



TREASURER OF STATE

May 27, 2010

Tuesday, 29 June 2010 10:00

Minutes of the meeting of the State Board of Deposit held May 27, 2010 at 10:00 a.m. in the Office of the Treasurer of State.

MEMBERS PRESENT:

Kevin L. Boyce, Treasurer of State
Sue Hamilton, representing Attorney General Richard Cordray
Tim Keen, representing Auditor of State Mary Taylor

OTHERS PRESENT:

Bob Newman, Treasurer of State
Jane Wolfe, Treasurer of State
Simone Wilkinson, Treasurer of State
Jason Yost, Treasurer of State
Theresa L. Carter, Treasurer of State
Kyana Pierson, Treasurer of State
Sheryl Klein, 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.

Treasurer Boyce asked for a motion that the reading of the minutes of the State Board of Deposit reconvened and regular meetings held April 29, 2010, which had previously been distributed to the members be dispensed and that the minutes be approved. Treasurer's staff informed the Board that the April 29 resolution designating banks as public depositories contained an erroneous contract end date of July 4, 2012; that the correct contract end date should be July 1, 2012, and that the distributed minutes for the reconvened meeting listed a contract end date of July 1 rather than July 4 as contained in the approved resolution. Discussion ensued about

the appropriate content of the minutes, and the appropriate ending date for the contracts authorized at the April 29 meeting. It was agreed the minutes of the April 29 meeting needed to reflect the actions taken that day, and thus contain the July 4, 2012 end date for the resolutions. Mr. Keen made the motion to approve the minutes of the reconvened meeting with the amended change to the date to reflect the July 4, 2012 contract end date as it was adopted at the April 29, 2010 meeting, and to approve the minutes of the regular meeting with an amendment to reflect that in that meeting he had requested an amendment to the minutes of the March 15, 2010 meeting where it stated that he authorized the Chairman to pay the expenses when he actually made a motion to authorize the Chairman to pay the expenses. Further discussion ensued about whether or not the dates on the other two resolutions approved at the April 29, 2010 meeting would also need to be amended. There was conversation by all members as to whether or not the date on the resolution was just technical or if the date if not corrected would create any problems with moving forward. Treasurer Boyce wanted to make sure there was a consensus by all members before moving forward and voting. It was agreed to by all to recess in order to allow time to amend the resolution adopted on April 29, 2010 for the public depositories of public moneys to show the correct ending date that would be consistent with the law pertaining to these moneys. Treasurer Boyce reconvened the meeting we recessed to make corrections to the resolution and would like to move forward with the approval of the minutes from the reconvened and regular meetings from April 29, 2010. Treasurer Boyce asked for a motion to approve the amended minutes from the reconvened meeting. Mr. Keen made the motion and Ms. Hamilton seconded. The motion was approved. The approval on the resolution to amend the resolution adopted April 29, 2010 designating banks as public depositories from the reconvened meeting was tabled until the end of the meeting. Treasurer Boyce then asked for a motion to approve the amended minutes from the regular meeting from April 29, 2010. Mr. Keen made the motion and Ms. Hamilton seconded. The motion was approved.

OLD BUSINESS

The following resolution was presented to the board;

STATE BOARD OF DEPOSIT
RESOLUTION
May 27, 2010

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 responses from eligible financial institutions desiring to be designated as public depositories of the public moneys of the state for the two-year period commencing July 5, 2010 and ending July 1, 2012; and,

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

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

The attached list of financial institutions are hereby designated as public depositories of the public moneys of the state for the two-year period commencing July 5, 2010 and ending July 1, 2012:

Eligible Interim Depositories as Presented to the
State of Ohio Board of Deposit
May 27, 2010

Financial Institution Name Location	Home Office
1st National Community Bank OH	East Liverpool,
Antwerp Exchange Bank Company	Antwerp, OH
Apple Creek Banking Company	Apple Creek, OH
Arlington Bank OH	Columbus,
Bank of Maumee	Maumee, OH
Buckeye Community Bank	Lorain, OH
Citizens Bank Company	Beverly, OH
Citizens Bank of Logan	Logan, OH
Citizens Banking Company	Sandusky, OH

Citizens National Bank of Bluffton	Bluffton, OH
Citizens National Bank of Chillicothe	Chillicothe, OH
Citizens National Bank of Southwestern Ohio	Dayton, OH
Commercial & Savings Bank	Millersburg, OH
Commercial Savings Bank Upper	Sandusky, OH
Community Bank	Crooksville,
OH	
Community First Bank, N.A.	Forest, OH
Consumers National Bank	Minerva, OH
Eaton National Bank & Trust Co.	Eaton, OH
Farmers & Merchants Bank	Miamisburg, OH
Farmers and Merchants State Bank	Archbold, OH
Farmers Bank and Savings Co.	Pomeroy, OH
Farmers Citizens Bank	Bucyrus, OH
Farmers National Bank	Canfield, OH
Farmers Savings Bank	Spencer, OH
Farmers State Bank of New Madison	New Madison,
OH	
First Bexley Bank	Bexley, OH
First Citizens National Bank of Upper Sandusky	Upper Sandusky,
OH	
First Federal Bank of the Midwest	Defiance, OH
First Federal Community Bank of Bucyrus	Bucyrus, OH
First Merchants Bank, N.A.	Muncie, IN
First National Bank of Pennsylvania	Hermitage, PA
First National Bank of Sycamore	Sycamore, OH
First National Bank, Bellevue	Bellevue, OH
First Place Bank	Youngstown,
OH	
FirstMerit Bank, N.A.	Canton, OH
Fort Jennings State Bank	Fort Jennings,
OH	
Greenville Federal	Greenville,
OH	
Hamler State Bank	Hamler, OH
Heartland Bank	Gahanna,
OH	
Henry County Bank	Napoleon,
OH	
Hocking Valley Bank	Athens, OH
Home Loan Savings Bank	Coshocton, OH
Killbuck Savings Bank Co.	Killbuck, OH
Kingston National Bank	Kingston, OH
Lake National Bank	Mentor, OH
LCNB National Bank	Lebanon, OH

