



TREASURER OF STATE

April 24, 2008

Tuesday, 27 May 2008 03:27

Minutes of the meeting of the State Board of Deposit held Thursday April 24, 2008 at 10:00 a.m. in the Rhodes State Office Tower Administration Hearing Room.

MEMBERS PRESENT:

Richard Cordray, Treasurer of State (Chair)
Mike Deemer, representing Attorney General Marc Dann
Tim Keen, representing Auditor of State Mary Taylor

OTHERS PRESENT:

Christina Haddad, Auditor of State
Chris Glaros, Treasurer of State
Amy Minardo, Treasurer of State
Sue Hamilton, Treasurer of State
Jennifer Day, Treasurer of State
Holly Hollingsworth, Treasurer of State
Bob Newman, Treasurer of State
Leesa Brown, Treasurer of State
Sheryl Klein, Treasurer of State
David Baird, Bank of New York
Pat McCarthy, Charter One
Matt Curry, Treasurer of State
Cindy Bennett, KeyBank
Matt Cammer, KeyBank
Greg Finnerty, National City Bank
Dan Helmrich, Huntington
Steve Bennett, Huntington
David Tate, Huntington
Tim Rieder, US Bank
Karen Bigelow, US Bank
Orvell Johns, JP Morgan Chase
John Hykes, Treasurer of State
Todd Dieffenderfer, Treasurer of State
Rick Heston, Fifth Third

Cindy Finley, Fifth Third
Tom Kalwicky, Fifth Third
Jane Snipes, Treasurer of State
Lara DeLeone, KeyBank
Derek Chauvette, KeyBank
Mark Losey, Attorney General
Chandra Sams, JP Morgan Chase
Chip Motil, National City Bank
Stan Harris, National City Bank
Louise Dunlap, Treasurer of State
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.

Treasurer Cordray moved that the reading of the minutes of the State Board of Deposit meeting held March 17, 2008 which had previously been distributed to the members be dispensed and that the minutes be approved. Mr. Deemer approved and Mr. Keen seconded. The motion carried.

OLD BUSINESS

Under old business the following resolutions regarding bank designations were presented to the Board;

STATE BOARD OF DEPOSIT RESOLUTION – 004

WHEREAS, the Treasurer of State on behalf of the State Board of Deposit, solicited applications from eligible financial institutions to be designated as public depositories of the public moneys of the state; and,

WHEREAS, the Treasurer of State has received responses from eligible financial institutions desiring to be designated as public depositories of the public moneys of the state for the two-year period commencing July 7, 2008 and ending July 4, 2010; and,

WHEREAS, the Treasurer of State has reviewed such applications and determined that each met the requirements of Chapter 135 of the Ohio Revised Code;

THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF DEPOSIT:

The attached list of financial institutions are hereby designated as public

depositories of the public moneys of the state for the two-year period commencing July 7, 2008 and ending July 4, 2010.
Attachment to April 24, 2008 State Board of Deposit Resolution 004

The following financial institutions have satisfied the requirements of Chapter 135 of the Ohio Revised Code and are designated as public depositories of the public moneys of the state for the two-year period commencing July 7, 2008 and ending July 4, 2010:

1. Advantage Bank Cambridge, OH
2. Antwerp Exchange Bank Company Antwerp, OH
3. Apple Creek Banking Company Apple Creek, OH
4. Arlington Bank Columbus, OH
5. Benchmark Bank Gahanna, OH
6. CFBank Fairlawn, OH
7. Charter One Bank N. A. Cleveland, OH
8. Citizens Bank Company Beverly, OH
9. Citizens Bank of Ashville Ashville, OH
10. Citizens Bank of Higginsport, OH Higginsport, OH
11. Citizens Banking Company Sandusky, OH
12. Citizens National Bank of Bluffton Bluffton, OH
13. Citizens National Bank of SW Ohio Dayton, OH
14. Commercial & Savings Bank Millersburg, OH
15. Community First Bank, N.A. Forest, OH
16. Eaton National Bank & Trust Co. Eaton, OH
17. Farmers & Merchants Bank Miamisburg, OH
18. Farmers and Merchants State Bank Archibold, OH
19. Farmers Citizens Bank Bucyrus, OH
20. Farmers National Bank of Canfield Canfield, OH
21. Farmers Savings Bank Spencer, OH
22. Farmers State Bank New Madison, OH
23. Fifth Third Bank Cincinnati, OH
24. First Bank of Berne Berne, Indiana
25. First Bremen Bank Lancaster, OH
26. First Citizens N.B. of Upper Sandusky Upper Sandusky, OH
27. First Federal Community Bank Bucyrus Bucyrus, OH
28. First National Bank of Dennison Dennison, OH
29. First National Bank of Pennsylvania Heritage, PA
30. First Place Bank Warren, OH
31. First-Knox National Bank Mount Vernon, OH
32. FirstMerit Bank, N.A. Akron, OH
33. Fort Jennings State Bank Fort Jennings, OH
34. Greenville Federal Greenville, OH
35. Hamler State Bank Hamler, OH
36. Heartland Bank Gahanna, OH

