



# **STATE BOARD OF DEPOSIT**

## **STATE OF OHIO**

**Members:**  
Richard Cordray, Chairman  
Treasurer of State

Nancy Hardin Rogers  
Attorney General

Mary Taylor  
Auditor of State

**BOARD OF DEPOSIT**

**November 20, 2008**

### **AGENDA**

1. Call to order
2. Approve or amend minutes from October 21, 2008 meeting
3. Sign approved minutes
4. Old Business
5. New Business
  - Economic Outlook
  - Investment Activity
  - Other Business
6. Ratification of the Designation by the Treasurer of State of \$4,018,993,353.56 as Interim Funds
7. Certification and Approval of Board Expenses
8. Adjournment



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Minutes of the meeting of the State Board of Deposit held Tuesday October 21, 2008 at 10:00 a.m. in the Office of the Treasurer of State.

**MEMBERS PRESENT:** Richard Cordray, Treasurer of State, (Chair)  
Thomas Winters, representing Attorney General Nancy H. Rogers  
Christina Haddad, representing Auditor of State Mary Taylor

**OTHERS PRESENT:** Sue Hamilton, Treasurer of State  
Chris Glaros, Treasurer of State  
Amer Ahmad, Treasurer of State  
Holly Hollingsworth, Treasurer of State  
Amy Minardo, Treasurer of State  
Bob Newman, Treasurer of State  
Jennifer Day, Treasurer of State  
Jonathan Vega, Treasurer of State  
Noah Blundo, Hannah News Service  
Stacey Cumberlander, Secretary

The Secretary of the State Board of Deposit has complied with section 135-1-01 of the Administrative Code concerning notice of the meetings of the State Board of Deposit.

The minutes from the September 29, 2008 meeting were amended to reflect Ms. Hamilton, representing Treasurer Cordray, asking for a motion to ratify the interim funds for August 2008 for \$3,498,715,483.59. Treasurer Cordray moved that the reading of the amended minutes of the State Board of Deposit meeting held September 29, 2008 which had previously been distributed to the members be dispensed and that the minutes be approved. Ms. Haddad approved and Mr. Winters seconded. The motion carried.

### **OLD BUSINESS**

There was no old business to come before the Board.

### **NEW BUSINESS**

#### **ECONOMIC OUTLOOK / INVESTMENT**

Investment Director Bob Newman presented an overview of the investment philosophy. The Federal Funds rate is at 1.50%. On October 16, 2008 the Federal Funds options market reflected a 66.50% chance of a decrease from the 1.50% rate at the October 29, 2008 meeting. The Federal Funds rate is forecasted to remain flat through March 2009. Core CPI is the primary measure of

inflation. There continues to be a decline in the housing market month after month. The Mortgage Bankers Association reported in October 2008 that new loan applications for home purchases and refinancing increased 5.1% for the week ending October 10, 2008. The foreclosure crisis continues to have an impact on the economy. The national unemployment rate for September 2008 was reported at 6.1% which is the highest national jobless rate since August 2003. It is our belief that the recent credit market turmoil will continue to slow aggregate economic growth in the U.S. through the remainder of 2008 and early 2009. The strategy is to add value and position the portfolio in line with near term expectations on interest rates.

Also under new business the following bank was presented to the Board to become an interim state depository:

First National Bank Orrville                      Orrville                      Ohio

There was a motion to approve this bank. Mr. Winters approved and Ms. Haddad seconded. Motion carried.

**RATIFICATION OF THE INTERIM FUNDS**

Treasurer Cordray moved for the Board to ratify \$4,059,943,566.85 as interim funds for September 2008. Mr. Winters approved and Ms. Haddad seconded. Motion carried.

**CERTIFICATION OF BOARD EXPENSES**

In accordance with Section 135.02 of the Ohio Revised Code, the Chairman and the Secretary of the State Board of Deposit certified that the necessary expenses of the Board which represent KeyBank regular banking fees for September 2008 were \$77,713.09. KeyBank Trust banking fees for September 2008 were \$9,598.33. Fifth Third banking fees (DNR Wapakoneta) were \$96.67 for September 2008. Fifth Third banking fees for DNR Maumee Bay for September 2008 were \$82.24. KeyBank banking fees for (State Highway Patrol Drop) for September 2008 were \$485.20. US Bank banking fees were \$172.20 for September 2008. Board of Deposit audit fees for September 2008 were \$10,509.00. Ms. Haddad authorized the Chairman to pay these expenses from the appropriations for that purpose. Mr. Winters seconded.

Board of Deposit 3

There being no further business to come before the Board, Treasurer Cordray moved to adjourn.  
Motion carried. Meeting adjourned.

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RICHARD CORDRAY, TREASURER OF STATE  
CHAIRMAN, STATE BOARD OF DEPOSIT

ATTEST \_\_\_\_\_  
SECRETARY

ATTORNEY GENERAL \_\_\_\_\_

AUDITOR OF STATE \_\_\_\_\_

**Cumberlander, Stacey**

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**From:** Klein, Sheryl Kalish  
**Sent:** Wednesday, November 05, 2008 1:03 PM  
**To:** Cumberlander, Stacey  
**Cc:** Beck, Cindy  
**Subject:** November Board of Deposit

Stacey,

Please add to the agenda for the November Board of Deposit meeting:

1. The Board of Deposit will be asked to approve the following bank as a qualified State depository.  
As background:

**Middlefield Banking Company, (Geauga County)**

Charter Class:	Other Bank, inspected by OSFI
Home Office Location:	Middlefield, Ohio
Date Established:	3/15/1902
Total Assets:	\$391,371,000.00
Total Liabilities:	\$361,014,660.00
Interim Deposits:	\$10,000,000.00
FDIC #:	13716

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## CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent KeyBank banking fees for the month of October 2008, are \$81,349.70.

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CHAIRMAN

*Stacy Cumberland*

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SECRETARY

*November 18, 2008*

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DATE



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### CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent KeyBank trust banking fees for October 2008 are \$8,671.91.

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CHAIRMAN

*Stacey Cumberland*

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SECRETARY

*November 17, 2008*

---

DATE



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### CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent KeyBank banking fees [State Highway Patrol – DROP Account] for the month of October 2008, \$697.93.

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CHAIRMAN

*Stacey Cumberland*

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SECRETARY

*November 18, 2008*

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DATE



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### CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent PNC banking fees [Mine Subsidence Remote Capture] for the month of September for a total due of \$211.86.

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CHAIRMAN

*Stacy Cumberland*

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SECRETARY

*November 18, 2008*

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### CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent National City Bank banking fees which remain unpaid for the ODNR Cambridge account for the period of September 2008 for \$46.84 and October 2008 for \$38.73.

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CHAIRMAN

*Stacey Summer-Cander*

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SECRETARY

*November 18, 2008*

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### CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent US Bank banking fees (remote capture for Columbus and Portsmouth) for the month of October 2008 is \$172.38.

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CHAIRMAN

*Stacy Cumberlander*

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SECRETARY

*November 18, 2008*

---

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### CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent Board of Deposit fees for the agreed-upon procedure report for October 2008, are \$2,661.00.

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CHAIRMAN

*Stacy Cumberland*  
\_\_\_\_\_  
SECRETARY

*November 17, 2008*  
\_\_\_\_\_  
DATE



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### CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent Board of Deposit fees for the agreed-upon procedure report for August 2008, are \$9,600.00.

\_\_\_\_\_  
CHAIRMAN

*Stacy Cunniff Anderson*  
\_\_\_\_\_  
SECRETARY

*November 17 2008*  
\_\_\_\_\_

DATE