

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

MINUTES

Wednesday, August 17, 2005

The meeting was called to order at 10:03 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
Connie LeLouis, Attorney General's Office
Mark Paxson, State Treasurer's Office

APPROVAL OF MINUTES

The Minutes for the meeting of July 20, 2005, were approved as submitted, 3-0.

APPROVAL OF PMIB DESIGNATION NO. 1674

Mr. Doug Spittler of the State Treasurer's Office presented the portfolio Summary Report as of August 11, 2005. On that day, the portfolio stood at \$52.595 billion. The effective yield was 3.149%, the quarter-to-date yield was 3.095% and the year-to-date yield was 3.095%. The average life of the portfolio was 179 days and AB 55 Loans approved stood at \$5.072 billion with \$1.916 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$17.857 billion with 2,671 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 August 15, 2005, through October 21, 2005. He stated that over the ten-week period of the forecast there would be an increase in the portfolio of \$540.7 million due to receipts exceeding disbursements.

Mr. Muraki continued by highlighting several of the key receipts. He noted that Sales, Liquor, and Utility Surcharge were expected to total \$7.514 billion and that the Motor Vehicle Fuel Taxes were expected to total \$510.1 million. Personal Income and Bank & Corporation Taxes were expected to total \$10.456 billion while the Insurance Gross Premium Taxes were

anticipated at \$448 million. Proceeds from the Sale of State Bonds were estimated at \$224 million. For this ten-week period, \$35.948 billion was anticipated in receipts.

Ms. Sue Griffith 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 Colleges were expected to total \$6.846 billion. Health Care Services was expected to total \$4.124 billion and Other Health & Human Services was anticipated to total \$686 million. Ms. Griffith said that the C.O.P.S. Program, which is Citizens Options for Public Safety, was estimated at \$200 million and that the Payroll Revolving Fund was anticipated to total \$2.778 billion. Two quarterly, retirement systems payments were also scheduled – the first one for the Public Employees' Retirement System was estimated at \$620 million and the other for the State Teachers' Retirement System was anticipated at \$117 million. In conclusion, Ms. Griffith said disbursements for the ten-week period were estimated to total \$34.618 billion.

Designation No. 1674 was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATION/REDUCTION

Mr. Doug Spittler presented the changes in the Surplus Money Investment Fund for the period July 1, 2005, through July 31, 2005. During that month \$7.204 billion was declared surplus in various special funds, while \$7.438 billion was declared to be a reduction in surplus.

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

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Spittler presented one request this month from the California Institute for Regenerative Medicine for the Stem Cell Research and Cures Fund, Dolby Family Foundation Grant proceeds (Donations) (Fund Number 6047101). Mr. Spittler emphasized that this request was for the Dolby Family Foundation Grant proceeds subaccount of the Stem Cell Research and Cures Fund, and not the overall fund. The effect of this action, if approved, would be to credit the interest earned on this subaccount to this fund. Mr. Spittler noted that the approval of the donation subaccount part of this fund would cover the current donation and all future donations and that this subaccount was set up due to the need to keep donations separate from the proceeds of future bond sales. Mr. Spittler said that staff had reviewed this request and recommended its approval. Anne Sheehan then asked if other donations coming in would be credited to this particular subaccount and Mr. Spittler said that they would.

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

APPROVAL OF AB 55 LOANS

Ms. Karen Sakala of the Public Finance Division of the State Treasurer's Office presented sixteen loan requests as shown in the following table. She noted that the first six loans (a. – f.)

were for general obligation programs while the remaining ten loans (g. – p.) were for lease revenue programs.

APPROVAL OF AB 55 LOANS (Continued)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
6.a.	0560014	GO/Renewal	Department of Water Resources Water Conservation Bond Law of 1988	\$3,015,000.00
6.b.	0560015	GO/Renewal	Department of Corrections New Prison Construction Bond Act of 1988	\$3,155,000.00
6.c.	0560016	GO/Renewal	University of California Kindergarten-University Public Education Facilities Bond Act of 2004 (Hi-Ed)	\$90,430,000.00
6.d.	0560017	GO/Renewal	California State University Kindergarten-University Public Education Facilities Bond Act of 2004 (Hi-Ed)	\$217,211,000.00
6.e.	0560018	GO/Renewal	Resources Agency California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002	\$304,040,000.00
6.f.	0560019	GO/Renewal	Department of Transportation Seismic Retrofit Bond Act of 1996	\$143,870,000.00
6.g.	0560020	REV/Renewal	California Conservation Corps SPWB Lease Revenue Bonds Tahoe Base Center Relocation	\$473,000.00
6.h.	0560021	REV/Renewal	Department of Forestry & Fire Protection SPWB Lease Revenue Bonds Alma Helitack Base	\$344,261.00
6.i.	0560022	REV/Renewal	Department of Forestry & Fire Protection SPWB Lease Revenue Bonds Raymond Forest Fire Station	\$389,188.00
6.j.	0560023	REV/Renewal	Department of Forestry & Fire Protection SPWB Lease Revenue Bonds Valley Center Forest Fire Station	\$1,631,770.00
6.k.	0560024	REV/Renewal	Department of Forestry & Fire Protection SPWB Lease Revenue Bonds Ventura Youth Conservation Camp	\$23,486.00
6.l.	0560025	REV/Renewal	Department of Mental Health SPWB Lease Revenue Bonds Metropolitan State Hospital, Construct School Building	\$4,772,091.00
6.m.	0560026	REV/Renewal	Department of Mental Health SPWB Lease Revenue Bonds Metropolitan State Hospital, Construct New Kitchen & Remodel Existing Satellite Kitchens	\$2,057,073.00

APPROVAL OF AB 55 LOANS (Continued)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
6.n.	0560030	REV/Renewal	Department of Mental Health SPWB Lease Revenue Bonds Patton Hospital: EB Building – Fire/Safety/Environmental Improvements. Ph 2 &3, Renovate Admission Suite	\$1,783,000.00
6.o.	0560028	REV/Renewal	Department of General Services SPWB Lease Revenue Bonds State Office Building #10 Renovation	\$11,834,872.00
6.p.	0560029	REV/Renewal	Department of Education SPWB Lease Revenue Bonds School for the Deaf, Riverside: Multi-Purpose Building	\$5,084,000.00

Ms. Sakala said that item 6.j. had been reduced from the original requested loan amount on the published agenda. All loans were recommended for approval as presented and impact on the Pool would be to increase the loan portfolio by \$465,015,128.00.

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 10:15 a.m.

Respectfully submitted

Mark Paul
Executive Secretary