



STATE BOARD OF DEPOSIT STATE OF OHIO

Members:

Robert Sprague, Chairman
Treasurer of State
Dave Yost
Attorney General
Keith Faber
Auditor of State

Minutes of the meeting of the State Board of Deposit held June 25, 2025, which started at 10:30 a.m. in the Rhodes State Office Tower Administrative Hearing Room.

MEMBERS PRESENT:

Robert C. Sprague, Treasurer of the State of Ohio
William Collier, representing the Ohio Attorney General
Timothy S. Keen, representing the Ohio Auditor of State

OTHERS PRESENT:

Elizabeth Meade, Secretary
Marjorie Kruse, Deputy Treasurer
Harold J. Anderson, Treasurer of State
Stephanie Motley, Treasurer of State
Lauren Roquemoire, Treasurer of State
Walt Myers, Treasurer of State
Laura Martine, Treasurer of State
Steve Gray, Treasurer of State
Paul Theis, Treasurer of State
Stacie Erb, Treasurer of State
Scott Adams, Treasurer of State
Hannah Poling, Treasurer of State
Jennifer Day, Treasurer of State
Mac Robertson, Treasurer of State
Susanna Whitman, Visitor
Jawhara Qutiefan, American Muslims for Palestine – Columbus

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.

Chairman Sprague called the meeting to order. Mr. Sprague then asked for a motion that the reading of the minutes from the State Board of Deposit meeting held May 27, 2025, which was previously distributed to the members, be dispensed with and that the minutes be approved upon motion and vote. Mr. Sprague made the motion to approve the minutes and Mr. Collier seconded. Motion carried (3-0).

Mr. Sprague indicated that any audience members who were interested in addressing the Board, should fill out a witness slip and give the slip to the Board Secretary. Mr. Sprague reminded the audience that witnesses were limited to two minutes when addressing the Board.

OLD BUSINESS

Mr. Sprague stated there was no old business to come before the board at this time.

NEW BUSINESS

Mr. Sprague asked Marj Kruse to provide an update on the fiscal year 2025 Board of Deposit budget for informational purposes only and no motion to approve is required. Ms. Kruse indicated that the Board had before it the fiscal year 2025 budget status reports. She indicated that the status reports are for all expenditures paid through the month of April 2025. Ms. Kruse stated that there is about sixty-five percent of the appropriation remaining and available, so she believes that the Board will have plenty of money to get through the fiscal year. Mr. Sprague asked if there were any questions about the budget. There were none. Mr. Sprague stated that the interest rates had worked in favor of the Board once again, and that is one of the reasons there is a significant amount of the budget left over.

Additional new business before the Board: one resolution was presented to the Board for approval. Resolution 2025-07, for the designation of public depositories, was presented to the Board for approval. Secretary Meade read the Resolution into the record.

STATE BOARD OF DEPOSIT RESOLUTION – 2025-07

June 25, 2025

WHEREAS, the Treasurer of State, on behalf of the State Board of Deposit, solicited applications from eligible financial institutions to be designated as public depositories of the public moneys of the state; and

WHEREAS, the Treasurer of State has received applications from eligible financial institutions desiring to be designated as public depositories of interim deposits of the public moneys of the state for the period commencing July 7, 2025, and ending on July 1, 2029; and

WHEREAS, the Treasurer of State has reviewed such applications and determined that each satisfies the requirements of Chapter 135 of the Ohio Revised Code;

THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF DEPOSIT:

The attached list of financial institutions, hereafter Attachment A, are hereby designated as public depositories of the public moneys of the state, for interim deposits only, for the period commencing July 7, 2025, and ending on July 1, 2029.

