

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

MINUTES

Wednesday, February 16, 2005

The meeting was called to order at 10:00 a.m.

Roll: Francisco Lujano for State Treasurer Philip Angelides
Cindy Aronberg for State Controller Steve Westly
Anne Sheehan for Director of Finance Thomas J. Campbell

Staff Present: Mark Paul, Executive Secretary, PMIB
Doug Spittler, State Treasurer's Office
Molly Arnold, Attorney General's Office
Linda McAtee, State Treasurer's Office

APPROVAL OF MINUTES

The Minutes for the meeting of January 19, 2005, were not available for approval.

APPROVAL OF PMIB DESIGNATION NO. 1668

Mr. Doug Spittler of the State Treasurer's Office presented the portfolio Summary Report as of February 8, 2005. On that day, the portfolio stood at \$54.887 billion. The effective yield was 2.347%, the quarter-to-date yield was 2.280% and the year-to-date yield was 1.925%. The average life of the portfolio was 204 days and AB 55 Loans approved stood at \$5.102 billion with \$1.229 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$19.554 billion with 2,714 participants.

Mr. Steve Muraki 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 February 14, 2005, through April 22, 2005. He stated that over the ten-week period of the forecast, it was anticipated that there would be an increase in the portfolio of \$75.2 million. A drop in outstanding warrants of \$1.354 billion would mostly offset receipts that were expected to exceed disbursements by \$1.429 billion. Mr. Muraki then highlighted several of the key receipts. The Sales, Liquor & Utility Surcharge was estimated at \$5.526 billion and Motor Vehicle Fuel Taxes were anticipated to total \$566.5 million. Personal Income and Bank & Corporation Taxes were expected to total \$14.067 billion. The Insurance Gross Premium Taxes were anticipated at \$472.4 million, while the proceeds from the Sale of State Bonds were

expected to total \$966 million. For this ten-week period, \$39.559 billion was anticipated in receipts.

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 disbursements for the week of February 28 were expected to be \$4.906 billion, with an additional \$1.788 billion for the week of March 28. Social Services anticipated two major disbursements for SSI/SSP payments. The first payment of \$720 million was scheduled for the week of February 28 with another \$698 million in the week of March 28. Health Care Services were estimated at \$400 million per week for Medi-Cal check writes. He said that the \$1.127 billion shown for the week of March 21 included \$727 million for a disproportionate share payment. The Payroll Revolving Fund had two payments scheduled for disbursement. During the week of February 28, \$1.231 million would be paid out for monthly payroll with another \$1.214 billion in the week of April 1.

Mr. Korach noted that two line items, Water Resources - Electric Power Payments and State and Local Bond Construction, had been added to this forecast spreadsheet. Total disbursements for the ten-week were estimated at \$38.130 billion.

Designation No. 1668 was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATIONS/REDUCTIONS

Mr. Spittler presented the changes in the Surplus Money Investment Fund for the period January 1, 2005, through January 31, 2005. During that month \$7.546 billion was declared surplus in various special funds, while \$7.577 billion was declared to be a reduction in surplus.

The Surplus Money Declaration/Reduction for the month of January 2005 was approved, 3-0.

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Doug Spittler said that there were three SMIF requests for this month. The first request was from the Department of Finance for the Special Deposit Fund, Tribal Revenues Account (Fund Number 0942119). The second request was from the Department of Justice for the Special Deposit Fund, Environmental Protection Prosecution Account (Fund Number 0942152). The third request was from the State Treasurer's Office for two Special Deposit Fund accounts. The first was for the Economic Recovery Bond Redemption Account (Fund Number 0942113), while the second was for the Economic Recovery Bond Rebate Account (Fund Number 0942114). Mr. Spittler said that staff had determined that these requests were consistent with the Government Code requirements and recommended their approval.

The Board approved the three requests, 3-0.

APPROVAL OF AB 55 LOANS—Item 6

Mr. Chris Kooyman of the Public Finance Division of the State Treasurer’s Office presented nineteen loan requests as shown in the following table. He noted that items 6.a. through 6.e. were for general obligation bond programs, that item 6.f. was a renewal of a line of credit, and that items 6.g. through 6.s. were for lease revenue bond programs.

Loan Number	Type	Department/Program	Adjusted Loan Amount
045125	GO/Renewal	State Allocation Board Office of Public School Construction Class Size Reduction K-U Public Education Facilities Bond Act of 1998 (K-12)	\$3,307,950.56
045126	GO/Renewal	Department of Fish and Game Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000	\$2,676,979.21
045127	GO/Renewal	Department of Veterans Affairs Veterans’ Homes Bond Act of 2000	\$19,510,000.00
045128	GO/Renewal	California Community Colleges Class Size Reduction K-U Public Education Facilities Bond Act of 1998 (Hi-Ed)	\$48,496,000.00
045129	GO/Renewal	California Community Colleges Public Education Facilities Bond Act of 2002 (Hi-Ed)	\$97,058,035.55
045130	REV/Renewal	Adopt a resolution authorizing a loan to the Oil Spill Response Trust Fund Lempert-Keene-Seastrand Oil Spill Prevention and Response Act	\$54,875,000.00
045131	REV/Renewal	California Community Colleges SPWB Lease Revenue Bonds College of the Sequoias: Multimedia Learning Resource Center	\$13,906,000.00
045132	REV/Renewal	Office of Emergency Services SPWB Lease Revenue Bonds Los Angeles Regional Crime Laboratory	\$62,940,245.00
045133	REV/Renewal	Department of General Services SPWB Lease Revenue Bonds Central Plant Renovation	\$5,250,000.00
045134	REV/Renewal	University of California SPWB Lease Revenue Bonds UC Davis: Veterinary Medicine 3A	\$45,970,000.00

APPROVAL OF AB 55 LOANS—Item 6 (Continued)

Loan Number	Type	Department/Program	Adjusted Loan Amount
045135	REV/Renewal	University of California SPWB Lease Revenue Bonds UC Merced: Classroom and Office Building	\$31,045,000.00
045136	REV/Renewal	University of California SPWB Lease Revenue Bonds UC Merced: Site Development and Infrastructure Phases 1 and 2	\$53,472,000.00
045137	REV/Renewal	University of California SPWB Lease Revenue Bonds UC Riverside: Heckmann International Center for Management	\$10,009,000.00
045138	REV/Renewal	University of California SPWB Lease Revenue Bonds UC San Francisco: QB3 Building at Mission Bay	\$46,985,000.00
045139	REV/New	University of California SPWB Lease Revenue Bonds UC Irvine: UCIMC Replacement Hospital	\$49,175,000.00
045140	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Rancheria Forest Fire Station	\$1,775,473.00
045141	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Ukiah Forest Fire Station	\$2,683,503.00
045142	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Hemet-Ryan Air Attack Base	\$68,000.00
045143	REV/New	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Cuyamaca Forest Fire Station	\$494,000.00

Mr. Kooyman said that all loans were recommended as presented and that the impact on the Pool would be \$269.4 million.

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

PUBLIC COMMENT

None.

In the absence of further business, the meeting was adjourned at 10:15 a.m.

Respectfully submitted

Mark Paul
Executive Secretary