

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

MINUTES

Wednesday, August 20, 2008

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
Tom Sheehy for Director of Finance Michael C. Genest

Staff Present: Bill Dowell, State Treasurer's Office
Mark Paxson, State Treasurer's Office

MINUTES

The Minutes for the July 16, 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 July 31, 2008. On that day, the portfolio stood at \$67.115 billion. The effective yield was 2.783%, the quarter-to-date yield was 2.787% and the year-to-date yield was 2.787%. The average life of the portfolio was 222 days and AB 55 Loans approved stood at \$11.675 billion, with \$3.632 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$24.241 billion, with 2,697 participants.

Mr. Doug Spittler 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 August 18, 2008, through October 17, 2008. He stated that over the nine-week period of the forecast there would be a decrease in the portfolio of \$2.678 billion. Mr. Spittler continued by highlighting several of the key receipts. He noted that Sales, Liquor, and Utility Surcharge were expected to be \$8.210 billion. Personal Income and Bank & Corporation Taxes were expected to total \$12.109 billion. Local Assistance Programs were expected to be \$5.185 billion and Local Agency Investment Collections are anticipated to be \$4.416 billion. Proceeds from the Sale of State Bonds were estimated at \$140 million. For this nine-week period, a total of \$37.470 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 nine-week period were estimated to total \$40.043 billion. She noted the forecast of disbursements for this period was based on an enacted budget, and that August disbursements without an enacted budget will be reduced. Ms. Griffith went on to highlight the following disbursements: Public Schools and Community Colleges were expected to total \$7.778 billion. She went on to detail specific Social Services

payments that will total of \$3.190 billion for the period. Ms. Griffith said Health Care services included payments of \$6.012 billion. She noted there will be state payroll the week of September 1 – \$1.555 billion and September 29 – \$1.542 billion; with a total payroll of \$3.588 billion for the forecast period. She went on to say that Public Employees Retirement System included payments of a first quarter employer share payment the week of September 29 for \$785 million. State Teachers Retirement System has a quarterly payment of \$134 million. She concluded by restating the total disbursement was expected to be \$40.043.

Mr. Tom Sheehy asked if passage of the budget was delayed to September 8, September 15 or even September 22, while some interim numbers would change, what impact on the total of \$40.043 billion would there be when October 17 arrived. He clarified that he wanted to know if the same the net figure would be disbursed if the budget were delayed beyond September 1, 2008.

Ms. Griffith responded by saying that it should be the same given that if the budget is delayed a couple weeks, those payments then will be made subsequently after its passage. Mr. Sheehy then asked, "So while there may be some changes in the weeks that some of these payments are made if the budget is delayed - but still enacted within this forecast period - the totals will be pretty close to the same, correct?" Ms. Griffith confirmed that was right.

Designation No. 1710 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 July 1, 2008, through July 31, 2008. During that month, \$11.512 billion was declared surplus in various special funds, while \$12.698 billion was declared to be a reduction in surplus.

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

SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Dowell presented one request to participate in the Surplus Money Investment Fund:

Office of the Governor
CaliforniaVolunteers [sic]
Special Deposit Fund
CaliforniaVolunteers Disaster Donations Account
Fund Number 0942219

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)

Prior to presenting the loan applications, Mr. Glen Mercer of the Public Finance Division of the State Treasurer’s Office mentioned that the PMIA loan application and loan agreement documents have been slightly revised with the intention of making them more user friendly. He said it is anticipated the revised documents may be seen as early as next month and they will be posted on the State Treasurer’s Office website.

Mr. Mercer went on and presented 25 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 16 loan requests (Items j. – y.) were for lease revenue programs. He noted that loan amount for Items “j” and “v” had been reduced from the original requested amount.

Agenda Item	Loan Number	Department/Program	Adjusted Loan Amount
a.	0890015	California State University Class Size Reduction Kindergarten- University Public Education Facilities Bond Act of 1998	\$20,205,000.00
b.	0890016	Department of General Services Earthquake Safety and Public Buildings Rehabilitation Bond Act of 1990	\$11,206,615.00
c.	0890017	Water Resources Control Board for Resources Agency Safe, Clean, Reliable Water Supply Bond Act of 1996	\$91,075,364.00
d.	0890018	Resources Agency Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006	\$629,939,000.00
e.	0890019	Department of Water Resources Disaster Preparedness and Flood Prevention Bond Act of 2006	\$211,498,237.00
f.	0890020	Housing and Community Development Housing and Emergency Shelter Trust Fund Act of 2002 (Tax-Exempt)	\$23,391,014.96
g.	0890021	Housing and Community Development Housing and Emergency Shelter Trust Fund Act of 2002 (Taxable)	\$597,943,000.00

h.	0890022	Housing and Community Development Housing and Emergency Shelter Trust Fund Act of 2006 (Tax-Exempt)	\$47,995,000.00
i.	0890023	Housing and Community Development Housing and Emergency Shelter Trust Fund Act of 2006 (Taxable)	\$127,525,000.00
j.	0890024	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds San Luis Obispo Ranger Unit HQ: Replace Facility	\$584,552.00 \$62,000.00
k.	0890025	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Alma Helitack Base: Replace Facility	\$555,538.00
l.	0890026	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Paso Robles Forest Fire Station: Replace Facility	\$486,111.00
m.	0890027	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Las Posadas Forest Fire Station: Replace Facility	\$284,236.00
n.	0890028	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Fawn Lodge Forest Fire Station: Replace Facility	\$642,570.00
o.	0890029	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Westwood Forest Fire Station: Replace Facility	\$833,453.00
p.	0890030	Department of Education SPWB Lease Revenue Bonds School for the Deaf, Riverside: Career and Technical Education Complex and Service Yard	\$9,475,000.00
q.	0890031	Department of Education SPWB Lease Revenue Bonds School for the Deaf, Riverside: New Gymnasium and Pool Center	\$2,075,000.00

r.	0890032	Department of Education SPWB Lease Revenue Bonds School for the Deaf, Riverside: Kitchen and Dining Hall Renovation	\$995,000.00
s.	0890033	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds CCI Tehachapi: Wastewater Treatment Plant Renovation	\$18,294,777.00
t.	0890034	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds Chuckawalla Valley State Prison: Heating, Ventilation, and Air Conditioning System	\$38,216,735.00
u.	0890035	Department of Developmental Services SPWB Lease Revenue Bonds Porterville: Construct New Main Kitchen	\$9,490,000.00
v.	0890036	Department of Developmental Services SPWB Lease Revenue Bonds Porterville: 96-Bed Forensic Residential Expansion and Recreation Complex	\$87,077,682.30 \$86,933,304.00
w.	0890037	Department of General Services SPWB Lease Revenue Bonds Library and Courts Building Renovation	\$6,052,694.00
x.	0890038	California Conservation Corps SPWB Lease Revenue Bonds Delta Service District Center	\$2,079,902.00
y.	0890039	Department of Mental Health SPWB Lease Revenue Bonds Atascadero State Hospital: 250-Bed Addition Remediation	\$6,665,000.00

Mr. Mercer said all loans were recommended for approval as presented and the impact on the Pool would be to increase the loan portfolio by \$339,314,864.17.

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 10:17 a.m.

Respectfully submitted,

Bettina Redway
Executive Secretary