

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

MINUTES

Wednesday, October 15, 2008

The meeting was called to order at 10:05 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
Catherine Brown, Attorney General's Office

MINUTES

The Minutes for the September 17, 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 September 30, 2008. On that day, the portfolio stood at \$64.321 billion. The effective yield was 2.839%, the quarter-to-date yield was 2.780% and the year-to-date yield was 2.780%. The average life of the portfolio was 214 days and AB 55 Loans approved stood at \$11.213 billion, with \$3.676 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$22.506 billion, with 2,709 participants. He also noted there was no exposure to WaMu or AIG in the PMIA and a statement to that effect has been posted on the Treasurer's Office web site.

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 October 13, 2008, through December 19, 2008. He stated that over the ten-week period of the forecast (without the issuance of Revenue Anticipation Notes) there would be a decrease in the portfolio of \$5.356 billion. Mr. Rivera continued by highlighting several of the key receipts. He noted that Sales, Liquor, and Utility Surcharge were expected to be \$8.519 billion. Personal Income and Bank & Corporation Taxes were expected to total \$10.416 billion. Local Assistance Programs were expected to be \$5.746 billion and Local Agency Investment Collections are anticipated to be \$5.594 billion. Proceeds from the Sale of State Bonds were estimated at \$164 million. For this ten-week period, a total of \$38.321 billion are anticipated in receipts, excluding Revenue Anticipation Notes.

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 period were estimated to total \$42.775 billion. She noted that was updated from the total presented in the briefing binders. Ms. Griffith went on to highlight the following disbursements: Public Schools and Community Colleges were expected to be \$9.863 billion. She went on to detail specific Social Services payments that will total of \$3.764 billion for the period. Ms. Griffith said Health Care services included payments of \$6.545 billion. She noted there will be state payroll the week of October 27 – \$1.227 billion and December 1 – \$1.589 billion. She concluded by restating the total disbursement was expected to be \$42.775.

Designation No. 1712 was approved, 3-0.

AUTHORIZATION FOR GENERAL FUND INTERNAL BORROWING:

Mr. Dowell presented this document which authorizes the General Fund to borrow from internal sources to meet its cash needs during periods of shortfall. Mr. Dowell noted this is for the period beginning *October 15, 2008*, and going through January 31, 2009. There was a budget trailer bill that authorizes borrowing from several additional funds and those funds were not included in the current authorization that applies for the month of October. What is being presented to the board will enable borrowing from those additional funds effective today. Mr. Dowell pointed out the amount available from various internal funds was estimated to be up to \$17.300 billion.

The Authorization for General Fund Internal Borrowing for the period October 15, 2008, through January 31, 2009, 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 September 1, 2008, through September 30, 2008. During that month, \$7,179,351,000.00 billion was declared surplus in various special funds, while \$7,205,455,000.00 billion was declared to be a reduction in surplus.

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

SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Dowell presented one request to participate in the Surplus Money Investment Fund:
 California Horse Racing Board
 Special Deposit Fund
 Defined Retirement Plan – California Jockey’s
 Fund Number 0942214

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

AB 55 LOAN APPLICATIONS (Government Code § 16312)

Mr. Glen Mercer of the Public Finance Division of the State Treasurer’s Office presented 21 loan requests as shown in the following table. He said that the first six loan requests (Items a. – f.) were for general obligation programs and the remaining 15 loan requests (Items h. – v.) were for lease revenue programs. (Item g had been withdrawn.)

Agenda Item	Loan Number	Department/Program	Adjusted Loan Amount
a.	0890048	California Community Colleges Class Size Reduction Kindergarten- University Public Education Facilities Bond Act of 1998 (Hi-Ed)	\$24,347,397.93
b.	0890049	California Community Colleges Kindergarten-University Public Education Facilities Bond Act of 2002 (Hi-Ed)	\$115,415,051.45
c.	0890050	California State University Kindergarten-University Public Education Facilities Bond Act of 2002 (Hi-Ed)	\$22,026,000.00
d.	0890051	California Transportation Commission Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006	\$1,200,379.00
e.	0890052	California Department of Transportation Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006	\$472,488,362.00
f.	0890068 0890070	California Department of Transportation for State Controller’s Office Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006	\$504,265,000.00 \$337,000,000.00

g.	0898869	California Department of Transportation Federal Highway Grant Anticipation Revenue Vehicle (GARVEE)	\$98,000,000.00
h.	0890053	Department of General Services SPWB Lease Revenue Bonds Central Plant Renovation	\$201,608,835.00
i.	0890054	Department of Education SPWB Lease Revenue Bonds School for the Deaf, Riverside: Multi- Purpose Activity Center	\$7,893,800.00
j.	0890055	University of California SPWB Lease Revenue Bonds UC San Diego Medical Center, Hillcrest Seismic Improvements Phases I & II	\$40,549,802.00
k.	0890056	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Cuyamaca Forest Fire Station: Relocate Facility	\$2,030,155.00
l.	0890057	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Altaville Forest Fire Station: Replace Facility	\$1,914,643.00
m.	0890058	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Altaville Forest Fire Station: Replace Auto Shop	\$596,000.00
n.	0890059	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Siskiyou Unit Headquarters: Replace Facility	\$1,348,000.00
o.	0890060	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Vina Helitack Base: Replace Facility	\$939,000.00
p.	0890061	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Madera-Mariposa-Merced Unit Headquarters: Replace Facility	\$1,304,750.00
q.	0890062	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds San Mateo/Santa Cruz Unit Headquarters: Relocate Auto Shop	\$843,000.00

r.	0890063	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Santa Clara Unit Headquarters: Replace Facility	\$1,349,000.00
s.	0890064	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Higgins Corner Forest Fire Station: Replace Facility	\$718,000.00
t.	0890065	Department of Forestry and Fire Protection SPWB Lease Revenue Bonds Garden Valley Forest Fire Station: Replace Facility	\$508,200.00
u.	0890066	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds California Men's Colony, San Luis Obispo: Central Kitchen Replacement	\$992,000.00
v.	0890067	Department of Corrections and Rehabilitation SPWB Lease Revenue Bonds California Rehabilitation Center, Norco: Men's Dorm Replacement Phase II	\$3,751,511.00

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 \$632,166,627.00.

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 10:22 a.m.

Respectfully submitted,

Bettina Redway
Executive Secretary