

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

MINUTES

Wednesday, October 19, 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
Molly Arnold 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 meetings of September 21, 2005, and October 7, 2005, were approved as submitted, 3-0.

APPROVAL OF PMIB DESIGNATION NO. 1676

Mr. Doug Spittler of the State Treasurer's Office presented the portfolio Summary Report as of October 13, 2005. On that day, the portfolio stood at \$50.713 billion. The effective yield was 3.440%, the quarter-to-date yield was 3.420% and the year-to-date yield was 3.218%. The average life of the portfolio was 179 days and AB 55 Loans approved stood at \$5.627 billion with \$1.636 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$15.949 billion with 2,675 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 October 17, 2005, through December 23, 2005. He stated that over the ten-week period of the forecast there would be an increase in the portfolio of \$9.914 billion 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 \$9.377 billion and that the Motor Vehicle Fuel Taxes were estimated to be \$617.1 million. Personal Income and Bank & Corporation Taxes were expected to total \$9.893 billion, while the Insurance Gross Premium Taxes were anticipated

at \$425.9 million. The proceeds from the Sale of State Bonds were estimated at \$4.105 billion. Mr. Muraki finished by indicating that total receipts over the ten-week period of the forecast were expected to be \$42.916 billion.

Mr. Alan Setser 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 expenditures were expected to total \$6.581 billion over the ten-week period. Local Sales Tax Apportionments were anticipated three times during the period: the first payment of \$573 million during the week of October 17, the second payment of \$764 million the week of November 14, and the third payment of \$811 million during the week of December 19.

The Payroll Revolving Fund had two master payrolls scheduled during the forecast period: \$1.202 billion in the week of October 31 and another \$1.189 billion during the week of November 28. Debt Service disbursements were estimated at \$1.260 over the period. Mr. Setser concluded by stating that total disbursements for the ten-week period were estimated at \$32.269 billion.

Designation No. 1676 was approved, 3-0.

APPROVAL OF AUTHORIZATION FOR GENERAL FUND INTERNAL BORROWING:

Mr. Doug Spittler presented this document, which authorizes the General Fund to borrow from internal sources—the special funds and accounts within the State Treasury—to meet its cash needs during periods of shortfall. The authorization presented at this meeting was for the period November 1, 2005, through January 31, 2006. He noted that the amount available from various internal funds was estimated to be \$10.480 billion.

The Authorization for General Fund Internal Borrowing for the period November 1, 2005, through January 31, 2006, 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 September 1, 2005, through September 30, 2005. During that month \$8.363 billion was declared surplus in various special funds, while \$8.526 billion was declared to be a reduction in surplus.

Mr. Spittler then stated that Ms. Arnold had raised some issues at the September 21, 2005, meeting regarding the listing of special funds and accounts attached to the declaration/reduction document contained in the briefing binder. He said that the October 19, 2005, briefing binder contained the same materials as the September binder. However, a folder containing a detailed listing of fund balance changes was now attached to the declaration/reduction document that the Board will sign. This folder provides the back-up details for the summary document contained in

the briefing binder and would be made available for review at all subsequent meetings of the Board. Ms. Arnold thanked Mr. Spittler for clarifying the declaration/reduction process and the Controller's staff for providing this additional information.

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

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Spittler presented two requests for this month. The first request was from the Department of General Services for the Disability Access Account (Fund Number 0006). The second request was from the California Department of Child Support Services for the Child Support Payment Trust Fund (Fund Number 8031). Mr. Spittler said that staff had reviewed both requests and recommended their approval.

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

APPROVAL OF AB 55 LOANS

Mr. Glen Mercer of the Public Finance Division of the State Treasurer's Office presented forty loan requests as shown in the following table. He noted that the first eight loans (Items 7.a.–h.) were for general obligation programs while the remaining thirty-two loans (Items 7.i.–an.) were for lease revenue programs. He also noted that three loans had been withdrawn (Items 7.o., p., and an.) and that Item 7.t. had been reduced from \$2,946,056.00 to \$2,194,596.00.

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
7.a.	0560044	GO/Renewal	Resources Agency Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000	\$165,302,000.00
7.b.	0560045	GO/Renewal	Voting Modernization Board Voting Modernization Bond Act of 2002	\$92,370,000.00
7.c.	0560046	GO/Renewal	Department of Health Services Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000	\$2,525,233.61
7.d.	0560047	GO/Renewal	Water Resources Control Board Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000	\$118,381,355.39
7.e.	0560048	GO/Renewal	Housing and Community Development Housing and Emergency Shelter Trust Fund Act of 2002 (Tax-Exempt)	\$24,914,480.00
7.f.	0560049	GO/Renewal	Housing and Community Development Housing and Emergency Shelter Trust Fund Act of 2002 (Taxable)	\$561,076,934.00

