

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

**MINUTES**

Wednesday, June 19, 2019

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

Board Members Present: State Treasurer Fiona Ma  
Richard Chivaro for State Controller Betty T. Yee  
Gayle Miller for Director of Finance Keely Martin Bosler

Staff Present: Tracey Paine, State Treasurer's Office  
Nicole Milliron, State Treasurer's Office  
Julia Zuffelato, Attorney General's Office

**MINUTES**

Mr. Richard Chivaro moved to approve the minutes for the May 15, 2019 meeting. Upon a second by Ms. Gayle Miller, the motion passed 3-0 with the following votes: Treasurer Ma: yes; Mr. Chivaro: yes; Ms. Miller: yes.

**PMIB DESIGNATION**

Ms. Nicole Milliron of the State Treasurer's Office presented the Portfolio Summary Report as of May 31, 2019. The total portfolio amount was \$95.348 billion, the effective yield was 2.452%, and the average life was 180 days. The amount of AB55 Loans approved was \$771 million with a disbursed amount of \$491 million. The total deposit amount for the Local Agency Investment Fund was \$23.995 billion with 2,361 participants.

Ms. Milliron also presented the Interest Bearing Demand Deposit Account Report as of May 31, 2019. The average daily balance was 223.9 million and the effective rate was 2.60%.

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 ten-week period of June 17, 2019 through August 23, 2019. The anticipated receipts total \$63.798 billion.

Treasurer Ma asked about the amount and purpose of the anticipated proceeds from the CSU Bond Sale. Mr. Matt Lehtonen, with the Public Finance Division in the State Treasurer's Office, replied that these are systemwide bonds which encompass all CSUs and the Public Finance Division will provide additional information.

Ms. Van Tran of the State Controller's Office Cash Management Bureau and Division of Accounting and Reporting then highlighted the major disbursements anticipated for the ten-week period. The forecasted disbursements total \$65.733 billion.

Treasurer Ma asked if the Lottery Prizes disbursement amount changes each period and if it would be effected by a large jackpot. Ms. Tran replied that the amount is provided by the State Lottery agency and includes both administrative fees and prize liability that changes each period.

Ms. Milliron then presented Designation No. 1840. The compensating balance for services is \$329.8 million and the interest bearing account for cash flow variability amount is \$500 million.

Mr. Chivaro moved to approve Designation No. 1840. Upon a second by Ms. Miller, the motion passed 3-0 with the following votes: Treasurer Ma: yes; Mr. Chivaro: yes; Ms. Miller: yes.

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

Ms. Milliron 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 July 1, 2019 through September 30, 2019 and the amount to be available from various internal funds is up to \$52.45 billion.

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

### **SURPLUS MONEY DECLARATION AND REDUCTION**

Ms. Milliron presented the changes in the Surplus Money Investment Fund for the period May 1, 2019 through May 31, 2019. Declaration of Surplus Money was in the amount of \$11.600 billion. A reduction in Surplus Money was in the amount of \$16.403 billion.

Mr. Chivaro moved to approve the Surplus Money Declaration and Reduction for the month of May. Upon a second by Ms. Miller, the motion passed 3-0 with the following votes: Treasurer Ma: yes; Mr. Chivaro: yes; Ms. Miller: yes.

### **SURPLUS MONEY INVESTMENT FUND REQUESTS**

Ms. Milliron presented three requests to participate in the Surplus Money Investment Fund:

Aliso Supplemental Environmental Project Fund  
SubFund # 0942360

Old Age Survivor's Insurance Revolving Fund  
Fund # 0652

California Employers' Pension Prefunding Trust Fund  
Fund # 9251

Mr. Chivaro moved to approve the Surplus Money Investment Fund participation request. Upon a second by Ms. Miller, the motion passed 3-0 with the following votes: Treasurer Ma: yes; Mr. Chivaro: yes; Ms. Miller: yes.

**AB55 LOAN APPLICATIONS**

Mr. Josh Madrigal, with the Public Finance Division in the State Treasurer's Office presented the PMIA loans monthly report. Staff recommended approval of one loan renewal request (Items 7.a) on the agenda in the amount shown on column f of Exhibit A to the staff report. Mr. Madrigal reported that the loan renewal request was in compliance with the current AB55 Loan Policy and upon approval, would result in an increase in the outstanding loans balance by \$7.621 million.

Treasurer Ma asked what is required under AB55. Mr. Lehtonen explained the AB55 Loan Policy is approved each October by the PMIB and he will provide her that information. Ms. Miller explained the AB55 Loans are initial financing for agencies until bonds are sold. Mr. Lehtonen added that AB55 Loans are interim financing for construction projects, covering anything from preliminary plans to construction, before bonds are sold. Once the bonds are sold, the loans are repaid from the proceeds. Treasurer Ma asked if the money comes out of the PMIA, to which Mr. Lehtonen confirmed and said they would provide her with additional information on the AB55 Loan program.

**LOAN RENEWAL REQUESTS**

<u>PMIB Loan No.</u>	<u>Department</u>	<u>Amount</u>
a. 1890029	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Monterey County Jail Project	\$76,385,000.00

Mr. Chivaro moved to approve the loan renewal request. Upon a second by Ms. Miller, the motion passed 3-0 with the following votes: Treasurer Ma: yes; Mr. Chivaro: yes; Ms. Miller: yes.

**PUBLIC COMMENT**

There was no Public Comment.

**ADJOURNMENT**

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

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Respectfully submitted,

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Tracey Paine  
PMIB Administrator