

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

MINUTES

Wednesday, October 17, 2018

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

Roll: State Treasurer John Chiang
Richard Chivaro for State Controller Betty T. Yee
Jacqueline Wong-Hernandez for Director of Finance Keely Martin Bosler

Staff Present: Tracey Paine, State Treasurer's Office
Sean Collier, State Treasurer's Office
Julia Zuffelato, Attorney General's Office

MINUTES

Ms. Jacqueline Wong-Hernandez moved to approve the minutes for the September 19, 2018 meeting. Upon a second by Mr. Chiang the motion passed 2-0 with the following votes: Mr. Chiang: yes; Ms. Wong-Hernandez: yes.

PMIB DESIGNATION

Mr. Sean Collier of the State Treasurer's Office presented a Portfolio Summary Report as of September 30, 2018. On that day, the portfolio stood at \$88.310 billion. The effective yield was 2.086%, the quarter-to-date yield was 2.001% and the year-to-date yield was 2.001%. The average life of the portfolio was 193 days. AB55 Loans approved were \$791 million, with a disbursed amount of \$423 million. The Local Agency Investment Fund had \$20.194 billion total deposits, with 2,401 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 October 15, 2018 through December 14, 2018. Anticipated receipts for this nine-week period total \$50.174 billion. Mr. Pirasteh highlighted the key receipts.

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

Ms. Mi Hoang of the State Controller's Office, Cash Management Bureau and State Accounting and Reporting Division continued the presentation. Ms. Hoang highlighted the major disbursements anticipated for the reporting period of October 15, 2018 through December 14, 2018. Projected disbursements for the nine-week period total \$56.877 billion.

Mr. Collier presented Designation No. 1832. In accordance with Treasurer's Office policy, the recommended deposit in demand bank accounts as Compensating Balance for Services is \$249,400,000.

Mr. Richard Chivaro moved to approve Designation No. 1832. Upon a second by Ms. Wong-Hernandez the motion passed 3-0 with the following votes: Mr. Chiang: 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 September 1, 2018 through September 30, 2018. Declaration of Surplus Money was in the amount of \$11.549 billion. A reduction in Surplus Money was in the amount of \$8.204 billion. An attachment to the Declaration letter showed the breakdown.

Mr. Chivaro moved to approve the Surplus Money Declaration/Reduction for the month of September. Upon a second by Ms. Wong-Hernandez the motion passed 3-0 with the following votes: Mr. Chiang: yes; Mr. Chivaro: yes; Ms. Wong-Hernandez: yes.

SURPLUS MONEY INVESTMENT FUND REQUEST (SMIF)

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

Department of Parks and Recreation
State Parks Protection Fund
Fund Number: 8076

Department of General Services
State Project Infrastructure Fund
Fund Number: 3292

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

COMMERCIAL PAPER ISSUERS

Ms. Tracey Paine of the State Treasurer's Office Investments Division presented two new Commercial Paper Issuers for approval.

1. Apple Incorporated
2. Intel Corporation

Ms. Paine noted both commercial paper programs are highly rated by Moody's, Standard & Poor's, and Fitch. She also noted that adding these names to the list of approved PMIA investments would provide diversity and flexibility in Prime investment options at competitive yields without incurring a high level of risk.

Mr. Chivaro moved to approve the proposed two commercial paper issuers. Upon a second by Ms. Wong-Hernandez, the motion passed 3-0 with the following votes: Mr. Chiang: yes; Mr. Chivaro: yes; Ms. Wong-Hernandez: yes.

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”), the Board reviews the Loan Policy annually each October. Mr. Lehtonen reported that at this time, staff recommended that no changes be made to the current Loan Policy. (Informational Item)

AB55 LOAN PROGRAM (Government Code § 16312)

Mr. Matt Lehtonen, with the Public Finance Division in the State Treasurer’s Office presented the PMIA loans monthly report. Staff recommended approval of the loan renewal request (Item 8) on the agenda in the amounts shown on column f of Exhibit A to the staff report. Item 8.a reflects increases necessary to continue design-build. This item will pay accrued interest and administrative costs. Item 8.b was withdrawn due to the payment of the loan on October 16, 2018. Mr. Lehtonen reported that the loan request was in compliance with the current AB55 Loan Policy and upon approval would result in an increase to the outstanding loans balance of \$45,373,000.

LOAN RENEWAL REQUESTS

	<u>PMIB Loan No.</u>	<u>Department</u>	<u>Amount</u>
a.	1890004	Military Department SPWB Lease Revenue Bonds Sacramento: Consolidated Headquarters Complex	\$77,373,000.00
b.	1890005	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Imperial County Jail Project	33,332,000.00

PUBLIC COMMENT

There was no Public comment.

ADJOURNMENT

In the absence of further business, the meeting was adjourned at 10:20 a.m.

Respectfully submitted,

Tracey Paine
PMIB Administrator