

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

MINUTES

Wednesday, September 18, 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
 Gayle Miller 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

Mr. Richard Chivaro moved to approve the minutes for the August 21, 2019 meeting. Upon a second by Treasurer Ma, the motion passed 2-0 with the following votes: Treasurer Ma: yes; Mr. Chivaro: yes.

INFORMATION ITEM – Creation of New Interest Bearing Demand Account with Bank of the West

Mr. Mark Hariri, Director of the Centralized Treasury and Securities Management Division, presented the interest bearing demand account established with Bank of the West. The purpose of the account is to manage the volatility of cash flow and meet daily liquidity needs. The initial target balance is \$500 million, with a goal of maintaining a minimum average daily balance of \$300 million. The Treasurer or Bank of the West may close the account by providing a 7-day written notice to the other party. This is the second interest bearing demand account; the first was opened with JP Morgan Chase Bank, N.A.

(Note: Ms. Miller joined the meeting in progress at this point.)

PMIB DESIGNATION

Ms. Nicole Milliron of the State Treasurer's Office presented the Portfolio Summary Report as of August 31, 2019. The total portfolio amount was \$94.79 billion, the effective yield was 2.315%, and the average life was 180 days. The amount of AB55 Loans approved was \$781 million with a disbursed amount of \$556 million. The total deposit amount for the Local Agency Investment Fund was \$24.269 billion with 2,376 participants.

Ms. Milliron then presented Designation No. 1843

Treasurer Ma asked about the increase in the number of LAIF participants from 2,370 to 2,376. Ms. Milliron replied that fluctuations occur based on requests from local agencies to open or close accounts.

Mr. Chivaro moved to approve Designation No. 1843. 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 October 1, 2019 through December 31, 2019 and the amount to be available from various internal funds is up to \$53.852 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.

RATIFICATION OF MODIFICATION TO SURPLUS MONEY DECLARATION AND REDUCTION NO. 1

Ms. Milliron presented the revised changes in the Surplus Money Investment Fund for the period July 1, 2019 through July 31, 2019. The revised Declaration of Surplus Money was in the amount of \$16.537 billion. The revised reduction in Surplus Money was in the amount of \$12.974 billion.

Mr. Chivaro moved to approve the revised Surplus Money Declaration and Reduction for the month of July. 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 August 1, 2019 through August 31, 2019. Declaration of Surplus Money was in the amount of \$14.009 billion. A reduction in Surplus Money was in the amount of \$14.146 billion.

Mr. Chivaro moved to approve the Surplus Money Declaration and Reduction for the month of August. 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

There were no SMIF Requests this month.

AB55 LOAN APPLICATIONS

Mr. Matthew Lehtonen, 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 (Item 9.a) on the agenda in the amount shown on column f of Exhibit A to the staff report. Item 9.a reflects increases necessary to continue design-build as well as pay accrued interest and administrative costs. Proceeds from the new loan request, Item 9.b, will be used to begin construction. Mr. Lehtonen reported that the 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 \$15,232,000.

LOAN RENEWAL REQUESTS

	<u>PMIB Loan No.</u>	<u>Department</u>	<u>Amount</u>
a.	1900003	Military Department SPWB Lease Revenue Bonds Sacramento: Consolidated Headquarters Complex	\$78,595,000.00

NEW LOAN REQUEST

	<u>PMIB Loan No.</u>	<u>Department</u>	<u>Amount</u>
b.	1900004	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds San Mateo/Santa Cruz Unit Headquarters: Relocate Auto Shop	\$14,010,000.00

Mr. Chivaro moved to accept the staff recommendation and approve the new renewal request and the new loan 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 10:20 a.m.

Respectfully submitted,

Tracey Paine
PMIB Administrator