

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

**MINUTES**

Wednesday, June 16, 2004

The meeting was called to order at 10:01 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: Mark Paul, Executive Secretary, PMIB  
Doug Spittler, State Treasurer's Office  
Gina Greer, Attorney General's Office  
Linda McAtee, State Treasurer's Office

**APPROVAL OF MINUTES**

The Minutes for the meeting of May 19, 2004, were approved as submitted, 3-0.

**APPROVAL OF PMIB DESIGNATION NO. 1660**

Mr. Doug Spittler of the State Treasurer's Office presented the Portfolio Summary Report as of June 9, 2004. On that day, the portfolio stood at \$64.811 billion. The effective yield was 1.435%, the quarter-to-date yield was 1.434% and the year-to-date yield was 1.535%. The average life of the portfolio was 150 days and AB 55 Loans approved stood at \$4.833 billion with \$906 million having been disbursed. The Local Agency Investment Fund had deposits totaling \$22.734 billion with 2,739 participants.

Mr. Jerry Legg, of the Cash Management Division of the State Treasurer's Office, presented a summary of the Forecast of Changes in portfolio for the Pooled Money Investment Account for the period June 14, 2004, through August 20, 2004. He stated that over the ten-week period \$37.308 billion was anticipated in receipts. Mr. Legg continued by highlighting several of the key receipts. He noted that Sales, Liquor, and Utility Surcharges were anticipated to total \$7.333 billion. Personal Income and Bank & Corporation Taxes were expected to total \$9.076 billion, while the Insurance Gross Premium Taxes were estimated at \$378 million. The Sale of State Bonds was expected to total \$3.246 billion. Mr. Legg concluded by stating that \$37.308 billion was expected to be received over the ten-week period.

Mr. John Korach of the State Controller's Office presented the Estimated Pooled Money Disbursements for the forecast period and highlighted several of the major disbursements. Public

Schools and Community College expenses were expected to total \$1.1 billion for the week of July 5<sup>th</sup> and \$1.650 billion for the week of July 26<sup>th</sup>. Social Services had two major disbursements during the period. The first one was \$700 million for the week of June 28<sup>th</sup> and the second was \$700 million for the week of July 26<sup>th</sup>. The Realignment Apportionment had two major disbursements. The first one for \$303.1 million was expected to be disbursed the week of June 21<sup>st</sup> and the second one for \$338.2 million was scheduled to go out the week of July 26<sup>th</sup>. The Sales Tax – ½% for Public Safety also had two payments scheduled for disbursement. The first one for \$177 million was scheduled to go out the week of June 21<sup>st</sup> and the second for \$210 million was to go out the week of July 26<sup>th</sup>. Repayment of Revenue Anticipation Warrants was estimated at \$11.199 billion for the week of June 14<sup>th</sup> and the Revenue Anticipation Notes had a payment scheduled the week of June 21<sup>st</sup> for \$3.025 billion. The Payroll Revolving Fund had two payments going out. For the week of June 28<sup>th</sup> an estimated \$1.151 billion was to be paid out with another \$1.171 billion scheduled to go out the week of August 2<sup>nd</sup>. The Public Employee's Retirement System was estimated at \$523 million and the State Teacher's Retirement System was expected to total \$703 million. Total disbursements for the period were expected to total \$46.417 billion for the ten-week period.

Designation No. 1660 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 May 1, 2004 through May 31, 2004. During the month, \$9.250 billion was declared surplus in various special funds, while \$8.879 billion was declared to be a reduction in surplus.

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

#### **APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS**

Mr. Doug Spittler presented a SMIF request from the California Department of Consumer Affairs for three accounts: (1) for the Contractor's State License Board, Construction Management Education Account (Fund Number 0093); (2) for the Dental Board of California, Dentally Underserved Account (Fund Number 3039); and (3) for the Medical Board of California, Medically Underserved Account, (Fund Number 3040). Mr. Spittler indicated that staff was recommending approval of this request.

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

#### **APPROVAL OF AB 55 LOANS**

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

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<b>Loan Number</b>	<b>Type</b>	<b>Department/Program</b>	<b>Adjusted Loan Amount</b>
034189	GO/Renewal	California Community Colleges Higher Education Facilities Bond Act of 1992	\$1,530,000.00
034190	GO/Renewal	California Community Colleges Class Size Reduction K-U Public Education Facilities Bond Act of 1998 (Higher Education)	\$48,541,528.00
034191	GO/Renewal	Department of Water Resources California Safe Drinking Water Bond Law of 1988	\$5,000,000.00
034192	GO/Renewal	Resources Agency Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000	\$180,758,351.00
034193	REV/Renewal	Department of Forestry & Fire Protection SPWB Lease Revenue Bonds Hesperia Forest Fire Station	\$1,717,000.00
034194	REV/Renewal	Department of Forestry & Fire Protection SPWB Lease Revenue Bonds Ahwahnee Forest Fire Station	\$1,954,000.00
034195	REV/Renewal	Department of Corrections SPWB Lease Revenue Bonds CA Correctional Center: Replace Antelope Dorms	\$2,153,660.00
034196	REV/Renewal	California Community Colleges SPWB Lease Revenue Bonds Citrus College – Math/Science Bldg. Replacement	\$7,298,000.00
034197	REV/Renewal	Department of General Services SPWB Lease Revenue Bonds Capitol Area West End Complex	\$7,700,000.00
034198	REV/Renewal	Department of General Services SPWB Lease Revenue Bonds Butterfield State Office Bldg.	\$177,818,000.00
034199	REV/Renewal	University of California SPWB Lease Revenue Bonds Santa Barbara Campus, Life Sciences Bldg.	\$26,910,000.00
034200	REV/Renewal	University of California SPWB Lease Revenue Bonds San Diego Campus, Cal(IT)2 Facility	\$58,895,000.00
034201	REV/Renewal	Department of Forestry & Fire Protection SPWB Lease Revenue Bonds Warner Springs Forest Fire Station	\$244,000.00
034202	REV/Renewal	University of California SPWB Lease Revenue Bonds Los Angeles Campus, CNSI Court of Sciences Bldg.	\$24,000,000.00
034203	REV/New	University of California SPWB Lease Revenue Bonds Berkeley Campus, Davis Hall North Replacement Bldg.	\$25,072,000.00

**AB 55 LOANS (Continued)**

<b>Loan Number</b>	<b>Type</b>	<b>Department/Program</b>	<b>Adjusted Loan Amount</b>
034204	REV/New	Judicial Council of California SPWB Lease Revenue Bonds Fifth Appellate District: New Courthouse	\$3,315,000.00

Mr. Vance said that requests for this month totaled \$858,235,011.00 and that the impact to the Pool totaled \$157,750,791.84. He said staff had reviewed all the requests and recommended approval. Mr. Lujano then said he had something to read from the Treasurer regarding Item 6 (i.) for \$7,700,000.00 before members voted on the loans.

The Treasurer wants to note that the State Public Works Board required, at its meeting of March 15, 2004, that DGS is to return to SPWB within 120-days (by not later than July 15) with a developed public engagement process as an informational hearing item to give the community the opportunity to comment on the process.

The Treasurer will not support any further interim loans to this project from PMIB (beyond today's action) unless and until the DGS brings that report to the SPWB, as required, by July 15.

All sixteen loan requests were approved as recommended by staff, 3-0.

**PUBLIC COMMENT**

None.

In the absence of further business, the meeting was adjourned at 10:14 a.m.

Respectfully submitted

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Mark Paul  
Executive Secretary