

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

MINUTES

Wednesday, October 19, 2016

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

Roll: Tim Schaefer for State Treasurer John Chiang
Richard Chivaro for State Controller Betty T. Yee

Staff Present: Tranice Rainy, State Treasurer's Office
Jacqueline Wong-Hernandez, Department of Finance
Catherine Brown, Attorney General's Office
Mark Paxson, State Treasurer's Office

MINUTES

The Board approved the minutes for the September 21, 2016 meeting by roll call vote, with the members voting as follows: Mr. Schaefer: Aye, Mr. Chivaro: Aye.

PMIB DESIGNATION

Ms. Tranice Rainey of the State Treasurer's Office presented a Portfolio Summary Report as of September 30, 2016. On that day, the portfolio stood at \$68.283 billion. The effective yield was 0.648%, the quarter-to-date yield was 0.611% and the year-to-date yield was 0.611%. The average life of the portfolio was 165 days. AB55 Loans approved were \$556 million, with a disbursed amount of \$243 million. The Local Agency Investment Fund had \$21.159 billion total deposits, with 2,463 total participants.

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 17, 2016 through December 16, 2016. Anticipated receipts for this nine-week period total \$51.308 billion. Ms. Szakaly-Moore highlighted the key receipts.

Ms. Mi Hoang of the State Controller's Office, Cash Management Bureau and Division of Accounting and Reporting continued the presentation. Ms. Hoang highlighted the major disbursements anticipated for the reporting period of October 17, 2016 through December 16, 2016. Anticipated disbursements for the nine-week period total \$54.804 billion. Ms. Hoang detailed important disbursements anticipated during this nine-week period.

The Board approved Designation No. 1808 by roll call vote, with the members voting as follows:
Mr. Schaefer: Aye, Mr. Chivaro: Aye.

DECLARATION OF SURPLUS MONEY/REDUCTION OF SURPLUS MONEY

Ms. Rainey presented changes in the Surplus Money Investment Fund for the period September 1, 2016, through September 30, 2016. Declaration of Surplus Money was in the amount of \$11.707 billion. A reduction in Surplus Money was in the amount of \$13.872 billion. An attached list from the State Controller's office shows the breakdown.

The Board approved the Surplus Money Declaration/Reduction for the month of September 2016 by roll call vote, with the members voting as follows: Mr. Schaefer: Aye, Mr. Chivaro: Aye.

SURPLUS MONEY INVESTMENT FUND REQUEST (SMIF)

There were no SMIF requests for this month.

REVIEW OF POOLED MONEY INVESTMENT ACCOUNT LOAN POLICY

Mr. Matthew Lehtonen with the Public Finance Department in the State Treasurer's Office, presented the Pooled Money Investment Account Loan Policy adopted on October 20, 2010, as amended on October 15, 2014 and November 18, 2015 (Loan Policy), for review by the Board, pursuant to section 2.0 of the Loan Policy which provides that the Board shall review the Loan Policy annually each October. Mr. Lehtonen reported that at this time, staff recommended that no changes to the current Loan Policy.

The Board accepted the staff recommendation and approved the Pooled Money Investment Account Loan Policy by roll call vote, with the members voting as follows: Mr. Schaefer: Aye, Mr. Chivaro: Aye.

AB55 LOAN PROGRAM (Government Code § 16312)

Mr. Lehtonen presented the PMIA loans monthly report.

1. Loan Renewal Requests. Staff recommended approval of the two loan renewal requests (Items 7.a & 7.b) on the agenda in the amounts shown on column f of Exhibit A to the staff report. Items 7.a & 7.b reflect increases necessary to continue design-build. The increases for each item will also pay accrued interest and administrative costs.

2. New Loan Requests. Staff recommended approval of the following new loan request:

- Item 7.c Department of Corrections and Rehabilitation - \$17,569,000
SPWB Lease Revenue Bonds
Kings County Adult Local Criminal Justice Facility
Loan proceeds will be used to complete design work and to begin construction.

Impact on the Pool. The above loan requests are in compliance with the current AB55 Loan Policy and, if approved, will increase the outstanding loans balance by \$64,421,000.

LOAN RENEWAL REQUESTS

	<u>PMIB Loan No.</u>	<u>Department</u>	<u>Amount</u>
a.	1670006	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Los Angeles County Camp Kilpatrick Juvenile Center	\$28,758,000.00
b.	1670007	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Kern County Jail Project	95,089,000.00

NEW LOAN REQUEST

	<u>PMIB Loan No.</u>	<u>Department</u>	<u>Amount</u>
c.	1670008	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Kings County Adult Local Criminal Justice Facility	\$17,569,000.00

The Board accepted the staff recommendations and approved the two loan renewals and one new loan request by roll call vote, with the members voting as follows: Mr. Schaefer: Aye, Mr. Chivaro: Aye.

PUBLIC COMMENT

None.

ADJOURNMENT

In the absence of further business, the meeting was adjourned at 10:17 a.m.

Respectfully submitted,

Grant Boyken
Executive Secretary