37. Henry County Bank Napoleon, OH
38. Hicksville Bank Hicksville, OH
39. Hocking Valley Bank Athens, OH
40. Home Savings Bank Kent, OH
41. Huntington National Bank Columbus, OH
42. JPMorgan Chase Bank, N.A. Columbus, OH
43. KeyBank National Association Cleveland, OH
44. Lake National Bank Mentor, OH
45. MainSource Bank – Ohio Troy, OH
46. Mercer Savings Bank Mercer, OH
47. Merchants National Bank Hillsboro, OH
48. National Bank and Trust Company Wilmington, OH
49. National City Bank Cleveland, OH
50. Nationwide Bank Columbus, OH
51. North Side Bank & Trust Company Cincinnati, OH
52. Old Fort Banking Company Old Fort, OH
53. Ottoville Bank Company Ottoville, OH
54. Park National Bank Newark, OH
55. Peoples Bank Company Coldwater, OH
56. Peoples National Bank New Lexington, OH
57. Peoples Savings Bank New Matamoras, OH
58. PNC Bank National Association Pittsburgh, PA
59. Republic Banking Company Republic, OH
60. Richland Trust Company Mansfield, OH
61. Ripley Federal Savings Bank Ripley, OH
62. Second National Bank Greenville, OH
63. Security National Bank and Trust Co. Springfield, OH
64. Settlers Bank Marietta, OH
65. Sherwood State Bank Sherwood, OH
66. Signature Bank, N.A. Toledo, OH
67. St. Henry Bank St. Henry, OH
68. State Bank and Trust Company Defiance, OH
69. U.S. Bank, National Association Minneapolis, MA
70. Union Bank Company Columbus Grove, OH
71. Vinton County National Bank McArthur, OH
72. Wells Fargo Bank Ohio, N.A. San Francisco, CA
73. Westfield Bank, FSB Westfield Center, OH

There was a motion to approve the resolution. Mr. Deemer approved and Mr. Keen seconded.

STATE BOARD OF DEPOSIT
RESOLUTION – 005

WHEREAS, the Treasurer of State, on behalf of the State Board of

Deposit, issued a Request for Proposal for Banking Services on January 31, 2008; and,

WHEREAS, the Treasurer of State has received responses from eligible financial institutions desiring to be designated as public depositories of the active deposits of the public moneys of the state for the two-year period commencing July 7, 2008 and ending July 4, 2010;

THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF DEPOSIT:

The attached list of financial institutions are hereby designated as public depositories of active deposits of the public moneys of the state, for the funds and accounts as described in the attached list, for the two-year period commencing July 7, 2008 and ending July 4, 2010. The designations and awards set forth in this resolution are conditioned upon the ability of the parties to execute a Banking Services Agreement with the Treasurer of State in accordance with the Request for Proposal.

Attachment to April 24, 2008 State Board of Deposit Resolution 005

The following eligible financial institutions are hereby designated public depositories of active deposits of the public moneys of the state for the two-year period commencing July 7, 2008 and ending July 4, 2010:

KeyBank
National City Bank
Huntington National Bank
JPMorgan Chase Bank
Fifth Third Bank
U.S. Bank
PNC Bank

As described in Exhibit A to the Request for Proposal, the following funds and accounts are hereby awarded:

KeyBank is hereby awarded the active deposits of the State of Ohio as follows:

- The State of Ohio's Regular Account, including the following zero balance accounts:

ACH Revenue Acct.
Aging Best RX
Attorney General BCI
Attorney General Charitable Law

