

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

MINUTES

Wednesday, December 21, 2005

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

Roll: Juan Fernandez for State Treasurer Philip Angelides
 Cindy Aronberg for State Controller Steve Westly
 Anne Sheehan for Director of Finance Michael C. Genest

Staff Present: Dennis Trujillo, Executive Secretary, PMIB
 Bill Dowell, State Treasurer's Office
 Patricia Pechtel, Attorney General's Office
 Julia Bilaver, State Treasurer's Office

APPROVAL OF MINUTES

The Minutes for the meeting of November 16, 2005, were approved as submitted, 3-0.

APPROVAL OF PMIB DESIGNATION NO. 1678

Mr. Bill Dowell of the State Treasurer's Office presented the portfolio Summary Report as of December 13, 2005. On that day, the portfolio stood at \$51.771 billion. The effective yield was 3.760%, the quarter-to-date yield was 3.582% and the year-to-date yield was 3.362%. The average life of the portfolio was 207 days and AB 55 Loans approved stood at \$7.012 billion with \$1.775 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$15.378 billion with 2,654 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 December 19, 2005 through February 17, 2006.

He stated that over the nine-week period of the forecast there would be an increase in the portfolio of \$4.424 billion due to receipts exceeding disbursements by \$5.666 billion, offset partially by a decline in outstanding warrants of \$1.242 billion.

Mr. Muraki continued by highlighting several of the key receipts. He noted that Sales, Liquor, and Utility Surcharges were expected to total \$8.529 billion and Motor Vehicle Fuel Taxes were expected to total \$358.1 million. Personal Income, Bank & Corporation Taxes were estimated at \$12.270 billion and Proceeds from the Sale of State Bonds were estimated at \$500 million. For the nine-week period, \$39.045 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 Colleges were expected to expend \$2.079 billion the week of December 26 for school apportionment and for the week of January 9, \$918 million was to be paid out for instructional improvements for education. During the week of January 23, a school apportionment payment was scheduled in the amount of \$2.329 billion and on January 30 a payment of \$1.200 billion was anticipated for class size reduction.

Mr. Korach said that Health Care Services disbursements would run \$400 million each week with an additional \$264.9 million and \$256.7 million for disproportionate share of hospitals in the weeks of December 19 and February 6, respectively. Mr. Korach said disbursements for the 9-week period were estimated to total \$33.380 billion.

Designation No. 1678 was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATION/REDUCTION

Mr. Bill Dowell presented the changes in the Surplus Money Investment Fund for the period November 1, 2005, through November 30, 2005. He pointed out that at the September meeting of the PMIB, the suggestion was made to include a detailed summary report by fund to accompany the Declaration. Due to the efforts of the Controllers Office, such a report is now available and is being included in the briefing binders for the PMIB members to review in advance of each meeting. Mr. Dowell went on to state that during November, \$11.038 billion was declared surplus in various special funds, while \$8.174 billion was declared to be a reduction in surplus.

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

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Dowell said there were no SMIF requests for this month.

APPROVAL OF AB 55 LOANS

Mr. Taylor Urban of the Public Finance Division of the State Treasurer's Office presented five loan requests as shown in the following table. He noted that the first four loans (Items 6a. – d.) were for general obligation programs while the remaining loan (Item 6e.) was for a lease revenue program.

APPROVAL OF AB 55 LOANS (Continued)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
6.a.	0560106	GO/Renewal	State Allocation Board Office of Public School Construction Kindergarten-University Public Education Facilities Bond Act of 2002 (K-12)	\$864,018,991.00
6.b.	0560107	GO/Renewal	Department of Water Resources Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000	146,302,590.00
6.c.	0560108	GO/Renewal	Department of Conservation Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000	565,000.00
6.d.	0560109	GO/Renewal	California Community Colleges Kindergarten-University Public Education Facilities Bond Act of 2002 (Hi-Ed)	351,117,624.99
6.e.	0560110	REV/Renewal	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds California Men's Colony Wastewater Collection Treatment Upgrade	25,731,000.00

Mr. Urban said that all loans were recommended for approval as presented and that the impact on the Pool would be to increase the loan portfolio by \$668,060,070.95.

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

PUBLIC COMMENT

None.

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

Respectfully submitted

Dennis A. Trujillo
Executive Secretary