

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

**MINUTES**

Wednesday, December 13, 2017

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

Roll: Tim Schaefer for State Treasurer John Chiang  
Jacqueline Wong-Hernandez 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. Jacqueline Wong-Hernandez moved to approve the minutes for the November 15, 2017 meeting. Upon a second by Mr. Schaefer: the motion passed 2-0 with the following votes: Mr. Schaefer: yes; Ms. Wong-Hernandez: yes.

**PMIB DESIGNATION**

(Note that Mr. Chivaro joined the meeting in progress at this point.)

Mr. Sean Collier of the State Treasurer's Office presented a Portfolio Summary Report as of November 30, 2017. On that day, the portfolio stood at \$68.484 billion. The effective yield was 1.186%, the quarter-to-date yield was 1.156% and the year-to-date yield was 1.110%. The average life of the portfolio was 180 days. AB55 Loans approved were \$561 million, with a disbursed amount of \$274 million. The Local Agency Investment Fund had \$20.295 billion total deposits, with 2,433 total participants.

Mr. Amin Pirasteh 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 11, 2017 through February 23, 2018. Anticipated receipts for this eleven-week period total \$73.623 billion. Mr. Pirasteh 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 11, 2017 through February 23, 2018. Projected disbursements for the eleven-week period total \$67.587 billion.

Mr. Richard Chivaro moved to approve Designation No. 1822. Upon a second by Ms. Wong-Hernandez the motion passed 3-0 with the following votes: Mr. Schaefer: yes; Mr. Chivaro: yes; Ms. Wong-Hernandez: yes.

### **AUTHORIZATION FOR GENERAL FUND INTERNAL BORROWING**

Mr. Collier 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, 2018 through March 31, 2018, in the amount of up to \$38.695 billion.

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

### **DECLARATION OF SURPLUS MONEY/REDUCTION OF SURPLUS MONEY**

Mr. Collier presented the changes in the Surplus Money Investment Fund for the period November 1, 2017 through November 30, 2017. Declaration of Surplus Money was in the amount of \$8.149 billion. A reduction in Surplus Money was in the amount of \$9.595 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. Wong-Hernandez, the motion passed 3-0 with the following votes: Mr. Schaefer: yes; Mr. Chivaro: yes; Ms. Wong-Hernandez: yes.

### **SURPLUS MONEY INVESTMENT FUND REQUEST (SMIF)**

Mr. Collier presented two requests for multiple funds to participate in the Surplus Money Investment Fund:

State Treasurer's Office  
California ABLE Administrative Fund  
Fund Number: 8101

Secure Choice Retirement Savings Administrative Fund  
Fund Number: 8111

Department of Consumer Affairs  
DCA EVIDENCE  
Fund Number: 0942339  
Chapter 121/45

Mr. Chivaro moved to approve staff recommendations of the Surplus Money Investment Fund participation requests. Upon a second by Ms. Wong-Hernandez, the motion passed 3-0 with the following votes: Mr. Schaefer: yes; Mr. Chivaro: yes; Ms. Wong-Hernandez: yes.

## INVESTMENT POLICY REVIEW – INFORMATION ITEM

Mr. Jeff Wurm of the State Treasurer’s Office Investment Division noted the PMIA Investment Policy is annually presented to the PMIB for review. He pointed out the only update for this year was the added condition that “Institutions must be headquartered in California” in order to be eligible to participate in the Time Deposit Program. He said this change was in keeping with the direction that State Treasurer John Chiang had taken the program, emphasizing that it is designed for smaller, locally based institutions. Mr. Schaefer reiterated the importance of the Treasurer’s Time Deposit Program and the desire to take every reasonable step possible to make certain that money invested through this program is directed towards *California* institutions.

## ARRANGEMENTS WITH DEPOSITORY BANKS -- INFORMATION ITEM

The Centralized Treasury and Securities Management Division (CTSMD) presents this Information Item annually to the PMIB. Mr. Mark Hariri, Director of CTSMD, submitted a written report which outlined the annual cost details of banking services for the state’s depository institutions. Mr. Schaefer noted the cost of banking services provided by all depository banks during 2016-17 fiscal year was approximately \$5.4 million.

## 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 four loan renewal requests (Items 9.a - 9.d) on the agenda in the amounts shown on column f of Exhibit A to the staff report. Mr. Lehtonen reported that the new loan requests were in compliance with the current AB55 Loan Policy and upon approval would result in an increase to the outstanding loans balance of \$62,371,000.

## NEW LOAN REQUESTS

	<u>PMIB Loan No.</u>	<u>Department</u>	<u>Amount</u>
a.	1780011	Board of State and Community Corrections SPWB Lease Revenue Bonds Fresno County Adult Local Criminal Justice Facility	\$26,152,000.00
b.	1780012	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Butte Fire Station/Unit Headquarters: Replace Facility	22,533,000.00

	<u>PMIB Loan No.</u>	<u>Department</u>	<u>Amount</u>
c.	1780013	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Vina Helitack Base: Replace Facility	\$11,586,000.00
d.	1780014	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Westwood Forest Fire Station: Replace Facility	2,100,000.00

Mr. Chivaro moved to accept the staff recommendation and approve the four new requests. Upon a second by Ms. Wong-Hernandez, the motion passed 3-0 with the following votes: Mr. Schaefer: yes; Mr. Chivaro: yes; Ms. Ortega: yes.

#### **PUBLIC COMMENT**

There was no Public Comment. However, Mr. Schaefer exercised a Point of Privilege to acknowledge the professional services of Ms. Eraina Ortega. She had represented the Department of Finance for several years on the PMIB, as well as other boards, commissions and authorities. On behalf of the Treasurer, Mr. Schaefer thanked Ms. Ortega for her service and wished her well in her new career endeavor.

#### **ADJOURNMENT**

In the absence of further business, the meeting was adjourned at 10:30 a.m.

Respectfully submitted,

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Jeff Wurm  
PMIB Administrator