



## TREASURER OF STATE

November 24, 2009

Tuesday, 22 December 2009 11:24

Minutes of the meeting of the State Board of Deposit held Tuesday November 24, 2009 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:

Amer Ahmad, Treasurer of State  
Bob Newman, Treasurer of State  
Simone Wilkinson, Treasurer of State  
Denise Blain, Treasurer of State  
Jason Yost, Treasurer of State  
Jane Wolfe, Treasurer of State  
Kyana Pierson, 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.

Treasurer Boyce asked for a motion to approve the minutes of the State Board of Deposit meeting held October 27, 2009 which had previously been distributed to the members be dispensed and that the minutes be approved. Mr. Keen made the motion to approve and Mr. Vega seconded. The motion carried.

### OLD BUSINESS

Under old business Mr. Ahmad presented a schedule to the Board highlighting the timeline for the bank designation schedule. Also a list of

accounts was presented that are being reviewed and addressed in the RFP which will clarify those accounts to be paid by the Board of Deposit and those accounts that should be paid by the various agencies.

## 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 1.7% for the month of October 2009. Ohio home sales statewide for new and existing homes for the period January - September totaled 76,566 sales which was 13.4% lower than the 88,414 sales posted during the same period last year. The national unemployment rate was at 10.2% for the month of October down from 10.8% in August. Ohio's unemployment rate still remains at the highest level in 25 years. Despite the continuing job loss figures, we are still in a slow moving recovery phase. The strategy is to add value and position the portfolio in line with near term expectations on interest rates.

It was noted for the record that during 9/30/09 through 10/30/09 the Treasury Investment department used an investment strategy which resulted in a huge gain in the portfolio. There were bonds bought at a high interest rate. As the interest rates went down the value of the bonds went up. The office sold \$2.3 billion worth of bonds to recognize call premium which resulted in \$16 million in call premium able to be reinvested and booked to the portfolio for the month of October.

### RATIFICATION OF THE INTERIM FUNDS

Treasurer Boyce moved for the Board to ratify \$6,303,433,590.28 as interim funds for October 2009. Mr. Keen approved 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 October 2009 were \$84,477.85. KeyBank Trust banking fees for October 2009 were \$8,195.73. US Bank banking fees were \$139.07 for October 2009. PNC banking fees were \$417.82 for October 2009. Fifth Third banking fees for ODNR (Maumee Bay) were \$61.19 for October 2009 and Fifth Third banking fees for ODNR (Wapakoneta) were

\$44.78 for October 2009. Fifth Third banking fees for ODNR Akron were \$48.17 for October 2009. National City banking fees for ODNR Watercraft were \$16.60 for October 2009. The Board of Deposit agreed upon procedure report fees for September 2009 were \$4,768.00. Mr. Keen authorized 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 moved to adjourn. Motion carried. Meeting adjourned.

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

ATTEST \_\_\_\_\_  
SECRETARY

ATTORNEY GENERAL \_\_\_\_\_