



TREASURER OF STATE

May 26, 2009

Wednesday, 24 June 2009 10:41

Minutes of the meeting of the State Board of Deposit held Thursday May 26, 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
Cliff Schechter, Treasurer of State
Jason Yost, Treasurer of State
Karen Bigelow, US Bank
Paul Teasley, Hannah News Service
David Baird, Bank of New York Mellon
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 April 28, 2009 which had previously been distributed to the members be dispensed and that the minutes be approved. Mr. Keen approved and Ms. Beck 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 rose nearly 24% from February to March. 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. New home sales decreased 0.6% in March compared to data from February 2009 and existing home sales decreased 3.0% in March compared to sales figures from February 2009. The national unemployment rate for April was reported at 8.9%. Ohio's unemployment rate was the highest it has been in 25 years at 9.7% for the month of March. The number of Americans receiving unemployment benefits is at the highest level since 1983. 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 Federal Bank of Ohio - Crawford County

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

RATIFICATION OF THE INTERIM FUNDS

Mr. Ahmad moved for the Board to ratify \$4,690,029,577.52 as interim funds for April 2009. Ms. Beck 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 2009 were \$148,320.27. KeyBank Trust banking fees for April 2009 were \$8,738.28. KeyBank banking fees for (State Highway Patrol Drop) for April 2009 were \$93.16. US Bank banking fees were \$229.74 for April 2009. PNC banking fees were \$303.26 for April 2009. Fifth Third banking fees for ODNR (Maumee Bay) were \$63.46 for April 2009 and Fifth Third banking fees for ODNR (Wapakoneta) were \$14.73 for April 2009. 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 _____