Auditor of State
Bureau of Motor Vehicles (BMV)
BMV Electronic Liens and Titles
BMV License Renewal
CAT Tax
Cigarette Excise Tax
Commerce—DFI Consumer
Commerce - Liquor Control
Commerce Division of Securities
Corporate Franchise Tax
Department of Insurance
Department of Transportation
Development Universal Service Fund
JFS Health Quality Assurance
Fire Marshall
Kilowatt/MCF Credit Account
Motor Vehicle Fuel Tax
Motor Vehicle/Watercraft
ODNR Division of Wildlife
Ohio Athletic Commission
Ohio Rail Development Commission
Public Utilities
Sales and Use Tax
Treasurer of State Special Purpose Investments
Secretary of State
Treasury Electronic Payments
Withholding Tax

- Conservancy District Bond Clearance Account
- American Express Settlement Account
- ODJFS Supplemental Rebates Account
- ODJFS / Health Management System
- Taxation Tax Enforcement Account
- Treasurer's Consolidated Check Clearing Account

KeyBank is hereby awarded as active deposits the funds and accounts held in the custody of the Treasurer of State as follows:

- State Highway Patrol Deferred Retirement Option Program Account
- ODJFS IRS Payments Account
- Treasurer's Custodial Contingency Account
- Elementary and Secondary School Bond Account
- Public Utilities Commission of Ohio Wireless 911 Account
- Southern Ohio Agriculture & Community Development Fund

National City Bank is hereby awarded the active deposits of the State of Ohio as follows:

- Capital Improvements Bond Retirement Fund
- Development Bond Retirement Fund
- Highway Improvement Bond Retirement Fund
- Highway Obligation Retirement Fund
- Improvement Bond Retirement Fund
- Korean Conflict Bond Retirement Fund
- Major Thoroughfare Bond Retirement Fund
- Public Improvement Bond Retirement Fund
- Vietnam Conflict Bond Retirement Fund
- World War II Bond Retirement Fund
- ODNR Watercraft – Cambridge Account
- ODNR – Seasonal Account
- ODJFS (Hold Account)

National City Bank is hereby awarded as active deposits the funds and accounts held in the custody of the Treasurer of State as follows:

- Lottery Gross Revenue Account, including the following ancillary accounts

Mega Millions Account
Lottery Gross Revenue Fund
Ohio Lottery Commission Retailer Account
Savings Account

- ODJFS BES Benefits Fund
- ODJFS BES Clearing Account
- ODJFS Contribution HB 202 Account
- Ohio Tuition Trust Fund Account
- Ohio Tuition Trust Authority Daily Receipts Account
- Ohio Tuition Trust Reserve Fund
- Ohio Tuition Trust Suspense Account
- Economic Development Bond Service Account
- Higher Education Bond Service Account
- Jobs and Family Services BES Auxiliary Service Personnel
- Tobacco Use Prevention and Control Foundation Endowment Fund
- Treasurer of State Bond Clearance Account

Huntington National Bank is hereby awarded the active deposits of the State of Ohio as follows:

- Environmental Protection Agency Account

Huntington National Bank is hereby awarded as active deposits the funds and accounts held in the custody of the Treasurer of State as follows:

- Ohio Police and Fire Pension Fund
- Ohio Police and Fire Pension Fund Payroll ACH
- Ohio Police and Fire Pension Fund 125 Cafeteria Plan
- School Employees Retirement System Receipts Account
- School Employees Retirement System Pension Fund
- School Employees Retirement System Employee Payroll Account
- School Employees Retirement System Death Benefits Account
- School Employees Retirement System Health Care Account
- School Employees Retirement System Medicare Account
- School Employees Retirement System Qualified Excess Benefits Account
- Housing Development Fund
- Mental Health Bond Service
- ODNR Division of Reclamation Fund
- ODNR Lake Katherine Management Fund
- ODNR Wildlife Habitat Fund
- Ohio Board of Regents Academic Scholarship Fund
- Ohio Board of Regents Paul Douglas Scholarship Fund
- Petroleum Underground Storage Tank Assurance Fund
- Student Tuition Recovery Fund
- Supreme Court Attorney Registration Account

JPMorgan Chase Bank is hereby awarded the active deposits of the State of Ohio as follows:

- Barber Board Lockbox
- Board of Architects Lockbox
- Board of Cosmetology Lockbox
- Board of Counselors & Social Workers Lockbox
- Board of Engineers & Surveyors Lockbox
- Board of Psychology Lockbox
- Dental Board Lockbox
- Embalmers Board Lockbox
- Nursing Board Lockbox
- Occupational Therapy Board Lockbox
- Ohio Board of Pharmacy Lockbox
- Ohio Respiratory Care Board Lockbox
- Optical Dispenser Board Lockbox
- ODNR Athens Wildlife Account
- ODJFS Drug Rebate Account
- ODJFS Lockbox

