

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

MINUTES

Wednesday, February 21, 2007

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

Roll: Francisco Lujano for State Treasurer Bill Lockyer
Richard Chivaro for State Controller John Chiang
Anne Sheehan for Director of Finance Michael C. Genest

Staff Present: Bettina Redway, Executive Secretary, PMIB
Bill Dowell, State Treasurer's Office
Julia Bilaver, Attorney General's Office
Mark Paxson, State Treasurer's Office

APPROVAL OF MINUTES

The Minutes for the meeting of January 17, 2007, were approved as submitted, 3-0.

APPROVAL OF PMIB DESIGNATION NO. 1692

Mr. Bill Dowell of the State Treasurer's Office presented the Portfolio Summary Report, as of January 31, 2007. On that day, the portfolio stood at \$59.686 billion. The effective yield was 5.164%, the quarter-to-date yield was 5.156% and the year-to-date yield was 5.044%. The average life of the portfolio was 183 days and AB 55 Loans approved stood at \$8.363 billion with \$3.689 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$17.784 billion, with 2,602 participants.

Mr. Andre Rivera 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 February 19, 2007 through April 20, 2007. He stated that over the nine-week period of the forecast there would be a reduction in the portfolio of \$3.160 billion due to anticipated disbursements exceeding receipts. Mr. Rivera continued by highlighting several of the key receipts. He noted that the Sales, Liquor, and Utility Surcharge were expected to total \$6.323 billion and that Motor Vehicle Fuel Taxes were expected to total \$343.000 million. Personal Income and Bank & Corporation Taxes were anticipated to total \$14.142 billion. Proceeds from the Sale of State Bonds were estimated at \$3.385 billion. Mr. Rivera noted that \$1.625 billion was anticipated in General Obligation bond proceeds the week of February 26th. He also noted a shift in the Tobacco proceeds from the week of March 5th to the week of March 12th. Mr. Rivera said he learned just prior to the PMIB meeting that the proceeds would actually be received on March 14th, which differed slightly from the forecast, as presented. Finally, \$410 million in CSU and Lease Revenue bond proceeds were expected the week of March 12th. For the nine-week period, \$38.781 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 major disbursements. Public Schools and Community Colleges were expected to total \$9.442 billion. Social Services were expected to disburse \$2.687 billion and Health Care Services was anticipated to be \$4.448 billion. The Payroll Revolving Fund was anticipated at \$3.345 billion. Debt Service was anticipated to disburse of \$1.008 billion the week of February 26th, of which \$580 million was for the Economic Recovery Bond payment. A disbursement of \$685.400 million was scheduled for the Public Employees' Retirement the week of April 2nd. The State Teachers' Retirement System was scheduled to disburse \$120.000 million on April 2nd as well. Mr. Korach said disbursements for the nine-week period were estimated to total \$41.941 billion.

Designation No. 1692 was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATION/REDUCTION

Mr. Dowell presented the changes in the Surplus Money Investment Fund for the period January 1, 2007 through January 31, 2007. During that month \$10,832,339,000.00 was declared surplus in various special funds, while \$8,269,222,000.00 was declared to be a reduction in surplus.

The Surplus Money Declaration/Reduction for the month of January 2007 was approved, 3-0.

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

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

APPROVAL OF AB 55 LOANS

Mr. Jonathan Welch of the Public Finance Division of the State Treasurer's Office presented eleven loan requests as shown in the following table. He noted that the first five loans (Items 6.a. – e.) were for general obligation programs while the remaining six loans (Items 6.f. – k.) were for lease revenue programs.

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
6.a.	0670108	GO/Renewal	Water Resources Control Board Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000	\$154,977,104.00
6.b.	0670109	GO/Renewal	State Allocation Board Office of Public School Construction Kindergarten-University Public Education Facilities Bond Act of 2004 (K-12)	\$1,862,706,176.00
6.c.	0670110	GO/Renewal	Resources Agency Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000	\$13,310,000.00

APPROVAL OF AB 55 LOANS (Continued)

Agenda Item	Loan Number	Type	Department/Program	Adjusted Loan Amount
6.d.	0670111	GO/New	Housing and Community Development Housing and Emergency Shelter Trust Fund Act of 2006 (Tax-Exempt)	\$13,500,000.00
6.e.	0670112	GO/New	Housing and Community Development Housing and Emergency Shelter Trust Fund Act of 2006 (Taxable)	\$70,500,000.00
6.f.	0670103	REV/Renewal	Department of Food & Agriculture SPWB Lease Revenue Bonds Truckee Inspection Station – Relocate Truckee Inspection Facility	\$13,906,598.00
6.g.	0670113	REV/Renewal	California Conservation Corps SPWB Lease Revenue Bonds Camarillo Satellite Relocation/Construction	\$3,200,000.00
6.h.	0670114	REV/Renewal	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Stevens Creek Forest Fire Station	\$1,597,707.00
6.i.	0670115	REV/Renewal	California State University SPWB Lease Revenue Bonds Monterey Bay Library	\$41,419,000.00
6.j.	0670116	REV/Renewal	University of California SPWB Lease Revenue Bonds UC Irvine: UCIMC Replacement Hospital	\$179,638,000.00
6.k.	0670117	REV/New	Judicial Council of California SPWB Lease Revenue Bonds Fourth Appellate District, Santa Ana: New Courthouse	\$4,344,200.00

Mr. Welch 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 \$612,485,348.00. Ms. Anne Sheehan commented that she was pleased see the Housing Bonds moving forward on a timely basis.

The eleven 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

Bettina Redway
Executive Secretary