Robert Cole Sprague, Chairman
Treasurer of State

Dave Yost
Attorney General

Keith Faber
Auditor of State

ATTACHMENT A
(Resolution BOD 2025-07)
June 25, 2025

Name of Financial Institution:

<i>Adelphi Bank</i>	<i>Liberty Savings Bank, F.S.B.</i>
<i>Buckeye Community Bank</i>	<i>Main Street Bank Corp.</i>
<i>Cardinal Credit Union, Inc.</i>	<i>The Metamora State Bank</i>
<i>CFBank, NA</i>	<i>Monroe Federal Savings & Loan Association</i>
<i>The Citizens Bank Company</i>	<i>North Side Bank & Trust Company</i>
<i>CNB Bank</i>	<i>Pathways Financial Credit Union, Inc.</i>
<i>The Community Bank</i>	<i>Peoples Bank</i>
<i>Community Savings</i>	<i>The Peoples Savings Bank</i>
<i>Day Air Credit Union</i>	<i>Portage Community Bank</i>
<i>Farmers State Bank</i>	<i>The Richwood Banking Company</i>
<i>The Farmers State Bank</i>	<i>The Savings Bank</i>
<i>First Bank Richmond</i>	<i>Seven Seventeen Credit Union, Inc.</i>
<i>First Commonwealth Bank</i>	<i>Sharefax Credit Union</i>
<i>First Federal Savings & Loan Association of Lakewood</i>	<i>The State Bank & Trust Company</i>
<i>First Federal Savings and Loan Association of Lorain</i>	<i>Sun Federal Credit Union</i>
<i>First Financial Bank</i>	<i>Toledo Urban Federal Credit Union</i>
<i>First National Bank of Pandora</i>	<i>Towpath Credit Union, Inc.</i>
<i>Fremont Federal Credit Union</i>	<i>Unified Bank</i>
<i>Guardian Savings Bank</i>	<i>The Union Bank Company</i>
<i>The Home Loan Savings Bank</i>	<i>Union Savings Bank</i>
<i>The Home Savings and Loan Company of Kenton Ohio</i>	<i>WesBanco Bank, Inc</i>

Mr. Sprague noted the list of financial institutions on these resolutions used to be very small, maybe six or so, but the lists are much longer these days. He stated that the Treasurer's office is pleased to have so many financial institutions participating, and he wanted to recognize the staff of the Treasurer's office, stating it is his belief this is because of their good work and the linked deposit programs offered. Mr. Sprague stated that when COVID began, the Treasurer's office wanted to put more money into Ohio and its institutions. He stated that the office has accomplished that goal through the deposits the Treasurer's office is making for linked deposits. Every single dollar of linked deposits to the local Ohio financial institutions does not stay in the financial institution, it goes to making a loan out to a small business or a farmer or an agribusiness, or to a homebuyer. He stated that the Treasurer's office is not done yet and there is more that the office would like to do, so it's a good thing that there are so many financial institutions that are participating. Mr. Sprague asked for a motion to approve Resolution 2025-07. Mr. Keen made the motion to approve the resolution, and Mr. Collier seconded. The motion carried (3-0).

PUBLIC COMMENT

Mr. Sprague asked Secretary Meade if any witness slips had been turned in. Ms. Meade stated that no slips had been turned in, however, it appears there are parties interested in speaking. Ms. Meade directed the parties where to find the witness slips.

While they completed the witness slips, Mr. Keen asked Mr. Sprague a clarification question, that the lists of financial institutions on Resolution 2025-07 are for the linked deposit programs and BidOhio. Ms. Kruse confirmed that is primarily correct, stating that BidOhio is the Treasurer's office's CD program. She further stated that the Treasurer's office also has some negotiated deposits and they would fall into this category as well. Thus, these are for interim deposits that are not needed for immediate, current expenditures. Mr. Keen clarified that throughout the year, the Board adds financial institutions to that list, so that is what resolution 2025-07 is doing. Ms. Kruse stated that was correct, that the period under which financial institutions can submit an application to be considered for interim depositories is ongoing, unlike the designation of the depositories for the current active deposits, which is one time every four years and results in the Banking Services Agreement. Mr. Keen asked for clarification as to whether the housing linked deposit program applies for this list of depositories or if it is a different list. Both Mr. Sprague and Ms. Kruse stated it was applicable for this list. Mr. Sprague stated that any time the Treasurer's office deposits interim moneys with a financial institution, the financial institution must be approved as an interim depository, so it's a rolling process. Ms. Kruse stated that as part of a financial institution's application, the financial institution must indicate which of the interim deposit programs they would like to participate in. So not every financial institution approved will participate in Ohio Homebuyer Plus, they may have selected another program like BidOhio or Ag-LINK.

