



TREASURER OF STATE

December 23, 2010

Friday, 04 February 2011 1:23

Minutes of the meeting of the State Board of Deposit held December 23, 2010 at 10:00 a.m. in the Office of the Treasurer of State.

MEMBERS PRESENT:

Kevin L. Boyce, Treasurer of State

Jonathan Vega, representing Attorney General Richard Cordray

Tim Keen, representing Auditor of State Mary Taylor

OTHERS PRESENT:

Bob Newman, Treasurer of State

Simone Wilkinson, Treasurer of State

Jason Yost, Treasurer of State

Sheryl Klein, Treasurer of State

Stewart Smith, Treasurer of State

Ethan Houts, Treasurer of State

Lynn Carter, Treasurer of State

Kyana Pierson, Treasurer of State

Seth Metcalf, Treasurer – elect Mandel

Joel Riter, Treasurer – elect Mandel

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 Boyce asked for a motion that the reading of the minutes of the State Board of Deposit meeting held November 30, 2010, which had previously been distributed to the members be dispensed and that the minutes be approved. Mr. Keen made the motion to approve the minutes and Mr. Vega seconded. The motion was approved.

OLD BUSINESS

There was no old business to come before the board.

NEW BUSINESS

ECONOMIC OUTLOOK / INVESTMENT

Mr. Newman presented an overview of the investment philosophy. The Federal Funds rate is at 0-.25%. The Federal Funds rate continues to remain flat. Core CPI is the primary measure of inflation. Core CPI showed a slight increase to 0.8% for the month of November 2010. Ohio home sales statewide for new and existing homes during the month of October decreased 30.6% compared to the sales posted during the month of October a year ago. Existing home sales decreased to an annual total of 4.43 million for the month of October which is a 2.2% decrease from the 4.53 million total recorded for the month of September. The national unemployment rate was 9.8% for the month of November, an increase of 0.2% from the rate a month ago. Ohio's unemployment rate for November was 9.8% which shows a slight decrease from the 9.9% rate from the month of October. The strategy is to add short term securities to the portfolio with the expectation that interest rates will remain low.

Under new business there was one bank presented to the board to become an interim state depository;

Urban Partnership Bank - Cuyahoga County

There was a motion to approve the bank. Mr. Vega approved and Mr. Keen seconded. Motion carried.

Also under new business a memo was distributed to the board members from the Ohio Tuition Trust authority regarding their lockbox services currently held at PNC Bank. The Ohio Tuition Trust lockbox is currently located in Cincinnati. PNC notified Ohio Tuition Trust that the Cincinnati lockbox would be closed and all services would be moved to Cleveland. PNC agreed to extend the transition of services allowing six months for the authority to transition out their services. Due to this move Ohio Tuition Trust wanted the board to consider allowing them the ability to evaluate other options. All parties agreed that more information would be needed to consider rebidding / moving the account to another financial institution. Mr. Keen made a motion to authorize the Chairman on behalf of the Board of Deposit to write a letter to the Ohio Tuition Trust Authority explaining why the board at this time is not ready to act on this request. Mr. Vega seconded.

RATIFICATION OF THE INTERIM FUNDS

Treasurer Boyce asked for a motion for the Board to ratify \$9,696,954,273.24 as interim funds for November 2010. Mr. Keen moved and Mr. Vega 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 2010 were \$82,279.14. KeyBank Trust banking fees for November 2010 were \$7,682.12. OAKS voucher processing fees were \$3.44. Board of Deposit audit review consulting fees were \$58.79. Mr. Keen made a motion to authorize the Chairman to pay these expenses from the appropriations for that purpose. Mr. Vega seconded.

There being no further business to come before the Board, Treasurer Boyce adjourned the meeting.

KEVIN L. BOYCE, TREASURER OF STATE
CHAIRMAN, STATE BOARD OF DEPOSIT

ATTEST _____
SECRETARY

ATTORNEY GENERAL _____