APPROVAL OF AB 55 LOANS (Continued)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
7.g.	0560050	GO/Renewal	Water Resources Control Board Water Conservation and Water Quality Bond Law of 1986	\$4,175,000.00
7.h.	0560051	GO/New	Department of Water Resources Water Conservation and Water Quality Bond Law of 1986	\$700,000.00
7.i.	0560052	REV/Renewal	California Community Colleges SPWB Lease Revenue Bond Program Cuesta College – Library Addition Reconstruction	\$11,300,000.00
7.j.	0560053	REV/Renewal	Department of Corrections and Rehabilitation SPWB Lease Revenue Bond Program California State Prison, Sacramento: Psychiatric Services Unit/Enhanced Outpatient Care Phase II	\$16,686,480.00
7.k.	0560054	REV/Renewal	Department of Corrections and Rehabilitation SPWB Lese Revenue Bond Program California Medical Facility, Vacaville: Mental Health Crisis Beds	\$11,102,820.00
7.l.	0560055	REV/Renewal	Department of Transportation SPWB Lease Revenue Bond Program San Diego Office Building Replacement	\$80,344,088.00
7.m.	0560056	REV/Renewal	Department of Education SPWB Lease Revenue Bond Program School for the Deaf, Riverside: Dormitory Replacement and Chiller	\$5,200,000.00
7.n.	0560057	REV/Renewal	Department of Forestry and Fire Protection SPWB Lese Revenue Bond Program Antelope Forest Fire Station: Replace Barracks/Mess Hall	\$1,818,875.00
7.o.	0560058	Withdrawn		
7.p.	0560059	Withdrawn		
7.q.	0560060	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Valley Center Forest Fire Station: Relocate Facility	\$2,123,651.00

APPROVAL OF AB 55 LOANS (Continued)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
7.r.	0560061	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Sweetwater Forest Fire Station: Relocate Facility	\$3,132,412.00
7.s.	0560062	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Vallecito Conservation Camp: Replace Apparatus Building and Utilities	\$3,495,859.00
7.t.	0560063	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program San Marcos Forest Fire Station: Relocate Facility	\$2,194,596.00
7.u.	0560064	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Santa Clara Ranger Unit HQ: Replace Auto Shop	\$2,725,413.00
7.v.	0560065	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Alma Helitack Base: Replace Facility	\$342,910.00
7.w.	0560066	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Bautista Conservation Camp: Replace Modular Buildings	\$1,838,198.00
7.x.	0560067	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Dew Drop Forest Fire Station: Replace Facility	\$2,009,677.00
7.y.	0560068	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Elk Camp Forest Fire Station: Relocate Facility	\$2,007,681.00
7.z.	0560069	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Harts Mill Forest Fire Station: Relocate Facility	\$2,009,677.00

APPROVAL OF AB 55 LOANS (Continued)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
7.aa.	0560070	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Independence Forest Fire Station: Relocate Facility	\$2,767,676.00
7.ab.	0560071	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Nipomo Forest Fire Station: Replace Facility	\$1,930,600.00
7.ac.	0560072	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Rancheria Forest Fire Station: Replace Facility	\$2,454,255.00
7.ad.	0560074	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Warner Springs Forest Fire Station: Replace Facility	\$831,200.00
7.ae.	0560075	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Usona Forest Fire Station: Replace Facility	\$1,782,637.00
7.af.	0560076	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Ventura Youth Conservation Camp: Construct Apparatus Building and Shop Warehouse	\$2,055,686.00
7.ag.	0560077	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program San Luis Obispo Ranger Unit HQ: Replace Facility	\$1,928,500.00
7.ah.	0560078	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Springville Forest Fire Station: Relocate Facility	\$3,049,042.00
7.ai.	0560079	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Raymond Forest Fire Station: Relocate Facility	\$2,456,180.00

APPROVAL OF AB 55 LOANS (Continued)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
7.aj.	0560080	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Twain Harte Forest Fire Station: Replace Facility	\$531,200.00
7.ak.	0560082	REV/New	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Altaville Forest Fire Station: Replace Facility	\$313,200.00
7.al.	0560084	REV/New	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Statewide: Construct Forest Fire Stations	\$2,657,000.00
7.am.	0560085	REV/New	Department of Forestry and Fire Protection SPWB Lease Revenue Bond Program Ukiah Air Attack Base: Relocate Facility	\$1,071,200.00
7.an.	0560086	Withdrawn		

Mr. Mercer said that all loans were recommended for approval as presented and that the impact on the Pool would be to increase the portfolio's loan balance by \$479,340,690.79.

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

PUBLIC COMMENT

None.

In the absence of further business, the meeting was adjourned at 10:12 a.m.

Respectfully submitted

Mark Paul
Executive Secretary