reestablish their participation.

Ms. Kristin Szakaly-Moore of the State Treasurer's Office Centralized Treasury and Securities Management Division presented a summary of forecasted revenue changes in the portfolio for the Pooled Money Investment Account (PMIA) for the period October 14, 2013 through December 13, 2013. Anticipated receipts for this nine-week period total \$41.270 billion. Ms. Szakaly-Moore highlighted some of the key revenues for this period.

Mr. Mark Kapinski, of the State Controller's Office, Cash Management Bureau and Division of Account and Reporting continued the presentation. Mr. Kapinski highlighted the major disbursements anticipated for the reporting period of October 14, 2013 through December 13, 2013. Anticipated disbursements for the nine-week period total \$43.248 billion.

Designation No. 1772 was approved, 3-0.

DECLARATION OF SURPLUS MONEY/REDUCTION OF SURPLUS MONEY

Mr. Jeff Wurm presented the changes in the Surplus Money Investment Fund for the period September 1, 2013, through September 30, 2013. Declaration of Surplus Money was in the amount of \$12.816 billion. A reduction in Surplus Money was in the amount of \$10.643 billion. An attached list from the State Controller's office showed the breakdown. The Surplus Money Declaration/Reduction for the month of September was approved, 3-0.

SURPLUS MONEY INVESTMENT FUND REQUEST (SMIF)

There were no SMIF requests for this month.

REVIEW OF POOLED MONEY INVESTMENT ACCOUNT LOAN POLICY (Informational Item)

Ms. Tiffany Connelly of the State Treasurer's Office Public Finance Division presented the annual review of the Pooled Money Investment Account Loan Policy pursuant to section 2.0 of the Pooled Money Investment Account Loan Policy adopted on October 20, 2010 which provides that the Board shall review the Loan Policy annually each October. Staff recommended no changes be made to the Loan Policy at this time. Ms. Eraina Ortega commented that the Department of Finance supported the motion at this time but may ask to bring the Loan Policy back to the PMIB for consideration before October 2014.

AB55 LOAN PROGRAM (Government Code § 16312)

Ms. Connelly also presented the monthly report of the current outstanding approved AB55 Loans, which as of September 30, 2013, stood at \$377,638,649.37. And, on October 9, 2013, a total of \$131,269,000 in outstanding AB55 Loans was paid from the sale of bonds.

Ms. Connelly presented the staff recommendations for one renewal AB55 loan request, Item 7.a. in the amount shown on column f of Exhibit A, of the staff report. The amount reflected an increase necessary to continue funding preliminary plans and working drawings, as well as to pay accrued interest and

administrative costs. She noted the loan renewal request was in compliance with the current AB55 loan policy.

Staff also recommended approval of the three new loan requests from the Department of Corrections and Rehabilitation in the amounts shown on column f of Exhibit A to the staff report. Item 7.b was for the San Diego County Jail for which loan proceeds will be used to fund design-build costs. Item 7.c was for the Sierra Conservation Center: Health Care Facility Improvement Project for which the loan proceeds will be used to fund preliminary plans and working drawings. Item 7.d was for the California Correctional Institution: Health Care Facility Improvement Project for which the loan proceeds will be used to fund preliminary plans and working drawings.

Staff recommended approval of these three new loan requests based on the requesting department complying with the requirements of section 3.0 of the current AB55 loan policy.

The B accepted staff recommendation and approved the one renewal loan request and the three new loan requests, 3-0.

RENEWAL REQUEST

	<u>PMIB Loan No.</u>	<u>Department</u>	<u>Amount</u>
a.	1340009	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds California Institution for Men: Health Care Facility Improvement Project	\$5,594,000.00

NEW LOAN REQUESTS

b.	1340010	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds San Diego County Jail	95,008,000.00
c.	1340011	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Sierra Conservation Center: Health Care Facility Improvement Project	1,540,000.00
d.	1340012	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds California Correctional Institution: Health Care Facility Improvement Project	\$1,441,000.00

PUBLIC COMMENT

None.

ADJOURNMENT

In the absence of further business, the meeting was adjourned at 10:12 a.m.

Respectfully submitted,

Bettina Redway
Executive Secretary