



TREASURER OF STATE

May 22, 2008

Tuesday, 24 June 2008 10:34

Minutes of the meeting of the State Board of Deposit held Thursday May 22, 2008 at 9:00 a.m. in the Office of the Treasurer of State.

MEMBERS PRESENT:

Richard Cordray, Treasurer of State (Chair)
Thomas Winters, Acting Attorney General
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
Amer Ahmad, Treasurer of State
Jennifer Day, Treasurer of State
Holly Hollingsworth, Treasurer of State
Bob Newman, Treasurer of State
Tim Rieder, US Bank
Sean Whalen, US Bank
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 April 24, 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

Under old business the following resolution regarding bank designations was presented to the Board;

STATE BOARD OF DEPOSIT

RESOLUTION – 006

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 May 22, 2008 State Board of Deposit Resolution 006

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:

- * Buckeye Community Bank Lorain, OH
- * Citizens National Bank of Urbana Urbana, OH
- * Commerce National Bank Columbus, OH
- * Consumers National Bank Minerva, OH
- * Croghan Colonial Bank Fremont, OH
- * Genoa Banking Company Genoa, OH
- * Killbuck Savings Bank Co. Killbuck, OH
- * Liberty Savings Bank Wilmington, OH
- * Minster Bank Minster, OH
- * New Carlisle Federal Savings Bank New Carlisle, OH
- * North Valley Bank Zanesville, OH
- * Ohio Commerce Bank Beachwood, OH
- * Ohio Valley Bank Company Gallipolis, OH

- * RiverHills Bank Milford, OH
- * ShoreBank, Cleveland Cleveland, OH
- * Sutton Bank Attica, OH
- * LCNB National Bank Lebanon, OH
- * Waterford Bank, NA Toledo, OH
- * NCB, FSB Hillsboro, OH
- * United Bank, NA Bucyrus, OH
- * Old National Bank Evansville, OH
- * Western Reserve Bank Medina, OH
- * First National Bank of Pandora Pandora, OH
- * Home Savings & Loan Company Kenton, OH
- * First Financial Bank, NA Hamilton, OH

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

NEW BUSINESS

ECONOMIC OUTLOOK / INVESTMENT

Investment Director Bob Newman presented an overview of the investment philosophy. The Federal Funds rate is at 2.0%. The Federal Funds rate is forecasted to remain flat 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 and new home sales decreased in March 2008. In April there was an estimated 243 thousand homes that were reported to be in some stage of foreclosure, per RealtyTrac, Inc. The foreclosure crisis continues to have an impact on the US economy. The unemployment rate decreased by 0.02% in April 2008 to a national average of 5.0%. 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 banks were presented to the Board for approval to become an interim state depository for the remainder of the 2006-2008 designation period.

Bank of Maumee, Maumee Ohio
 LCNB National Bank, Lebanon Ohio
 RiverHills Bank, New Richmond Ohio
 Waterford Bank, Toledo Ohio
 Buckeye Community Bank, Lorain Ohio

Mr. Keen approved and Mr. Winters seconded.

Also under new business Treasurer Cordray mentioned that the Board of

Deposit audit being performed by Kennedy Cottrell Richards is underway. Treasurer of State personnel have provided the auditors with board minutes as well as board expenses to review along with bank statements.

RATIFICATION OF THE INTERIM FUNDS

Treasurer Cordray moved for the Board to ratify \$5,166,467,634.73 as interim funds for April 2008. Mr. Winters 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 April 2008 were \$118,228.30. KeyBank Trust banking fees for April 2008 were \$10,036.45. PNC banking fees were \$278.58 for April 2008. Fifth Third banking fees (DNR Wapakoneta) were \$69.34 for April 2008. Fifth Third banking fees for DNR Maumee Bay for April 2008 were \$115.89. Treasurer of State Tax manager fees for October – December 2007 were \$48,875.01 and Treasurer of State Tax Manager fees for January – March 2008 were \$49,063.49. KeyBank banking fees for (State Highway Patrol Drop) for April 2008 were \$89.36. US Bank banking fees were \$1,823.00 for September 2007 – April 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 _____

AUDITOR OF STATE _____