Ms. Meade indicated to the Board that the witness slips had been turned in and provided the Board with the accompanying literature for the second witness. Mr. Sprague asked Secretary Meade to call each witness who submitted a speaker slip. He reminded the audience that speakers are limited to two minutes when addressing the Board, and asked Ms. Meade to time each speaker. Ms. Meade called the first witness, Susanna Whitman.

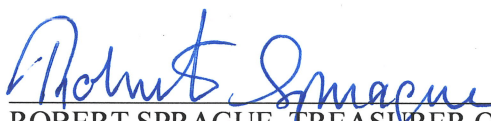
Mr. Sprague welcomed Ms. Whitman and invited her to approach the podium. Ms. Whitman stated that she was before the Board today to talk about the State's investment in Israel bonds. She stated that the State currently invests around \$260 million in Israel bonds, and these are the only foreign investments in the State's investment portfolio. Ms. Whitman stated that since 2023, Israel's credit rating has seen significant downgrades, with credit agencies specifically naming their ongoing military operations as a concern about their economic outlook. These recent credit rating downgrades and Israel's ongoing reliance on debt markets and unstable economic forecasts makes Israeli debt a more risky investment than others. Ms. Whitman continued that section five of the Ohio Treasurer investment policy states that for foreign debt, either the bonds, notes, or other applications of the debt interest itself, be rated in the three highest categories by two NRSROs or the implicit rating of the issuer of the bonds, notes, or other obligations is rated in the three highest categories by two NRSROs. She stated that currently, with the downgrade, Israel's credit rating is in the third highest categories for SNP and Fitch, and below that for Moody's, putting the state almost at a level where it is no longer permitted to invest in Israel bonds in Ohio. Ms. Whitman concluded that given these significant downgrades and negative outlooks, she has come to ask if the Ohio Treasurer's office intends to continue investing until Israel bonds no longer meet the guidelines.

Mr. Sprague thanked Ms. Whitman for her testimony. Mr. Sprague stated that the State of Ohio has been investing in Israel bonds for the last 30 years, both democrat and republican administrations. He stated that Israel bonds are a key piece of the State's portfolio. Mr. Sprague stated that the Board understands the credit risk, looking at it each month as it analyzes the portfolio. He continued that the Board will not make decisions simply based on politics, but based on, as Ms. Whiteman suggested, the credit ratings that bonds have; and right now the credit ratings are solid. Mr. Sprague continued that some of the credit ratings have a more positive outlook than a year ago from the statistics Ms. Whiteman talked about. Mr. Sprague concluded by stating the Board appreciated Ms. Whiteman's testimony, and asked Ms. Meade to call the next witness.

Ms. Meade called the second witness, Jay Qutiefan. Mr. Sprague welcomed Ms. Qutiefan. Ms. Qutiefan thanked the Board for the opportunity to testify. She introduced herself, stating that she is the Co-President of the Columbus Chapter of American Muslims for Palestine. Ms. Qutiefan stated that she has come before the Board representing thousands of Ohio constituents from across the State. She continued by saying that we the people

