



TREASURER OF STATE

July 29, 2010

Monday, 30 August 2010 4:36

Minutes of the meeting of the State Board of Deposit held July 29, 2010 at 10:00 a.m. in the Office of the Treasurer of State.

MEMBERS PRESENT:

Amer Ahmad, representing Treasurer of State Kevin L. Boyce
Jonathan Vega, representing Attorney General Richard Cordray
Robert Hinkle, representing Auditor of State Mary Taylor

OTHERS PRESENT:

Bob Newman, Treasurer of State
Jason Yost, Treasurer of State
Kyana Pierson, Treasurer of State
Stewart Smith, Treasurer of State
Sheryl Klein, Treasurer of State
Denise Blain, Treasurer of State
Ethan Houts, 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.

Mr. Ahmad asked for a motion that the reading of the minutes of the State Board of Deposit meeting held June 24, 2010, which had previously been distributed to the members be dispensed and that the minutes be approved. Mr. Vega made the motion to approve the minutes and Mr. Hinkle seconded. The motion was approved.

OLD BUSINESS

There was no old business to come before the Board.

NEW BUSINESS

ECONOMIC OUTLOOK / INVESTMENT

Mr. Newman presented an overview of the investment philosophy. The Federal Funds rate is at 0-.25%. The Federal Funds rate continues to remain flat. Core CPI is the primary measure of inflation. Core CPI stands at 0.9% for the month of June 2010. Existing home sales decreased 5.1% in June. New home sales decreased 33% in May compared to April totals. Ohio home sales statewide for new and existing homes during the month of June increased 14.3% compared to the sales posted during the month of June a year ago. Ohio's unemployment rate was 10.5% for the month of June which was a slight decrease from the 10.7% rate from May. The national unemployment rate for June was 9.5% down 0.2% from the previous month. The strategy is to add short term securities to the portfolio with the expectation that interest rates will remain low.

An update was presented to the board for the eight pending banks that were approved by resolution at the June 24, 2010 meeting. As of Monday June 28, 2010 all of the Depository Agreement documents were received by the Treasurer's office for each bank with the exception of Nationwide Bank. Nationwide Bank will be submitting a resolution for Treasurer Deposits approved by their Board of Directors. Their next Board of Directors meeting is August 19, 2010. The current resolution was approved by their lending committee. Mr. Hinkle asked for a report on Nationwide Bank at the next board meeting.

RATIFICATION OF THE INTERIM FUNDS

Mr. Ahmad asked for a motion for the Board to ratify \$20,530,429,184.18 as interim funds for June 2010. Mr. Hinkle moved 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 June 2010 were \$1,723.18. KeyBank Trust banking fees for June 2010 were \$10,565.94. KeyBank fees for State Highway Patrol Drop were \$85.10 for June 2010. US Bank banking fees for ODNR Portsmouth were \$144.82 for June 2010. Fifth Third banking fees for ODNR (Akron) were \$72.61 for May 2010. Fifth Third banking fees for ODNR (Maumee Bay) were \$59.23 for May 2010 and Fifth Third banking fees were \$48.23 for ODNR (Wapakoneta) for May 2010. Mr. Vega asked for an explanation of the reallocation of \$100,704.17 of earnings credits to the state regular account. Mr. Yost stated that during negotiation of the banking services agreements banks did not want to carry earnings credits

forward contract to contract or year to year. The pool of earnings credits were redistributed to offset balances. The decision was made to reallocate earnings credits to the account which usually has the largest fees which in this case was the state regular account. Mr. Vega made a motion to authorize the Chairman to pay these expenses from the appropriations for that purpose. Mr. Hinkle seconded.

There being no further business to come before the Board, Mr. Ahmad adjourned the meeting.

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

ATTEST _____
SECRETARY

ATTORNEY GENERAL _____