

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

MINUTES

Wednesday, June 18, 2008

The meeting was called to order at 10:01 a.m.

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

Staff Present: Bill Dowell, State Treasurer's Office
Kathleen Chovan, Attorney General's Office
Mark Paxson, State Treasurer's Office

MINUTES

The Minutes for the May 21, 2008, meeting were approved as submitted, 3-0.

PMIB DESIGNATION

Mr. Bill Dowell of the State Treasurer's Office presented the portfolio Summary Report as of May 31, 2008. On that day, the portfolio stood at \$72.518 billion. The effective yield was 3.008%, the quarter-to-date yield was 3.224% and the year-to-date yield was 4.473%. The average life of the portfolio was 200 days and AB 55 Loans approved stood at \$9.467 billion, with \$3.175 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$25.954 billion, with 2,652 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 June 16, 2008, through August 22, 2008. He stated that over the ten-week period of the forecast there would be a decrease in the portfolio of \$4.456 billion, due to anticipated disbursements exceeding receipts by \$4.456 billion. Mr. Rivera continued by highlighting several of the key receipts. He noted that Sales, Liquor, and Utility Surcharge were expected to total \$9.758 billion. Personal Income and Bank & Corporation Taxes were expected to total \$11.541 billion. Local Assistance Programs were expected to be \$5.101 billion and Local Agency Investment Collections are anticipated to be \$5.019 billion. Proceeds from the Sale of State Bonds were estimated at \$1.500 billion. For this ten-week period, a total of \$40.583 billion are anticipated in receipts.

Ms. Sue Griffith of the State Controller's Office presented the Estimated Pooled Money Disbursements for the forecast period and highlighted several of the major disbursements. She began by saying that disbursements for the ten-week period were estimated to total \$45.119 billion. Ms. Griffith went on to highlight the following disbursements: Public Schools and Community Colleges were expected to total \$5.672 billion. She went on to detail specific

Social Services payments and said there will be a total of \$2.920 billion for the period. Ms. Griffith said Health Care services included payments of \$6.080 billion. She noted there will be master payroll payments the weeks of June 30 – \$1.536 billion and July 28 – \$1.501 billion; with a total payroll of \$3.541 billion for the forecast period. Finally, Ms. Griffith pointed out there will be a Revenue Anticipation Note (RAN) repayment the week of June 30, with interest, that will amount to \$7.185 billion.

Designation No. 1708 was approved, 3-0.

DECLARATION OF SURPLUS MONEY/REDUCTION OF SURPLUS MONEY

Mr. Dowell presented the changes in the Surplus Money Investment Fund for the period May 1, 2008, through May 31, 2008. During that month, \$9.377 billion was declared surplus in various special funds, while \$10.500 billion was declared to be a reduction in surplus.

The Surplus Money Declaration/Reduction for the month of May, 2008, was approved, 3-0.

SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Dowell presented two requests:

Department of Fish and Game
Hatchery and Inland Fisheries Fund
Fund Number 3103

Department of Fish and Game
California Sea Otter Fund
Fund Number 8047

The Board accepted the staff recommendation of the State Controller's Office and the State Treasurer's Office and approved the requests, 3-0.

AB 55 LOAN APPLICATIONS (Government Code § 16312)

Mr. Drew Hall of the Public Finance Division of the State Treasurer's Office presented 18 loan requests as shown in the following table. He said that the first nine loan requests (Items a. – i.) were for general obligation programs and the remaining nine loan requests (Items j. – s.) were for lease revenue programs. He noted that Item "m" had been withdrawn and the "old loan numbers" had been updated for items "b" "d" and "s." He also pointed out there was an update to the total amount of outstanding loans.

Agenda Item	Loan Number	Department/Program	Adjusted Loan Amount
a.	0780154	University of California Kindergarten-University Public Education Facilities Bond Act of 2004 (Hi-Ed)	\$212,533,425.51
b.	0780155	State Allocation Board Office of Public School Construction Kindergarten-University Public Education Facilities Bond Act of 2004 (K-12)	\$1,998,574,725.00
c.	0780156	Hastings College of the Law Kindergarten-University Public Education Facilities Bond Act of 2002 (Hi-Ed)	\$495,000.00
d.	0780157	Resources Agency Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000	\$216,410,000.00
e.	0780158	Department of Water Resources Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act	\$76,432,538.76
f.	0780159	Department of Public Health Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act	\$1,334,049.41
g.	0780160	Resources Agency Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act	\$7,162,630.44
h.	0780161	State Water Resources Control Board Safe, Clean, Reliable Water Supply Act	\$12,767,454.00
i.	0780162	Office of Emergency Services Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006	\$100,132,588.00
j.	0780163	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Susanville – Wastewater Treatment Plant: Modifications	\$31,712,132.00

k.	0780164	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds San Quentin State Prison: Condemned Inmate Complex	\$18,358,511.00
l.	0780165	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Red Bluff Forest Fire Station/Unit HQ: Replace Station	\$2,079,555.00
m.	0780166	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds South Operations Area HQ: Relocate Facility	\$19,650,000.00
n.	0780167	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Twain Harte Forest Fire Station: Relocate Facility	\$4,126,532.00
o.	0780168	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Elk Camp Forest Fire Station: Relocate Facility	\$3,284,598.00
p.	0780169	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Bautista Conservation Camp: Replace Modular Buildings	\$7,571,378.00
q.	0780170	Department of General Services SPWB Lease Revenue Bonds Marysville Office Building: Replacement	\$75,176,680.00
r.	0780171	Department of General Services SPWB Lease Revenue Bonds State Office Buildings #8 and #9 – Renovation	\$136,160,778.00
s.	0780172	Department of Mental Health SPWB Lease Revenue Bonds Patton State Hospital – Upgrade Electrical Generator Plant	\$2,992,086.00

Mr. Hall said all loans were recommended for approval as presented and the impact on the Pool would be to increase the loan portfolio by \$1,794,774,871.55.

Molly Arnold asked if items “a” “d” and “i” were subject to Finance Committee approval. Mr. Hall confirmed that was correct. All loan requests were approved as recommended by staff, 3-0.

PUBLIC COMMENT

None.

ADJOURNMENT

In the absence of further business, the meeting was adjourned at 10:15 a.m.

Respectfully submitted,

Bettina Redway
Executive Secretary