of Ohio say no more investments in Israel bonds. (The following are her words.) "As constituents, taxpayers, and members of Ohio's diverse communities, we are calling on you to immediately cease all new purchases and reinvestments in Israel bonds. Ohio currently holds over \$262 million in these bonds at the State level, with additional millions in counties across the State. This investment is not only financially risky, it is morally unacceptable. Our demands: immediately stop all new purchases of Israel bonds; do not reinvest in bonds once they mature; adopt an ethical investment policy that screens for war crimes and human rights violations; disclose all holdings in foreign bonds and publish your investment schedules; and hold public forums to allow community voices to shape investment policies." She noted that she handed out some packets to the Board – the first, research on why it's [inaudible] risky to invest in Israel bonds, is attached as Exhibit A and the second is attached as Exhibit B. Ms. Qutiefan concluded by stating, "We ask of you to do your duty to do what's best financially for Ohio", and she then thanked the Board. Mr. Sprague thanked Ms. Qutiefan for her testimony and the information. He stated that the Board will definitely look at her arguments and the information she presented. Ms. Qutiefan thanked Mr. Sprague, and he thanked her again. Mr. Sprague asked if there were any additional comments from the Board. There were none. Mr. Sprague stated that the Board appreciated the witnesses today.

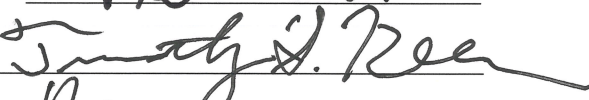
Mr. Sprague asked Ms. Meade if there was any additional business to come before the Board. Ms. Meade stated that there was none. Mr. Sprague moved to adjourn the meeting. Mr. Collier seconded the motion. The motion carried (3-0). The meeting was adjourned at 10:49 a.m.


ROBERT SPRAGUE, TREASURER OF STATE
CHAIRMAN, STATE BOARD OF DEPOSIT

ATTORNEY GENERAL



AUDITOR OF STATE



ATTEST:

SECRETARY



Date approved: September 24, 2025

EXHIBIT A
(Minutes of the Board of Deposit meeting held June 25, 2025)
DATE

Financial Risk of Investing in Israel Bonds

1. No Secondary Market – Illiquid Assets

Israel Bonds **cannot be sold or traded** before maturity. This lack of liquidity ties up public funds for 3–10 years, even if economic or fiscal priorities change.

“Except under certain limited circumstances... no secondary market can develop.”

Source: Israel Bonds, <https://israelbondsintl.com/risk-factors/>

2. Credit Downgrades – Rising Default Risk

Since 2024, Israel's sovereign credit rating has been **downgraded multiple times**:

- **Moody's**: Downgraded Israel from *A1* to *Baa1* (Sept 2024) with a **negative outlook**, citing prolonged conflict and fiscal uncertainty.
Source – Moody's Ratings, ratings.moodys.com/ratings-news/429502
- **S&P**: Downgraded Israel from *AA-* to *A+*, then again to *A* in Oct 2024. They warned of further risk due to ongoing war in Gaza and military buildup near Lebanon.
Source – S&P Global, disclosure.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3260102

These downgrades reflect increasing risk of **default or delayed repayment**, especially as the Israeli deficit widens and political stability declines.

■ Israel Bonds now **fail to meet standard conservative investment guidelines** in many states, which require highly rated, liquid securities. The article highlights how at least two states—Florida and Nevada—have already reached the point where further Israel Bond purchases would **put them in violation** of these guidelines. If Israel's credit rating deteriorates further, **Ohio, Georgia, Louisiana, and Oklahoma** could soon face similar compliance issues.

Source – Al Jazeera, [aljazeera.com/features/2024/12/23/millions-in-bonds-for-israel-put-us-states-at-odds-with-investment-policies](https://www.aljazeera.com/features/2024/12/23/millions-in-bonds-for-israel-put-us-states-at-odds-with-investment-policies)

3. Opportunity Cost – Better Options Exist

Ohio's current bond investments could be redirected to:

- **U.S. Treasury bonds** (similar or higher yield, high liquidity)
 - **Ohio municipal bonds** (support local schools, housing, infrastructure)
-

4. Ballooning Deficit and Rising Borrowing Costs

According to **Reuters** (October 2024), Israel is experiencing rising borrowing costs, a ballooning deficit (reaching **8.3% of GDP**), declining foreign investment, and increased insurance costs—all indicators of serious financial strain affecting Israel Bonds.

