



STATE BOARD OF DEPOSIT

STATE OF OHIO

Members:
Richard Cordray, Chairman
Treasurer of State

Nancy Hardin Rogers
Attorney General

Mary Taylor
Auditor of State

BOARD OF DEPOSIT

December 18, 2008

AGENDA

1. Call to order
2. Approve or amend minutes from November 20, 2008 meeting
3. Sign approved minutes
4. Old Business
5. New Business
 - Economic Outlook
 - Investment Activity
 - Other Business
6. Ratification of the Designation by the Treasurer of State of \$8,562,145,580.50 as Interim Funds
7. Certification and Approval of Board Expenses
8. Adjournment



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Minutes of the meeting of the State Board of Deposit held Thursday November 20, 2008 at 10:00 a.m. in the Office of the Treasurer of State.

MEMBERS PRESENT: Richard Cordray, Treasurer of State, (Chair)
Thomas Winters, representing Attorney General Nancy H. Rogers
Tim Keen, representing Auditor of State Mary Taylor

OTHERS PRESENT: Sue Hamilton, Treasurer of State
Chris Glaros, Treasurer of State
Amer Ahmad, Treasurer of State
Holly Hollingsworth, Treasurer of State
Bob Newman, Treasurer of State
Jonathan Vega, Treasurer of State
Sheryl Klein, Treasurer of State
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 October 21, 2008 which had previously been distributed to the members be dispensed and that the minutes be approved. Mr. Keen approved and Mr. Winters 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 1.00%. On November 12, 2008 the Federal Funds options market reflected a 95.5% chance of a decrease from the 1.00% rate at the December 16, 2008 meeting. The Federal Funds rate is forecasted to remain flat through June 2009. Core CPI is the primary measure of inflation. Inflation is expected to stabilize over the coming months as the foreign and domestic economies are slowing and energy consumption declines. Existing home sales increased 5.5% in September compared to August home sales figures. New home sales increased 2.7% in September compared to sales figures from August. The foreclosure crisis continues to

have an impact on the economy. The national unemployment rate for October 2008 was reported at 6.5%. It is our belief that the recent credit market turmoil will continue to slow aggregate economic growth in the U.S. through the remainder of 2008 and early 2009. The strategy is to add value and position the portfolio in line with near term expectations on interest rates.

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

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

Also under new business an update was given of the banking contracts and the status of earnings credits owed the state for the period of June 2007 through June 2008. As a result of the Treasurer's office reviewing all banking contracts in partnership with the banks and monitoring how the contracts are carried out, the state will receive \$880,120.92 in total earnings credits which the banks had not properly credited to the state in 2007 and 2008.

RATIFICATION OF THE INTERIM FUNDS

Treasurer Cordray moved for the Board to ratify \$4,018,993,353.56 as interim funds for October 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 October 2008 were \$81,349.70. KeyBank Trust banking fees for October 2008 were \$8,671.91. KeyBank banking fees for (State Highway Patrol Drop) for October 2008 were \$697.93. US Bank banking fees were \$172.38 for October 2008. National City banking fees were \$46.84 for September 2008 and \$38.73 for October 2008. PNC banking fees were \$211.86 for September 2008. Board of Deposit fees for agreed upon procedures were \$9,600.00 for August 2008 and \$2,661.00 for October 2008. Mr. Winters authorized the Chairman to pay these expenses from the appropriations for that purpose. Mr. Keen seconded.

Board of Deposit 3

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

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

ATTEST Stacy Cumberland
SECRETARY

ATTORNEY GENERAL For Atty Gen Nancy H. Reyes - Skwiter
AUDITOR OF STATE Erin Lee FOR Mary Taylor



STATE BOARD OF DEPOSIT
STATE OF OHIO

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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent KeyBank banking fees for the month of November 2008, are \$74,304.08.

Richard Cordray

CHAIRMAN

Stacey Cumberlander

SECRETARY

November 15, 2008

DATE



STATE BOARD OF DEPOSIT
STATE OF OHIO

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Mary Taylor
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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent KeyBank trust banking fees for November 2008 are \$9,372.49.

Richard Cordray

CHAIRMAN

Stacy Cumberlander

SECRETARY

November 10, 2008

DATE



STATE BOARD OF DEPOSIT
STATE OF OHIO

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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent KeyBank banking fees [State Highway Patrol – DROP Account] for the month of November 2008, \$719.88.

Richard Cordray

CHAIRMAN

Stacy Cumberland

SECRETARY

December 15, 2008

DATE



STATE BOARD OF DEPOSIT

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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent Fifth Third banking fees [Dept. of Natural Resources - Wapakoneta] for the month of October 2008 for \$33.83.

Richard Cordray

CHAIRMAN

Stacy Lumberlander

SECRETARY

November 15, 2008

DATE



STATE BOARD OF DEPOSIT
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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent Fifth Third banking fees [Dept. of Natural Resources - Maumee Bay] for the month of November 2008 for a total of \$7.46.

Richard Cordray

CHAIRMAN

Nancy Hardin Rogers

SECRETARY

December 15, 2008

DATE



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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent PNC banking fees [Mine Subsidence Remote Capture] for the month of October for a total due of \$539.32.

CHAIRMAN

Stacy Cumberlander

SECRETARY

December 15, 2008

DATE



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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent US Bank banking fees (remote capture for Columbus and Portsmouth) for the month of November 2008 is \$164.59.

Richard Cordray

CHAIRMAN

Stacey Cumberland

SECRETARY

December 16, 2008

DATE



STATE BOARD OF DEPOSIT
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Attorney General

Mary Taylor
Auditor of State

CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent National City Bank banking fees which remain unpaid for the ODNR Cambridge account for the period of November 2008 for \$18.44.

Richard Cordray

CHAIRMAN

Stacy Cumberland

SECRETARY

December 16, 2008

DATE

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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represents Ohio Administrative Knowledge System [OAKS] voucher processing fees for payment of the Board banking fees issued June 28 through October 25 of 2008, of \$2.08.

Richard Cordray

CHAIRMAN

Mary Cumberland

SECRETARY

December 16, 2008

DATE



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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent Treasurer of State Tax Manager costs for the months of July 2008 – September 2008 are \$49,380.02.

Richard Cordray

CHAIRMAN

Stacy Cumberlander

SECRETARY

December 16, 2008

DATE