

POOLED MONEY INVESTMENT BOARD
915 Capitol Mall, Room 110
Sacramento, CA 95814

MINUTES

Wednesday, May 19, 2004

The meeting was called to order at 10:02 a.m.

Roll: Francisco Lujano for State Treasurer Philip Angelides
Cindy Aronberg for State Controller Steve Westly
Bob Campbell for Director of Finance Donna Arduin

Staff Present: Barbara Lloyd, Executive Secretary, PMIB
Doug Spittler, State Treasurer's Office
Connie Le Louis, Attorney General's Office
Linda McAtee, State Treasurer's Office

Following roll call Mr. Lujano said Ms. Lloyd wanted to make an announcement. Ms. Lloyd stated that due to transitions within the Treasurer's Office executive management staff, she would be serving in a different capacity and would no longer be the PMIB executive secretary. Effective June 1, 2004, Mr. Mark Paul would be replacing her as PMIB executive secretary and deputy treasurer for policy. Ms. Lloyd then introduced Mr. Paul to the Board and audience.

APPROVAL OF MINUTES

The Minutes for the meeting of April 21, 2004, were approved as submitted, 3-0.

APPROVAL OF PMIB DESIGNATION NO. 1659

Mr. Doug Spittler of the Investment Division of the State Treasurer's Office indicated that there was no forecast this month. He then presented the Portfolio Summary Report as of May 11, 2004. On that day, the portfolio stood at \$64.757 billion. The effective yield was 1.449%, the quarter-to-date yield was 1.437% and the year-to-date yield was 1.547%. The average life of the portfolio was 159 days and AB 55 Loans approved stood at \$5.256 billion with \$945 million having been disbursed. The Local Agency Investment Fund had deposits totaling \$23.147 billion with 2,729 participants.

Designation No. 1659 was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATIONS/REDUCTIONS

Mr. Doug Spittler presented the changes in the Surplus Money Investment Fund for the period April 1, 2004 through April 30, 2004. During that month \$12.664 billion was declared surplus in various special funds, while \$10.085 billion was declared to be a reduction in surplus.

The Surplus Money Declaration/Reduction for the month of April 2004 was approved, 3-0.

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Doug Spittler presented a SMIF request from the Department of Corrections for the Special Deposit Fund, Legal Settlement Freitag v. CDC Account (Fund Number 0942044). Mr. Spittler said staff had reviewed the request and recommended its approval.

The Board accepted staff's recommendation and approved the request, 3-0.

APPROVAL OF COMMERCIAL PAPER ISSUERS

Mr. Bill Dowell, of the Investment Division of the State Treasurer's Office, presented the names of two new commercial paper issuers for approval of the Board. The first name presented was Chevron Texaco Funding Corporation and the second one was Toyota Motor Credit Corporation. Both companies have their corporate headquarters in California. Chevron Texaco Funding Corporation is in San Ramon and Toyota Motor Credit Corporation is in Torrance. Both are very sound financially, have great liquidity and have received top ratings from the national rating agencies. Moody's rated both programs P-1 and Standard & Poors rated them A-1+. Mr. Dowell recommended adding these names to the list of approved PMIA investments, as this would provide diversity and flexibility for investment options at competitive yields without incurring a high level of risk.

The Board approved the use of both proposed issuers, 3-0.

APPROVAL OF AB 55 LOANS

Mr. Chris Vance, of the Public Finance Division of the State Treasurer's Office presented fifteen loan requests as shown in the following table:

Loan Number	Type	Department/Program	Adjusted Loan Amount
034174	GO/New	Hastings College of Law Kindergarten–University Public Education Facilities Bond Act of 2002 (Higher Education)	\$1,875,000.00
034175	GO/Renewal	California State University Class Size Reduction K-U Public Education Facilities Bond Act of 1998 (Higher Education)	\$107,958,534.00

APPROVAL OF AB 55 LOANS (Continued)

Loan Number	Type	Department/Program	Adjusted Loan Amount
034176	GO/Renewal	Department of General Services for Department of Mental Health Earthquake Safety and Public Buildings Rehabilitation Bond Act of 1990	\$171,962.71
034177	REV/New	Department of Corrections SPWB Lease Revenue Bonds Ironwood State Prison, Correctional Treatment Center, Phase II	\$3,063,428.00
034178	REV/New	Department of Corrections SPWB Lease Revenue Bonds Richard J. Donovan Correctional Facility, Substance Abuse Program Modular Replacement	\$2,046,196.00
034179	REV/Renewal	California Conservation Corps SPWB Lease Revenue Bonds Camarillo Satellite Relocation/Construction	\$5,300,000.00
034180	REV/Renewal	California State University SPWB Lease Revenue Bonds San Marcos Campus, Academic Hall II, Bldg. 13	\$15,038,000.00
034181	REV/Renewal	California State University SPWB Lease Revenue Bonds Los Angeles Campus, Physical Science Replacement Building	\$3,393,000.00
034182	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Stevens Creek Forest Fire Station	\$63,500.00
034183	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Lassen Lodge Forest Fire Station	\$2,274,000.00
034184	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Elk Camp Forest Fire Station	\$156,680.00
034185	REV/Renewal	University of California SPWB Lease Revenue Bonds San Francisco Campus UCSF-Fresno Medical Education Center	\$23,660,000.00
034186	REV/Renewal	University of California SPWB Lease Revenue Bonds Santa Cruz Campus, Engineering Building	\$50,456,000.00
034187	REV/Renewal	University of California SPWB Lease Revenue Bonds Riverside Campus, Engineering Building Unit 2	\$29,000,000.00
034188	REV/Renewal	Department of General Services SPWB Lease Revenue Bonds State Office Building, Butterfield Way	\$177,817,925.00

APPROVAL OF AB 55 LOANS (Continued)

Ms. Le Louis pointed out that the last loan presented, for the Butterfield State Office Building, had only been noticed in the agenda for \$117, 817,925.00 and because of this could only be approved by the Board for the lower amount.

Mr. Vance corrected this loan amount as recommended by Ms. Le Louis and said that staff recommended approval of the first fourteen loans as presented and of the last loan as corrected.

All fifteen loan requests were approved at the amounts recommended and corrected by staff, 3-0.

PUBLIC COMMENT

None.

In the absence of further business, the meeting was adjourned at 10:11 a.m.

Respectfully submitted

Mark Paul
Executive Secretary