



## TREASURER OF STATE

July 30, 2008

Tuesday, 26 August 2008 04:22

Minutes of the meeting of the State Board of Deposit held Wednesday July 30, 2008 at 3:30 p.m. in the Office of the Treasurer of State.

### MEMBERS PRESENT:

Richard Cordray, Treasurer of State (Chair)

Nancy Rogers, Attorney General

Christina Haddad, representing Auditor of State Mary Taylor

### OTHERS PRESENT:

Sue Hamilton, representing Treasurer of State Richard Cordray

Thomas Winters, Attorney General

Amy Minardo, Treasurer of State

Holly Hollingsworth, Treasurer of State

Justin Nahvi, Treasurer of State

Sheryl Klein, Treasurer of State

Jonathan Vega, Treasurer of State

Noah Blundo, Hannah

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 June 24, 2008 which had previously been distributed to the members be dispensed and that the minutes be approved. Ms. Haddad approved and Attorney General Rogers seconded. The motion carried.

### OLD BUSINESS

An update was also given to the board members regarding the Board of Deposit audit being performed by Kennedy Cottrell Richards. The audit is ongoing. Two out of three of the agreed upon procedures have been

completed.

## NEW BUSINESS

### ECONOMIC OUTLOOK / INVESTMENT

Assistant Investment Director Justin Nahvi presented an overview of the investment philosophy. The Federal Funds rate is at 2.0%. The market expectation is that there is a marginal chance of a drop in this rate. The Federal Funds rate is forecasted to remain flat through March 2009. Core CPI is the primary measure of inflation. Core CPI stands at 2.4% for the month of June 2008 General CPI is at 5% for June 2008. This is the highest it has been since 1991. The Federal Reserve may be required to raise rates due to inflation expectations. There continues to be a decline in the housing market month after month. The foreclosure crisis continues to have an impact on the US economy. The national unemployment rate for May 2008 was reported at 5.5%. The strategy is to continue to add value and position the portfolio in line with near term expectations on interest rates.

Also under new business there were two banks, Fahey Banking Company and Mechanic Savings Bank that were omitted from the list of banks (pending receipt of their documents), that did not get approved at the June 24, 2008 board meeting. There was a motion to approve these two banks. Attorney General Rogers approved and Ms. Haddad seconded. Motion carried.

The following banks were presented to the board to become interim state depositories:

First Federal Community Bank of Dover Dover OH

Northwest Savings Bank Warren PA

Portage Community Bank Ravenna OH

First National Bank of Sycamore Sycamore OH

There was a motion to approve these four banks. Ms. Haddad approved and Attorney General Rogers seconded. Motion carried.

### RATIFICATION OF THE INTERIM FUNDS

Treasurer Cordray moved for the Board to ratify \$6,160,836,815.43 as interim funds for June 2008. Ms. Haddad approved and Attorney General Rogers 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 2008 were \$87,619.17. KeyBank Trust banking fees for June 2008 were \$10,301.52. PNC banking fees were \$276.14 for June 2008. Fifth Third banking fees (DNR Wapakoneta) were \$68.94 for June 2008. Fifth Third banking fees for DNR Maumee Bay for June 2008 were \$89.04. KeyBank banking fees for (State Highway Patrol Drop) for June 2008 were \$99.74. US Bank banking fees were \$127.86 for June 2008. Kennedy Cottrell Richards Board of deposit audit fees for April - May 2008 were \$3,150.00. Ms. Haddad authorized the Chairman to pay these expenses from the appropriations for that purpose. Attorney General Rogers seconded.

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

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

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

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

AUDITOR OF STATE \_\_\_\_\_