



STATE BOARD OF DEPOSIT

STATE OF OHIO

Members:
Richard Cordray, Chairman
Treasurer of State

Nancy Hardin Rogers
Attorney General

Mary Taylor
Auditor of State

BOARD OF DEPOSIT

August 21, 2008

AGENDA

1. Call to order
2. Approve or amend minutes from July 30, 2008 meeting
3. Sign approved minutes
4. Old Business
5. New Business
 - Economic Outlook
 - Investment Activity
 - Other Business
6. Ratification of the Designation by the Treasurer of State of \$4,204,430,759.36 as Interim Funds
7. Certification and Approval of Board Expenses
8. Adjournment



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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

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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.

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

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

ATTEST _____
SECRETARY

ATTORNEY GENERAL _____

AUDITOR OF STATE _____

Cumberland, Stacey

From: Klein, Sheryl Kalish
Sent: Tuesday, August 19, 2008 1:16 PM
To: Cumberland, Stacey
Cc: Beck, Cindy
Subject: August Board of Deposit

Stacey,

Please add to the agenda for the August Board of Deposit meeting:

1. The Board of Deposit will be asked to approve the following bank as a qualified State depository.
As background:

Farmers Bank and Savings Co., (Meigs County)

Charter Class:	Other Bank, inspected by OSFI
Home Office Location:	Pomeroy, OH
Date Established:	1/1/1934
Total Assets:	\$211,180,000.00
Total Liabilities:	\$192,004,000.00
Interim Deposits:	\$5,000,000.00
FDIC #:	00769



STATE BOARD OF DEPOSIT

STATE OF OHIO

Replaces #83,206.62

Members:
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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent KeyBank banking fees for the month of July 2008, are \$76,921.66.

CHAIRMAN

Stacy Cumberlander

SECRETARY

August 21, 2008

DATE



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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent KeyBank banking fees for the month of July 2008, are \$83,206.62.

CHAIRMAN

Stacey Cumberland

SECRETARY

August 19, 2008

DATE



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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent KeyBank trust banking fees for July 2008 are \$9,691.98.

CHAIRMAN

Stacy Cunniff Anderson

SECRETARY

August 19, 2008

DATE



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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent KeyBank banking fees [State Highway Patrol – DROP Account] for the month of July 2008, \$152.56.

CHAIRMAN

Stacy Cumberland
SECRETARY

August 19, 2008
DATE



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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent Fifth Third banking fees [Dept. of Natural Resources - Wapakoneta] for the month of July 2008 for \$104.21.

CHAIRMAN

Stacey Cumberlander

SECRETARY

August 19, 2008

DATE



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In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent Fifth Third banking fees [Dept. of Natural Resources – Maumee Bay] for the month of July 2008 for \$89.61.

CHAIRMAN

Stacy Lumberger

SECRETARY

August 19, 2008

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In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent PNC banking fees [Mine Subsidence Remote Capture] for the month of July 2008 are \$246.53 minus \$62.06 in earnings credits for a total due of \$184.47.

CHAIRMAN

Stacy Cumberland

SECRETARY

August 19, 2008

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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent US Bank banking fees (remote capture for Columbus and Portsmouth) for the month of July 2008, is \$285.21.

CHAIRMAN

Stacy Cumberland
SECRETARY

August 19, 2008
DATE



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CERTIFICATION OF THE EXPENSES OF THE STATE BOARD OF DEPOSIT

In accordance with Chapter 135.02 of the Ohio Revised Code, the undersigned, Chairman and Secretary of the State Board of Deposit of the State of Ohio, hereby certifies that the necessary expenses of the Board, which represent National City Bank banking fees which remain unpaid for the ODNR Cambridge account for the period of May 2008 for \$29.48 and June 2008 for \$35.57.

CHAIRMAN

SECRETARY

DATE