

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

MINUTES

Wednesday, June 21, 2006

The meeting was called to order at 10:04 a.m.

Roll: Francisco Lujano for State Treasurer Philip Angelides
Michael Carter for State Controller Steve Westly
Vince Brown for Director of Finance Michael C. Genest

Staff Present: Laurie Weir, Executive Secretary, PMIB
Bill Dowell, 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 May 17, 2006, were approved as submitted, 3-0.

APPROVAL OF PMIB DESIGNATION NO. 1684

Mr. Bill Dowell of the State Treasurer's Office presented the portfolio Summary Report as of June 12, 2006. On that day, the portfolio stood at \$60.642 billion. The effective yield was 4.654%, the quarter-to-date yield was 4.480% and the year-to-date yield was 3.821%. The average life of the portfolio was 148 days and AB 55 Loans approved stood at \$6.527 billion with \$2.707 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$16.931 billion with 2,632 participants.

Mr. Jeff Wurm, 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 June 19, 2006 through August 18, 2006. He stated that over the nine-week period there would be a decrease in the portfolio of approximately \$3.886 billion due to disbursements exceeding receipts. Mr. Wurm continued by highlighting several of the key receipts. He noted that the Sales, Liquor, and Utility Surcharge was expected to total about \$7.486 billion and Personal Income and Bank & Corporation Taxes were anticipated to total about \$8.597 billion. Proceeds from the Sale of State Bonds were estimated at \$700 million. Mr. Wurm said for this nine-week period, approximately \$32.594 billion was anticipated in receipts.

Mr. John Korach, of the State Controller’s Office, presented the Estimated Pooled Money Disbursements for the nine-week forecast period and highlighted several of the major disbursements. Public Schools and Community Colleges were expected to total \$5.314 billion. Health Care Services was to pay out \$400 million each week for Medicare Checkwrites. For the week of June 19 an additional \$175 million was paid for the disproportionate share of hospitals and for the week of July 24 an additional amount of \$130 million was expected to be disbursed. For the Payroll Revolving Fund, a monthly payment for the state payroll of \$1.223 billion for the week of June 26 and another payment to be made the week of July 31 of \$1.247 billion. Mr. Vince Brown, of the Department of Finance, asked if these amounts included any estimate of proposed salary changes based on recently announced tentative collective bargaining agreements. Mr. Korach clarified that they did not.

There was a special fund disbursement to CalPERS the week of June 26 estimated to be \$188.7 million and another one scheduled the week of July 3 of \$412.1 million. The Revenue Anticipation Notes (RANs) of \$3.085 billion were to be repaid the week of June 26, 2006. Mr. Korach said disbursements for the nine-week period were estimated to total \$35.995 billion.

Designation No. 1684 was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATION/REDUCTION

Mr. Dowell presented the changes in the Surplus Money Investment Fund for the period May 1, 2006 through May 31, 2006. During the month \$7,987,530,000.00 was declared surplus in various special funds, while \$7,984,447,000.00 was declared to be a reduction in surplus.

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

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

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

APPROVAL OF AB 55 LOANS

Ms. Tiffany Connelly of the Public Finance Division of the State Treasurer’s Office presented twelve loan requests as shown below. She noted that the first four loans (Items a. – d.) were for general obligation programs while the remaining eight loans (Items e. – l.) were for lease revenue programs.

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
6.a.	0560154	GO/Renewal	University of California Class Size Reduction K-U Public Education Facilities Bond Act of 1998 (Hi-Ed)	\$15,000,004.00
6.b.	0560155	GO/Renewal	University of California Public Education Facilities Bond Act of 2002 (Hi-Ed)	\$253,560,475.34

APPROVAL OF AB 55 LOANS (Continued)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
6.c.	0560156	GO/Renewal	Hastings College of the Law Kindergarten-University Public Education Facilities Bond Act of 2002 (Hi-Ed)	\$20,083,899.67
6.d.	0560157	GO/Renewal	Department of Corrections and Rehabilitation New Prison Construction Bond Act of 1990	\$1,323,000.00
6.e.	0560158	REV/Renewal	California State University SPWB Lease Revenue Bonds SF Campus – Joint Library: J. Paul Leonard & Sutro	\$5,996,000.00
6.f.	0560159	REV/Renewal	Department of General Services SPWB Lease Revenue Bonds State Office Building #10 Renovation	\$24,872,044.00
6.g.	0560160	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Statewide – Construct Forest Fire Stations	\$3,426,070.00
6.h.	0560161	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Ukiah Air Attack Base – Relocate Facility	\$1,088,386.00
6.i.	0560162	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Rancheria Forest Fire Station – Replace Facility	\$3,286,713.00
6.j.	0560163	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Vallecito Conservation Camp – Replace Apparatus Building and Utilities	\$3,240,535.00
6.k.	0560164	REV/Renewal	California Community Colleges SPWB Lease Revenue Bonds Cuesta College – Library Addition Reconstruction	\$12,600,000.00
6.l.	0560165	REV/Renewal	University of California SPWB Lease Revenue Bonds Riverside Campus – Genomics Building	\$9,253,392.00

Ms. Connelly said all loans were recommended for approval as presented and the impact on the Pool would be to reduce the loan portfolio by \$87,261,690.33.

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

PUBLIC COMMENT

None.

In the absence of further business, the meeting was adjourned at 10:17 a.m.

Respectfully submitted

Laurie Weir
Executive Secretary