



TREASURER OF STATE

September 29, 2008

Tuesday, 21 October 2008 11:38

Minutes of the meeting of the State Board of Deposit held Monday September 29, 2008 at 11:00 a.m. in the Office of the Treasurer of State.

MEMBERS PRESENT:

Sue Hamilton, representing Treasurer of State Richard Cordray
Thomas Winters, representing Attorney General Nancy Rogers
Tim Keen, representing Auditor of State Mary Taylor

OTHERS PRESENT:

Chris Glaros, Treasurer of State
Jennifer Day, Treasurer of State
Tyler Lowry, Treasurer of State
Jonathan Vega, Treasurer of State
Don Gipe, Treasurer of State
Bob Newman, Treasurer of State
Amer Ahmad, Treasurer of State
Jane Wolfe, Treasurer of State
Paul Teasley, 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.

Ms. Hamilton moved that the reading of the minutes of the State Board of Deposit meeting held August 21, 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 2.0%. The Federal Funds rate is forecasted to remain flat through March 2009. Core CPI is the primary measure of inflation. Inflation may stabilize over the coming months as foreign and domestic economies are slowing and the consumption of energy declines. There continues to be a decline in the housing market month after month. Existing home sales decreased 2.2% in August 2008. The Mortgage Bankers Association reported in September 2008 that new loan applications for home purchases and refinancing declined 10.6% for the week ending September 19, 2008. The foreclosure crisis continues to have an impact on the economy. The national unemployment rate for August 2008 was reported at 6.1% which is the highest national jobless rate since August 2003. It is our belief that the recent credit market turmoil will slow aggregate economic growth in the U.S. through the remainder of 2008 and early 2009. The strategy is to continue to add value and position the portfolio in line with near term expectations on interest rates.

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

First Federal Savings & Loan , Lakewood, Ohio

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

At a prior meeting, Mr. Keen requested an update of the Board of Deposit budget. Mr. Gipe presented the budget update at this meeting and moving forward an update will be presented quarterly to the board members.

RATIFICATION OF THE INTERIM FUNDS

Ms. Hamilton, representing Treasurer Cordray, moved for the Board to ratify \$3,498,715,483.59 as interim funds for August 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 August 2008 were \$66,630.28. KeyBank Trust banking fees for August 2008 were \$8,958.66. PNC banking fees were \$209.58 for

August 2008. Fifth Third banking fees (DNR Wapakoneta) were \$94.09 for August 2008. Fifth Third banking fees for DNR Maumee Bay for August 2008 were \$85.41. KeyBank banking fees for (State Highway Patrol Drop) for August 2008 were \$82.93. US Bank banking fees were \$281.79 for August 2008. National City ODNR \$35.23 for July 2008 and \$47.49 for August 2008. Treasurer of State Tax manager fees for April – June 2008 were \$49,875.01. 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, Ms. Hamilton moved to adjourn. Motion carried. Meeting adjourned.

RICHARD CORDRAY, TREASURER OF STATE
CHAIRMAN, STATE BOARD OF DEPOSIT

ATTEST _____
SECRETARY

ATTORNEY GENERAL _____

AUDITOR OF STATE _____