



TREASURER OF STATE

December 18, 2008

Thursday, 29 January 2009 11:40

Minutes of the meeting of the State Board of Deposit held Tuesday
December 18, 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 Rogers
Tim Keen, representing Auditor of State Mary Taylor

OTHERS PRESENT:

Sue Hamilton, Treasurer of State
Amy Minardo, Treasurer of State
Leesa Broawn, Treasurer of State
Jonathan Vega, Treasurer of State
Brian Nevins, PNC Bank
Amer Ahmad, Treasurer of State
Matthew McAuliffe, PNC Bank
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.

Treasurer Cordray moved that the reading of the minutes of the State
Board of Deposit meeting held November 20, 2008 which had previously
been distributed to the members be dispensed and that the minutes be
approved. Mr. Winters approved and Mr. Keen 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 1.00%. On December 4, 2008 the Federal Funds options market reflected a 97.0% chance of a decrease from the 1.00% rate at the December 16, 2008 meeting. The Federal Funds rate is forecasted to remain flat through June 2009. Core CPI is the primary measure of inflation. Concerns about inflation have been marginalized over the past quarter and deflation is now the focus of a threat to the domestic economy. Existing home sales decreased 3.1% in October compared to the September sales figures. New home sales declined 5.3% in October compared to sales figures from September. The Mortgage Bankers Association reported December 2, 2008 that new loan applications for refinancing and home purchases increased 112.1% for the week ending November 28, 2008 due to the drop in mortgage rates in relation to the Federal Reserve's plan to buy mortgage backed debt and encourage the purchase of housing in the market. The national unemployment rate for November 2008 was reported at 6.7%. 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.

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

Somerville National Bank - Somerville, Ohio
Mutual Federal Savings Bank - Sidney, Ohio
Old Heritage Bank - Coscocton, Ohio

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

Also under new business the quarterly update was given for the Board of Deposit budget.

RATIFICATION OF THE INTERIM FUNDS

Treasurer Cordray moved for the Board to ratify \$8,562,145,580.50 as interim funds for November 2008. Mr. Keen approved and Mr. Winters 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 November 2008 were \$74,304.08. KeyBank Trust banking fees for November 2008 were \$9,372.49. KeyBank banking fees for (State Highway Patrol Drop) for November 2008 were \$719.88. US Bank banking fees were \$164.59 for November 2008. National City banking fees were \$18.44 for November 2008. PNC banking fees were \$539.32 for October 2008. Fifth Third banking fees for (ODNR Wapakoneta) were \$33.83 for October 2008 and Fifth Third banking fees for (ODNR Maumee Bay) were \$7.46 for November 2008. OAKS voucher processing fees were \$2.08 for June – October 2008 and Treasurer of State Tax Manager fees were \$49,380.02 for July – September 2008. Mr. Winters authorized the Chairman to pay these expenses from the appropriations for that purpose. Mr. Keen 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 _____