

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

MINUTES

Wednesday, August 21, 2019

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

Board Members Present: State Treasurer Fiona Ma
Richard Chivaro for State Controller Betty T. Yee
Kari Krogseng 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. Kari Krogseng moved to approve the minutes for the July 17, 2019 meeting with a second by State Treasurer Fiona Ma. Treasurer Ma left the roll call open.

PMIB DESIGNATION

Mr. Sean Collier of the State Treasurer's Office presented the Portfolio Summary Report as of July 31, 2019. The total portfolio amount was \$97.607 billion, the effective yield was 2.371%, and the average life was 182 days. The amount of AB55 Loans approved was \$781 million with a disbursed amount of \$524 million. The total deposit amount for the Local Agency Investment Fund was \$23.897 billion with 2,370 participants.

Mr. Collier also presented the Interest Bearing Demand Deposit Account Report as of July 31, 2019. The average daily balance was \$468.87 million and the effective rate was 2.54%.

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 nine-week period of August 19, 2019 through October 18, 2019. The anticipated receipts total \$54.573 billion.

Treasurer Ma asked what other revenues are included in the Unsegregated accounts category, other than the drug rebates that Mr. Pirasteh mentioned. Mr. Pirasteh replied that it also includes receipts from the Public Utilities Commission, the State Controller's Office, and Department of Child Support Services.

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

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 nine-week period. The forecasted disbursements total \$65.839 billion.

Mr. Collier then presented Designation No. 1842. The compensating balance for services is \$252.2 million and the interest bearing account for cash flow variability amount is \$500 million.

Mr. Chivaro moved to approve Designation No. 1842. Upon a second by Ms. Krogseng, the motion passed 3-0 with the following votes: Treasurer Ma: yes; Mr. Chivaro: yes; Ms. Krogseng: yes.

Treasurer Ma then called the roll to approve the minutes for the July 17, 2019 meeting. The motion passed 3-0 with the following votes: Treasurer Ma: yes; Mr. Chivaro: yes; Ms. Krogseng: yes.

SURPLUS MONEY DECLARATION AND REDUCTION

Mr. Collier presented the changes in the Surplus Money Investment Fund for the period July 1, 2019 through July 31, 2019. Declaration of Surplus Money was in the amount of \$80.228 billion. A reduction in Surplus Money was in the amount of \$76.665 billion.

Treasurer Ma asked about a journal entry to the teachers retirement account included in the attached summary. Ms. Colleen Morrow of the State Controller's Office explained that there was an incorrect journal entry entered on July 1, 2019 of \$65 billion, which should have been \$653 million. A correcting journal entry was entered on July 2, 2019 and backdated to avoid impact on dollar day calculations and balances available for investment. Treasurer Ma asked for a footnote to be included on the Declaration of Surplus Money document for transparency purposes.

Mr. Chivaro moved to approve the Surplus Money Declaration and Reduction for the month of July, contingent on receiving the corrected document. Upon a second by Ms. Krogseng, the motion passed 3-0 with the following votes: Treasurer Ma: yes; Mr. Chivaro: yes; Ms. Krogseng: yes.

SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Collier presented one request to participate in the Surplus Money Investment Fund:

Cannabis Tax Fund – Department of Parks and Recreation,
Environmental Restoration and Protection Account – Allocation 3
Fund # 3352

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

NEW COMMERCIAL PAPER ISSUERS

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

1. Chariot Funding LLC
2. Jupiter Securitization Company LLC

Ms. Paine noted both asset-backed commercial paper programs are highly rated by Moody's, S&P, 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.

AB55 LOAN APPLICATIONS

There were no AB 55 Loan applications this month.

PUBLIC COMMENT

There was no Public Comment.

ADJOURNMENT

In the absence of further business, the meeting was adjourned at 10:25 a.m.

Respectfully submitted,

Tracey Paine
PMIB Administrator