Source:

- Reuters,
[reuters.com/world/middle-east/year-war-creates-cracks-israels-borrowing-strength-2024-10-06/](https://www.reuters.com/world/middle-east/year-war-creates-cracks-israels-borrowing-strength-2024-10-06/)
 - La Voce di New York
lavocedinewyork.com/en/2024/10/19/war-and-debt-how-israel-bonds-became-political-and-risky/
-

5. Credit Default Swap (CDS) Spike — Market Sees Default Risk

In late 2024, **Credit Default Swaps (CDS)** on Israeli debt peaked at **167 basis points**, the highest in over a decade. Even after easing slightly to around **90 bps** in early 2025, the still elevated rates indicate that investors are still pricing in the risk of default.

Source:

- Reuters,
[reuters.com/world/middle-east/year-war-creates-cracks-israels-borrowing-strength-2024-10-06/](https://www.reuters.com/world/middle-east/year-war-creates-cracks-israels-borrowing-strength-2024-10-06/)
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6. Geopolitical & Budgetary Stress from Ongoing War

The ongoing war in Gaza and military buildup near Lebanon has severely impacted Israel's economy:

- As of **August 2024**, the war pushed Israel's budget deficit from **4% to 8% of GDP**.
- War-related spending is projected to reach **250 billion shekels (~\$65 billion)** by the end of 2025.
- The **Bank of Israel Governor, Amir Yaron**, issued warnings that without fiscal reform, the country's rising deficit will undermine its long-term "**fiscal integrity**."

📌 Source:

- Fitch Ratings
- Reuters
- BankTrack
- Financial Times

This **increased volatility** makes **long-term financial forecasting uncertain** for investments like public treasuries.

<https://nextcity.org/urbanist-news/divesting-from-death-isnt-impossible>

OHIO doesn't want you to reinvest or invest in israel bonds at all bit.ly/OHsaysnonewbonds

EXHIBIT B
(Minutes of the Board of Deposit meeting held June 25, 2025)
DATE

Ohioans Say: No New Israel Bonds

To:

Ohio State Treasurer Robert Sprague
Ohio State Investment Advisory Council
Ohio General Assembly Members
County Treasurers across the State

We, the people of Ohio, say: No More Investments in Israel Bonds.

As constituents, taxpayers, and members of Ohio's diverse communities, we are calling on you to **immediately cease all new purchases and reinvestments in Israel Bonds**.

Ohio currently holds **over \$262 million** in these bonds at the state level, with additional millions in Franklin, Cuyahoga, and Summit counties. This investment is not only **financially risky**—it is **morally unacceptable**.

These Bonds Are a Financial Liability

- **Downgraded Credit:** Moody's and S&P downgraded Israel's credit rating in 2024 due to war-related instability.
 - **Locked Funds:** Israel Bonds cannot be sold on a secondary market—funds are frozen until maturity.
 - **Poor Return:** Safer, higher-yield options like U.S. Treasuries and municipal bonds are available.
 - **Violates Best Practice:** Fiduciary duty requires minimizing risk and maximizing benefit to Ohioans.
-

These Bonds Are an Ethical Failure

- Israel is under **ICJ investigation for genocide** in Gaza.
 - Our tax dollars should **not support war crimes or apartheid**.
 - Investing in these bonds sends a message that **Ohio ignores human rights and community outrage**.
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You Represent Us — Listen to Your Constituents

Hundreds of Ohioans have mobilized across the state to oppose these investments:

- **Franklin County** allowed \$5 million to mature without renewal. Feb 2025.
- **Cuyahoga County** froze \$3 million in maturing bonds.
- **Summit County** allowed \$1 million to mature without renewal.
- **Public hearings, petitions, testimony, and protests reflect a clear demand: No new bonds. No reinvestment. No complicity.**

You have a responsibility not just to budgets—but to **the people who elect you**.