- ODJFS
- Taxation – Zanesville Account

JPMorgan Chase Bank is hereby awarded as active deposits the funds and accounts held in the custody of the Treasurer of State as follows:

- Bureau of Workers Compensation State Insurance Fund, including the following ancillary zero balance accounts:

BWC ACH Payments Account
 BWC Credit Card Account
 BWC ENS Account
 BWC Lockbox
 BWC MCO Account
 BWC Special Lockbox Control Account
 BWC Safety and Hygiene Account

- BWC Coal Workers Pneumoconiosis Fund
- BWC Disabled Workers Relief Fund
- BWC Marine Industry Fund
- BWC Public Work Relief Employees
- BWC Surety Bond Fund
- Ohio Public Employees Retirement System Account
- Ohio Public Employees Retirement System Escrow Account
- Parks & Recreation Bond Service

Fifth Third Bank is hereby awarded the active deposits of the State of Ohio as follows:

- ODNR Watercraft – Maumee Bay Account
- ODNR Watercraft – Wapakoneta Account
- ODNR Watercraft Account

Fifth Third Bank is hereby awarded as active deposits the funds and accounts held in the custody of the Treasurer of State as follows:

- State Teachers Retirement System
- Attorney General Revenue Recovery Fund
- Cultural Facilities Bond
- Development Enterprise Bond Retirement
- Development Loan Guarantee
- Ohio Retirement Study Council
- Revitalization Bond Service

U.S. Bank is hereby awarded the active deposits of the State of Ohio as

follows:

- ODNR Portsmouth Division Account
- ODNR Watercraft Image Capture Account

U.S. Bank is hereby awarded as active deposits the funds and accounts held in the custody of the Treasurer of State as follows:

- State Highway Patrol Retirement System Account
- ODJFS Unemployment Compensation Fund

PNC Bank is hereby awarded as active deposits the funds and accounts held in the custody of the Treasurer of State as follows:

- Mine Subsidence Insurance Fund

There was a motion to approve the resolution. Mr. Deemer approved and Mr. Keen seconded.

NEW BUSINESS

ECONOMIC OUTLOOK / INVESTMENT

Investment Director Bob Newman presented an overview of the investment philosophy. The Federal Funds rate is at 2.25%. The Federal Funds is forecasted to be reduced to 1.75% which may hold through March 2009. Core CPI is the primary measure of core inflation. Core CPI stands at 2.3%. The Federal Reserve may be required to raise rates due to inflation expectations. Existing home sales increased 2.9% and new home sales decreased 1.8% in February 2008. We anticipate a further reduction to the federal funds rate at the April 2008 (FOMC) Federal Open Market Committee meeting. The strategy is to continue to add value and position the portfolio in line with near term expectations on interest rates.

Under new business the following bank was presented to the Board for approval to become an interim state depository.

Settlers Bank, Marietta Ohio

Mr. Keen approved and Mr. Deemer seconded.

RATIFICATION OF THE INTERIM FUNDS

Treasurer Cordray moved for the Board to ratify \$4,731,458,186.38 as interim funds for March 2008. Mr. Deemer approved and Mr. Keen 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 March 2008 were \$86,723.27. KeyBank Trust banking fees for March 2008 were \$10,172.66. PNC banking fees were \$342.82 for February 2008 and \$289.52 for March 2008. National City banking fees (DNR Cambridge) for February 2008 were \$21.06 and \$24.31 for March 2008. Charter One banking fees were \$205.80 for February 2008. Fifth Third banking fees (DNR Wapakoneta) were \$62.38 for February 2008 and \$64.21 for March 2008. Fifth Third banking fees for Maumee Bay for Aug-Dec 07 and February-March 2008 were \$413.12. Deluxe Business fees for deposit tickets for ODNR were \$99.07 for April 2008 and Safeguard Business System fees for deposit tickets were \$41.51 for February 2008. KeyBank banking fees for (State Highway Patrol Drop) for March 2008 were \$85.49. Mr. Keen authorized the Chairman to pay these expenses from the appropriations for that purpose. Mr. Deemer seconded.

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

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

ATTEST _____
SECRETARY

ATTORNEY GENERAL _____

AUDITOR OF STATE _____