



TREASURER OF STATE

August 27, 2009

Thursday, 08 October 2009 03:14

Minutes of the meeting of the State Board of Deposit held Thursday August 27, 2009 at 10:00 a.m. in the Office of the Treasurer of State.

MEMBERS PRESENT:

Kevin L. Boyce, Treasurer of State

Cindy Beck, 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

Lynne Carter, Treasurer of State

Niel Jurist, Treasurer of State

Sheryl Klein, Treasurer of State

Jason Yost, Treasurer of State

Jane Wolfe, Treasurer of State

Thomas Howard, Treasurer of State

Eric Russell, Crowe Horwath LLP

Michael Roth, Bank of New York

Noah Blundo, 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 moved that the reading of the minutes of the State Board of Deposit meeting held July 30, 2009 which had previously been distributed to the members be dispensed and that the minutes be approved. Ms. Beck 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 .25%. The Federal Funds rate is forecasted to remain flat through 2009. Core CPI is the primary measure of inflation. Core CPI stands at 1.5% for the month of August 2009. The FOMC Committee anticipates a gradual recovery in economic activity later this year. Ohio home sales statewide for new and existing homes decreased 0.39% from June to July. Traditionally home sales peak in June and fall in July. Some of the contributing factors to the steady sales are falling home prices, low mortgage rates and first time home buyers taking advantage of the \$8,000.00 federal income tax credit. The national unemployment rate for July was reported at 9.4%. Ohio's unemployment rate was at 11.1% for the month of June, the highest in 25 years. The number of Americans receiving unemployment benefits is at the highest level since 1983. Despite the continuing job loss figures, the economic outlook going forward is positive. The strategy is to add value and position the portfolio in line with near term expectations on interest rates.

RATIFICATION OF THE INTERIM FUNDS

Treasurer Boyce moved for the Board to ratify \$4,078,748,544.40 as interim funds for July 2009. Mr. Keen approved and Ms. Beck 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 July 2009 were \$81,543.33. KeyBank Trust banking fees for July 2009 were \$7,487.27. KeyBank banking fees for (State Highway Patrol Drop) for July 2009 were \$93.15. US Bank banking fees were \$95.27 for July 2009. PNC banking fees were \$317.69 for July 2009. Fifth Third banking fees for ODNR (Maumee Bay) were \$49.00 for July 2009 and Fifth Third banking fees for ODNR (Wapakoneta) were \$40.27 for July 2009. Fifth Third banking fees for ODNR Akron were \$48.79 for July 2009. National City banking fees for ODNR Watercraft were \$26.86 for July 2009. Treasurer of State Tax manager fees were \$50,375.01 for April – June 2009 and Board of Deposit agreed upon procedures (BOD Audit) for June - July 2009 were \$8,822.00. Ms. Beck 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 Boyce moved to adjourn. Motion carried. Meeting adjourned.

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

ATTEST _____
SECRETARY

ATTORNEY GENERAL _____

AUDITOR OF STATE _____