Our Demands

1. **Immediately stop all new purchases** of Israel Bonds.
2. **Do not reinvest** any bonds once they mature.
3. **Adopt an ethical investment policy** that screens for war crimes and human rights violations.
4. **Disclose all holdings** in foreign bonds and publish reinvestment schedules.
5. **Hold public forums** to allow community voices to shape investment priorities.

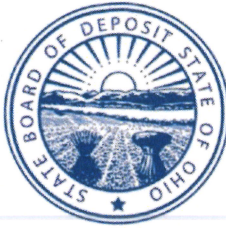


Your Duty Is Clear

As stewards of public funds, **you must act in financial good faith and with moral clarity.** Continuing to invest in Israel Bonds—while the world watches atrocities unfold in Gaza—undermines Ohio's integrity, violates our values, and exposes us to financial harm.

It's time to invest in **Ohio's future**, not Israel's war machine.

Respect the people. Uphold the law. Divest now.



STATE BOARD OF DEPOSIT

STATE OF OHIO

Members:

Robert Sprague, Chairman
Treasurer of State

Dave Yost
Attorney General

Keith Faber
Auditor of State

STATE BOARD OF DEPOSIT RESOLUTION – 2025-08

September 24, 2025

WHEREAS, the Treasurer of State, on behalf of the State Board of Deposit, solicited applications from eligible financial institutions to be designated as public depositories of the public moneys of the state; and

WHEREAS, the Treasurer of State has received applications from eligible financial institutions desiring to be designated as public depositories of interim deposits of the public moneys of the state for the period commencing July 7, 2025, and ending on July 1, 2029; and

WHEREAS, the Treasurer of State has reviewed such applications and determined that each satisfies the requirements of Chapter 135 of the Ohio Revised Code;

THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF DEPOSIT:

The attached list of financial institutions, hereafter Attachment A, are hereby designated as public depositories of the public moneys of the state, for interim deposits only, for the period commencing July 7, 2025, and ending on July 1, 2029.

Robert Cole Sprague, Chairman
Treasurer of State

Dave Yost
Attorney General

Keith Faber
Auditor of State

ATTACHMENT A
(Resolution BOD 2025-08)
September 24, 2025

Name of Financial Institution:

CODE Credit Union
Greater Cleveland Community Credit Union
Hopewell Federal Credit Union
Truist Bank



STATE BOARD OF DEPOSIT

STATE OF OHIO

Members:

Robert Sprague, Chairman
Treasurer of State

Dave Yost
Attorney General

Keith Faber
Auditor of State

STATE BOARD OF DEPOSIT RESOLUTION – 2025-09

September 24, 2025

WHEREAS, previously, on May 27, 2025, the State Board of Deposit adopted Resolution 2025-05, pursuant to Ohio Revised Code (R.C.) § 113.40, to permit the Treasurer of State to solicit proposals for the processing of electronic payments and/or electronic transfers of funds including conversion into U.S. dollars as needed, in compliance with the procedures provided in R.C. § 113.40(C), and to assist state entities and state elected officials in implementing the processing of electronic payments and/or electronic transfers of funds converted into and denominated in U.S. dollars; and

WHEREAS, on July 8, 2025, the Treasurer of State issued a Request for Proposals for digital payment services on behalf of state entities and state elected officials; and

WHEREAS, the Treasurer of State evaluated responses received pursuant to the Request for Proposals, and determined that Grant Street Group was the most aligned with the goals of the Request for Proposals, specifically regarding implementation and long-term services, and that the requirements of R.C. § 113.40 have been satisfied.

THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF DEPOSIT:

The State Board of Deposit hereby authorizes the Treasurer of State, as this Board's Administrative Agent, to negotiate and execute a contract and other necessary documents with Grant Street Group for the provision of services for the processing of electronic payments and electronic transfers of funds including conversion into U.S. dollars as needed, in accordance with R.C. § 113.40(C), said documents to be in full accord with R.C. § 113.40 and Resolution 2025-05 of this Board.

Robert Cole Sprague, Chairman
Treasurer of State

Dave Yost
Attorney General

Keith Faber
Auditor of State