

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

MINUTES

Wednesday, December 14, 2016

The meeting was called to order at 10:05 a.m.

Roll: Bill Dowell for State Treasurer John Chiang
Eraina Ortega for Director of Finance Michael Cohen
Richard Chivaro, for State Controller Betty T. Yee

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

MINUTES

Ms. Ortega moved to approve the minutes for the November 16, 2016 meeting. Upon a second by Mr. Dowell: the motion passed 3-0 with the following votes: Mr. Dowell: yes; Mr. Chivaro: yes; Ms. Ortega: yes.

PMIB DESIGNATION

Ms. Tranice Rainey of the State Treasurer's Office presented a Portfolio Summary Report as of November 30, 2016. On that day, the portfolio stood at \$70.362 billion. The effective yield was 0.687%, the quarter-to-date yield was 0.666% and the year-to-date yield was 0.633%. The average life of the portfolio was 167 days. AB55 Loans approved were \$529 million, with a disbursed amount of \$268 million. The Local Agency Investment Fund had \$20.710 billion total deposits, with 2,459 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 December 12, 2016 through February 17, 2017. Anticipated receipts for this ten-week period total \$67.395 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 December 12, 2016 through February 17, 2017. Projected disbursements for the ten-week period total \$59.232 billion.

Ms. Ortega moved to approve Designation No. 1810. Upon a second by Mr. Chivaro, the motion passed 3-0 with the following votes: Mr. Dowell: yes; Mr. Chivaro: yes; Ms. Ortega: yes.

AUTHORIZATION FOR GENERAL FUND INTERNAL BORROWING

Ms. Rainey 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 is for the period January 1, 2017 through March 31, 2017, in the amount of up to \$37.155 billion.

Ms. Ortega moved to approve the Authorization for General Fund Internal Borrowing. Upon a second by Mr. Chivaro the motion passed 3-0 with the following votes: Mr. Dowell: yes; Mr. Chivaro: yes; Ms. Ortega: yes.

DECLARATION OF SURPLUS MONEY/REDUCTION OF SURPLUS MONEY

Ms. Rainey presented the changes in the Surplus Money Investment Fund for the period November 1, 2016 through November 30, 2016. Declaration of Surplus Money was in the amount of \$11.382 billion. A reduction in Surplus Money was in the amount of \$9.307 billion. An attached list from the State Controller's office showed the breakdown.

Mr. Chivaro moved to approve the Surplus Money Declaration/Reduction for the month of November. Upon a second by Ms. Ortega, the motion passed 3-0 with the following votes: Mr. Dowell: yes; Mr. Chivaro: yes; Ms. Ortega: yes.

SURPLUS MONEY INVESTMENT FUND REQUEST (SMIF)

There were no SMIF requests for this month. ‘

INVESTMENT POLICY REVIEW – INFORMATION ITEM

Mr. Jeff Wurm of the State Treasurer's Office Investments Division explained that following a review of the PMIA Investment Policy there were only non-substantive modifications designed to correct grammar and syntax, there was nothing structurally different about the policy.

ARRANGEMENTS WITH DEPOSITORY BANKS -- INFORMATION ITEM

Mr. Wurm presented this item. The Centralized Treasury and Securities Management Division presents this information annually to the Board. The report outlines the annual cost basis of banking services for all state depositories, as well as on any new products, fees or service charges. The Director of the Centralized Treasury and Securities Management Division was present and available for any questions. There were none.

AB55 LOAN PROGRAM (Government Code § 16312)

Mr. Matthew Lehtonen, with the Public Finance Department in the State Treasurer’s Office presented the PMIA loans monthly report. Staff recommended approval of the one loan renewal request (Item 9.a) on the agenda in the amount shown on column f of Exhibit A to the staff report. This item reflected an increase necessary to complete working drawings as well as to pay accrued interest and administrative costs.

Mr. Lehtonen reported that the loan renewal request was in compliance with the current AB55 Loan Policy and upon approval would result in an increase to the outstanding loans balance of \$895,000.

LOAN RENEWAL REQUESTS

	<u>PMIB Loan No.</u>	<u>Department</u>	<u>Amount</u>
a.	1670011	Department of Food and Agriculture SPWB Lease Revenue Bonds Yermo Agricultural Inspection Station Relocation	\$4,060,000.00

Ms. Ortega moved to accept the staff recommendation and approve the one loan renewal request. Upon a second by Mr. Chivaro, the motion passed 3-0 with the following votes: Mr. Dowell: yes; Mr. Chivaro: yes; Ms. Ortega: yes.

PUBLIC COMMENT

None.

ADJOURNMENT

In the absence of further business, the meeting was adjourned at 10:19 a.m.

Respectfully submitted,

Jeff Wurm
PMIB Administrator