



TREASURER OF STATE

February 24, 2009

Friday, 27 March 2009 12:34

Minutes of the meeting of the State Board of Deposit held Tuesday February 24, 2009 at 10:00 a.m. in the Office of the Treasurer of State.

MEMBERS PRESENT:

Kevin L. Boyce, Treasurer of State, (Chair)

Sue Hamilton, representing Attorney General Richard Cordray

Tim Keen, representing Auditor of State Mary Taylor

OTHERS PRESENT:

Amer Ahmad, Treasurer of State

Christina Haddad, Treasurer of State

Bob Newman, Treasurer of State

Jonathan Vega, Treasurer of State

Denise Blain, Treasurer of State

Sheryl Klein, Treasurer of State

Linda Cruse, Treasurer of State

Jason Yost, Treasurer of State

Stan Harris, National City Bank

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.

Treasurer Boyce moved that the reading of the minutes of the State Board of Deposit meeting held January 26, 2009 which had previously been distributed to the members be dispensed and that the minutes be approved. Ms. Hamilton 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 declined 0.7% for the month of December. The FOMC Committee anticipates a gradual recovery in economic activity later this year. Existing home sales increased 6.5% in December compared to November sales. New home sales declined 14.69% in December compared to sales figures from November. Ohio home sales were weak for the last six weeks. Residential mortgage rates have dropped however due to tightened credit standards by the banks the down payments required from the homebuyer are higher keeping home sales low. The national unemployment rate for January was reported at 7.6%. The number of Americans receiving unemployment benefits is at the highest level since 1982. 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 2009. The strategy is to add value and position the portfolio in line with near term expectations on interest rates.

There was no new business to come before the Board.

RATIFICATION OF THE INTERIM FUNDS

Treasurer Boyce moved for the Board to ratify \$3,673,035,493.15 as interim funds for January 2009. Ms. Hamilton 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 January 2009 were \$95,637.32. KeyBank Trust banking fees for January 2009 were \$8,643.65. KeyBank banking fees for (State Highway Patrol Drop) for January 2009 were \$767.60. US Bank banking fees were \$194.29 for January 2009. PNC banking fees were \$283.60 for December 2008 and \$277.79 for January 2009. Fifth Third banking fees for (ODNR Maumee Bay) were \$36.23 for January 2009. Mr. Keen authorized the Chairman to pay these expenses from the appropriations for that purpose. Ms. Hamilton 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 _____