

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

MINUTES

Wednesday, February 19, 2020

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

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

Staff Present: Nicole Milliron, State Treasurer's Office
 Sean Collier, State Treasurer's Office
 Julia Zuffelato, Attorney General's Office

MINUTES

Ms. Gayle Miller moved to approve the minutes for the January 15, 2020 meeting. Upon a second by Mr. Tim Schaefer, the motion passed 2-0 with the following votes: Mr. Schaefer: yes; Ms. Miller: yes.

PMIB DESIGNATION

Mr. Sean Collier of the State Treasurer's Office presented the Portfolio Summary Report as of January 31, 2020. The total portfolio amount was \$100.624 billion, the effective yield was 1.926%, and the average life was 215 days. The amount of loans approved was \$617 million with a disbursed amount of \$430 million. The total deposit amount for the Local Agency Investment Fund was \$28.443 billion with 2,365 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 nine-week period of February 17, 2020 through April 17, 2020. The anticipated receipts total \$71.026 billion.

(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 \$74.226 billion.

Mr. Collier then presented Designation No. 1848.

Mr. Chivaro moved to approve Designation No. 1848. Upon a second by Ms. Miller, the motion passed 3-0 with the following votes: Mr. Schaefer: yes; Mr. Chivaro: yes; Ms. Miller: yes.

SURPLUS MONEY DECLARATION AND REDUCTION

Mr. Collier presented the changes in the Surplus Money Investment Fund for the period January 1, 2020 through January 31, 2020. Declaration of Surplus Money was in the amount of \$15.215 billion. A reduction in Surplus Money was in the amount of \$12.837 billion.

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

SURPLUS MONEY INVESTMENT FUND REQUESTS

There were no SMIF requests this month.

NEW COMMERCIAL PAPER ISSUER

Ms. Nicole Milliron of the State Treasurer's Office Investments Division presented a new Commercial Paper Issuer for approval.

1. United Parcel Service, Inc

Ms. Milliron noted the commercial paper program is highly rated by Moody's and S&P. She also noted that adding this name 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.

Ms. Miller asked what the process of vetting new investment options for the PMIA included as well as what the rate of return would be on these securities.

Ms. Milliron explained that the Investments Division internally analyzes each new commercial paper name before it is presented to the board for approval. She also noted UPS offers a similar rate to agency discount notes. Mr. Schaefer further explained that rates may be lower than the average yield of the PMIA due to the short term nature of commercial paper.

Ms. Miller moved to approve the proposed commercial paper issuer. Upon a second by Mr. Chivaro, the motion passed 3-0 with the following votes: Mr. Schaefer: yes; Mr. Chivaro: yes; Ms. Miller: yes.

LOAN REQUESTS

Mr. Matt 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 (Agenda Item 7.a) and one new loan request (Agenda Item 7.b). Mr. Lehtonen reported that the loan requests were in compliance with the current PMIA Loan Policy and upon approval would result in an increase to the outstanding loans balance by \$5.909 million.

LOAN RENEWAL REQUESTS

	<u>PMIB Loan No.</u>	<u>Department</u>	<u>Amount</u>
a.	1900016	Board of State & Community Corrections SPWB Lease Revenue Bonds Napa County Adult Local Criminal Justice Facility	\$13,194,000.00

NEW LOAN REQUESTS

	<u>PMIB Loan No.</u>	<u>Department</u>	<u>Amount</u>
b.	1900017	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Pine Mountain Fire Station: Relocate Facility	\$5,662,000.00

Mr. Chivaro moved to accept the staff recommendation and approve the loan requests. Upon a second by Ms. Miller, the motion passed 3-0 with the following votes: Mr. Schaefer: 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 10:25 a.m.

Respectfully submitted,

Tracey Paine
PMIB Administrator