



TREASURER OF STATE

June 23, 2009

Thursday, 06 August 2009 08:03

Minutes of the meeting of the State Board of Deposit held Thursday June 23, 2009 at 10:00 a.m. in the Office of the Treasurer of State.

MEMBERS PRESENT: Amer Ahmad, Treasurer of State Kevin L. Boyce
Cindy Beck, representing Attorney General Richard Cordray
Tim Keen, representing Auditor of State Mary Taylor

OTHERS PRESENT:

Bob Newman, Treasurer of State
Jonathan Vega, Treasurer of State
Sheryl Klein, Treasurer of State
Jennifer House, Treasurer of State
Jason Yost, 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.

Mr. Ahmad moved that the reading of the minutes of the State Board of Deposit meeting held May 26, 2009 which had previously been distributed to the members be dispensed and that the minutes be approved. Ms. Beck 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 .25%. The Federal

Funds rate is forecasted to remain flat through 2009. Core CPI is the primary measure of inflation. Core CPI stands at 1.9% for the month of April 2009. The FOMC Committee anticipates a gradual recovery in economic activity later this year. Ohio home sales statewide for new and existing homes increased 2.9% from March to April. Some of the contributing factors to this increase are falling home prices, low mortgage rates and first time home buyers taking advantage of the \$8,000.00 federal income tax credit. The national unemployment rate for May was reported at 9.4%. Ohio's unemployment rate was at 10.2% for the month of April, the highest in 25 years. The number of Americans receiving unemployment benefits is at the highest level since 1983. The economy remains fragile, however it appears that the economy is slowly beginning to recover. This is a result of the housing market gradually turning around, the pace of job losses has slowed and manufacturing activity has picked up. The strategy is to add value and position the portfolio in line with near term expectations on interest rates.

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

First Parkview Federal Savings Bank, Ohio - Cuyahoga County

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

Also under new business an update of the Board of Deposit budget was given by Don Gipe. Ms. Beck would like for the board to present a worksheet showing the gross expenses and not just the net amounts. Future budget updates will include the gross amounts as well as the net amounts.

RATIFICATION OF THE INTERIM FUNDS

Mr. Ahmad moved for the Board to ratify \$3,892,488,480.12 as interim funds for May 2009. Mr. Keen approved and Ms. Beck 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 May 2009 were \$82,812.45. KeyBank Trust banking fees for May 2009 were \$8,497.28. KeyBank banking fees for (State Highway Patrol Drop) for May 2009 were \$93.16. US Bank banking fees were \$94.28 for May 2009. PNC banking fees were \$402.12 for May 2009. Fifth Third banking fees for ODNR (Maumee Bay) were \$49.69 for May 2009

and Fifth Third banking fees for ODNR (Wapakoneta) were \$37.68 for May 2009. Fifth Third banking fees for ODNR Akron were \$52.09. National City banking fees for ODNR Watercraft were \$23.04 for May 2009. Treasurer of State Tax manager fees were \$47,875.01 for Jan. – Mar. 2009 and OAKS voucher processing fees were \$2.38 for Nov. – Apr. 2009. Mr. Keen commended the hard work that is put into the review of the expenses however moving forward would like to see all expenses initialed off on prior to board authorization. Mr. Keen authorized the Chairman to pay these expenses from the appropriations for that purpose. Ms. Beck seconded.

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

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

ATTEST _____
SECRETARY

ATTORNEY GENERAL _____