

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

MINUTES

Wednesday, April 19, 2006

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

Roll: Francisco Lujano for State Treasurer Philip Angelides
Windie O. Scott for State Controller Steve Westly
Anne Sheehan for Director of Finance Michael C. Genest

Staff Present: Laurie Weir, Executive Secretary, PMIB
Bill Dowell, State Treasurer's Office
Patricia Pechtel, Attorney General's Office
Mark Paxson, State Treasurer's Office

APPROVAL OF MINUTES

The Minutes for the meeting of March 15, 2006, were approved as submitted, 3-0.

APPROVAL OF PMIB DESIGNATION NO. 1682

Mr. Bill Dowell of the State Treasurer's Office presented the portfolio Summary Report as of April 10, 2006. On that day, the portfolio stood at \$51.489 billion. The effective yield was 4.246%, the quarter-to-date yield was 4.219% and the year-to-date yield was 3.649%. The average life of the portfolio was 180 days and AB 55 Loans approved stood at \$7.071 billion with \$2.256 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$15.568 billion with 2,655 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 April 17, 2006, through June 23, 2006. He stated that over the ten-week period of the forecast there would be an increase in the portfolio of \$13.374 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 \$9.808 billion and Motor Vehicle Fuel Taxes were expected to total \$536.1 million. Over the period, the forecast of Personal Income and Bank & Corporation Taxes were expected to total \$18.851 billion, while the Insurance Gross Premium Taxes were anticipated at \$473.1 million. Proceeds from the Sale of State Bonds were estimated at \$450.0 million. For this ten-week period, \$48.607 billion was anticipated in receipts.

Mr. Alan Setser of the State Controller's Office presented the estimated disbursements for the forecast period and highlighted several of the major disbursements. Public Schools and Community Colleges were expected to total \$5.773 billion. Social Services had two major payments scheduled – the first one was for the week of April 24 for \$827 million and the second for the week of May 29 for \$785 million. He said both schedules were related to SSI/SSP and Cal Works payments. The Payroll Revolving Fund had two master payroll disbursements scheduled – the first for \$1.268 billion the week of May 1 and the second for \$1.220 billion the week of May 29. Mr. Setser said disbursements for the 10-week period were estimated to be \$34.847 billion.

Designation No. 1682 was approved, 3-0.

APPROVAL OF AUTHORIZATION FOR GENERAL FUND INTERNAL BORROWING:

Mr. Bill Dowell presented the document authorizing 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 May 1, 2006, through July 31, 2006. He stated that up to \$11.153 billion is estimated to be available from various internal funds.

The Authorization for General Fund Internal Borrowing for the period May 1, 2006 through July 31, 2006 was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATION/REDUCTION

Mr. Dowell presented the changes in the Surplus Money Investment Fund for the period March 1, 2006, through March 31, 2006. During that month \$9,848,986,000.00 was declared surplus in various special funds, while \$10,899,383,000.00 was declared to be a reduction in surplus.

The Surplus Money Declaration/Reduction for the month of March 2006 was approved, 3-0.

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Dowell presented the following requests to participate in the Surplus Money Investment Fund:

- **California Horse Racing Board**
Special Deposit Fund Account
Jockey's Refund Escrow Account
(Fund Number 0942126)
- **Department of Conservation**
Acute Orphan Well Account, Oil, Gas, and
Geothermal Administrative Fund
(Fund Number 3102)

- **Department of Industrial Relations**
Electrician Certification Fund (Fund Number 3002)
Permanent Amusement Ride Safety Inspection Fund (Fund Number 3003)
Garment Industry Regulation Fund (Fund Number 3004)
Worker's Occupational Safety & Health Education Fund (Fund Number 3030)
- **Governor's Office of Emergency Services**
Special Deposit Fund
Edward Byrne Memorial Justice Assistant Grant Account
(Fund Number 0942172)

Mr. Dowell said staff had reviewed each of the requests and recommended approval. The Board accepted staff's recommendations and approved all requests, as presented, 3-0.

APPROVAL OF AB 55 LOANS

Mr. Glen Mercer of the Public Finance Division of the State Treasurer's Office presented ten loan requests as shown in the following table. He noted that the first four loans (Items a. – d.) were for general obligation programs, while the remaining six loans (Items e. – j.) were for lease revenue programs.

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
7.a.	0560139	GO/Renewal	State Water Resources Control Board Safe, Clean, Reliable Water Supply Bond Act of 1996	\$32,509,151.13
7.b.	0560140	GO/Renewal	Department of Water Resources California Safe Drinking Water Bond Law of 1988	\$2,485,000.00
7.c.	0560141	GO/Renewal	California State Library California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2000	\$37,690,000.00
7.d.	0560148	GO/Renewal	California Community Colleges Kindergarten-University Public Education Facilities Bond Act of 2004 (Hi-Ed)	\$233,265,000.00
7.e.	0560142	REV/Renewal	University of California SPWB Lease Revenue Bonds Berkeley Campus, Davis Hall North Replacement Building	\$49,274,322.00
7.f.	0560143	REV/Renewal	Judicial Council of California SPWB Lease Revenue Bonds Fifth Appellate District New Courthouse	\$24,310,000.00
7.g.	0560144	REV/Renewal	Department of General Services SPWB Lease Revenue Bonds Capitol Area West End Complex	\$8,000,000.00

APPROVAL OF AB 55 LOANS (Continued)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
7.h.	0560145	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Weaverville Forest Fire Station	\$593,057.00
7.i.	0560146	REV/Renewal	Department of Education SPWB Lease Revenue Bonds School for the Deaf, Fremont: Pupil Personnel Services Building	\$3,312,000.00
7.j.	0560147	REV/Renewal	California Community Colleges SPWB Lease Revenue Bonds Victor Valley College, Advanced Technology Complex	\$9,200,000.00

Mr. Mercer stated that all loans were recommended for approval as presented and the impact on the Pool would be an increase to the loan portfolio of \$179,052,142.16.

The ten 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,

Laurie Weir
Executive Secretary