

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

MINUTES

Wednesday, January 21, 2004

The meeting was called to order at 10:05 a.m.

Roll: Francisco Lujano for State Treasurer Philip Angelides
Cindy Aronberg for State Controller Steve Westly
Fred Klass for Director of Finance Donna Arduin

Staff Present: Barbara Lloyd, Executive Secretary, PMIB
Doug Spittler, State Treasurer's Office
Gina Greer, Attorney General's Office
Linda McAtee, State Treasurer's Office

APPROVAL OF MINUTES

The Minutes for the meetings of November 19, 2003, and December 17, 2003, were approved as submitted, 3-0.

APPROVAL OF PMIB DESIGNATION NO. 1655

Mr. Doug Spittler of the State Treasurer's Office presented the portfolio Summary Report as of January 14, 2004. On that day, the portfolio stood at \$53.285 billion. The effective yield was 1.532%, the quarter-to-date yield was 1.533% and the year-to-date yield was 1.600%. The average life of the portfolio was 184 days and AB 55 Loans approved stood at \$5.462 billion with \$2.320 billion having been disbursed. The Local Agency Investment Fund had deposits totaling \$22.553 billion with 2,799 participants.

Designation No. 1655 was approved, 3-0.

APPROVAL OF AUTHORIZATION FOR GENERAL FUND INTERNAL BORROWING

Mr. Doug Spittler presented this document which authorizes the General Fund to borrow from internal sources – the special funds and accounts within the State Treasury – to meet its cash needs during periods of shortfall. The authorization presented at this meeting was for the period February 1, 2004, through April 30, 2004. He noted that the amount available from various internal funds is estimated to be \$9,250,000,000.

The Authorization for General Fund Internal Borrowing for the period February 1, 2004, through April 30, 2004, was approved, 3-0.

APPROVAL OF SURPLUS MONEY DECLARATIONS/REDUCTIONS

Mr. Doug Spittler presented the changes in the Surplus Money Investment Fund for the period December 1, 2003, through December 31, 2003. During that month \$7.808 billion was declared surplus in various special funds, while \$8.091 billion was declared to be a reduction in surplus.

The Surplus Money Declaration/Reduction for the month of December 2003 was approved, 3-0.

APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS

Mr. Spittler said there were no SMIF requests for this month.

APPROVAL OF AB 55 LOANS

Mr. Chris Kooyman, of the Public Finance Division of the State Treasurer's Office, presented eleven loan requests. He noted that loans a. through d. were for general obligation bond programs, that Loan e. was for the CalHFA loan warehousing program, and that loans f. through k. were for various lease revenue bond programs. The first loan presented (*Item a.*) was from the California Transportation Commission for the Clean Air and Transportation Improvement Act of 1990 for \$176,864,512.57. The second loan (*Item b.*) was from California State University for the Public Education Facilities Bond Act of 2002 (Hi-Ed) for \$154,464,002.32. The third loan request (*Item c.*) was from the University of California for the Class Size Reduction K-U Public Education Facilities Bond Act of 1998 (Hi-Ed) for \$128,101,715.38. The fourth loan (*Item d.*) was from the Water Resources Control Board on the behalf of Resources Agency for the Safe, Clean, Reliable Water Supply Bond Act of 1996 for \$207,771,374.00. The fifth loan (*Item e.*) was from California Housing Finance Agency for the CalHFA Revenue Bond/Loan Warehousing Program (Revolving) for \$300,000,000.00.

The sixth loan request presented (*Item f.*) was from California Conservation Corps/SPWB Lease Revenue Bond program for the Delta Service District Center for \$1,350,500.00. The seventh loan (*Item g.*) was from California Community Colleges/SPWB Lease Revenue Bond program for the Merced College, Interdisciplinary Academic Center for \$8,069,100.00. The eighth loan (*Item h.*) was from the University of California/SPWB Lease Revenue Bond program for the Berkeley Campus, Stanley QB3 Facility for \$9,680,000.00. The ninth loan request (*Item i.*) was from the University of California/SPWB Lease Revenue Bond program for the Merced Campus, Science & Engineering Building for \$30,950,000.00. The tenth loan (*Item j.*) was from the University of California/SPWB Lease Revenue Bond program for the Merced Campus, Library/Information Technology Center for \$25,390,000.00. The eleventh request (*Item k.*) was from the Department of the Youth Authority/SPWB Lease Revenue Bond program for the

Southern Youth Correctional Reception Center and Clinic/Specialized Counseling Program Beds for \$227,000.00. Mr. Kooyman said that the impact on the Pool of these requests would be to increase the portfolio loan balance by \$390.9 million. All loans were recommended for approval as presented with the exception of loan d., which was recommended for approval contingent upon Finance Committee approval.

Ms. Barbara Lloyd then commented about a memorandum that she had just handed to the Board members. She noted that the memo provided an update on the efforts to get more detail about the categories of expenditures under the large general obligation bond programs. This information had generally not been provided in the past. Mr. Klass thanked Ms. Lloyd and then asked how often cash flow analyses were requested from the various departments. Chris Kooyman explained that most loans were renewed about once a year and that a cash flow was required at that time. He noted, however, that some of the larger programs come in for renewal more often and that an updated cash flow would be needed at that time. Mr. Klass stated he was in favor of having programs broken down by category or activity, so that the large numbers being presented would make sense to staff.

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

PUBLIC COMMENT

None.

ADJOURNMENT

The meeting was adjourned at 10:13 a.m.

Respectfully submitted

Barbara Lloyd
Executive Secretary