Liberty National Bank	Ada, OH
Mechanics Savings Bank	Mansfield, OH
Merchants National Bank	Hillsboro, OH
Middlefield Banking Company	Middlefield, OH
Monroe Federal Savings & Loan Association	Tipp City, OH
National Bank and Trust Company	Wilmington, OH
National Bank of Oak Harbor	Oak Harbor,
OH	
NCB, FSB	Hillsboro,
OH	
North Side Bank & Trust Company	Cincinnati, OH
Old National Bank	Evansville, IN
Ottoville Bank Company	Ottoville, OH
Park National Bank	Newark, OH
Peoples National Bank New	Lexington, OH
Peoples Savings Bank	New
Matamoras, OH	
RiverHills Bank	Milford, OH
Sherwood State	Bank
Sherwood, OH	
Sutton Bank	Attica, OH
Waterford Bank, NA	Toledo, OH
Wayne Savings Community Bank	Wooster, OH
Western Reserve Bank	Medina, OH

Treasurer Boyce asked for a motion to approve the resolution. Ms. Hamilton made the motion to approve and Mr. Keen seconded. The motion was approved.

Treasurer Boyce then proceeded with the reading of the resolution amending the April 29, 2010 resolution designating banks as public depositories to correct the contract end date. There was still ongoing discussion about the dates on the resolution that was amended and whether or not the other resolutions needed changed. Treasurer Boyce asked that this resolution be tabled for the time being so that we could move on with other board business.

NEW BUSINESS

ECONOMIC OUTLOOK / INVESTMENT

Mr. Newman presented an overview of the investment philosophy. The Federal Funds rate is at .25%. The Federal Funds rate remains flat. Core CPI is the primary measure of inflation. Core CPI stands at 0.9% for the

month of April 2010. Existing home sales increased 7.6% in April for the first time in five months. New home sales increased 26.9% in March. Ohio home sales for new and existing home sales increased 32.3% during the month of April 2010 compared to the sales posted during the month of April a year ago. Ohio's unemployment rate was 10.9% for the month of April. The national unemployment rate for April was 9.9% up 0.25 from the month of March. The strategy is to add short term securities to the portfolio with the expectation that interest rates will remain low.

RATIFICATION OF THE INTERIM FUNDS

Treasurer Boyce asked for a motion for the Board to ratify \$7,816,473,791.96 as interim funds for April 2010. Mr. Keen moved and Ms. Hamilton 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 April 2010 were \$181,209.84. KeyBank Trust banking fees for April 2010 were \$9,114.11. KeyBank fees for State Highway Patrol Drop were \$85.10 for April 2010. US Bank banking fees were \$152.15 for March 2010. Fifth Third banking fees for ODNR (Akron) were \$66.05 for March 2010. Fifth Third banking fees for ODNR (Maumee Bay) were \$74.09 for March 2010 and Fifth Third banking fees for ODNR (Wapakoneta) were \$48.78 for March 2010. PNC banking fees for ODNR (Mine Subsidence) were \$1,548.12 for March 2010. PNC banking fees for ODNR Watercraft were \$18.23 for February 2010 and \$29.35 for March 2010. Treasurer of State Tax manager fees for January 2010 – March 2010 were \$47,875.01. OAKS voucher processing fees for March 2010 were \$8.44 and OAKS voucher processing printing fees for March 2010 were \$3.14. Mr. Keen made a motion to authorize the Chairman to pay these expenses from the appropriations for that purpose. Ms. Hamilton seconded.

Treasurer Boyce asked for the board to proceed with the approval of the resolution amending the resolution adopted April 29, 2010 designating banks as public depositories. Mr. Keen asked legal counsel to bring a copy of the code section for his review prior to voting on the amended resolution. As a result of the date change on the resolution for the public depositories of public moneys Mr. Keen asked that we go back and look at prior designations to see if in fact the other two resolutions that were approved at the April 29, 2010 meeting would also need to have the same ending date and be amended. Ms. Hamilton stated that the dates on all of

the resolutions should be the same. Treasurer Boyce asked that a copy of the final resolution and final attachment that was adopted at the meeting today be distributed to the board members so that everyone is very clear as to what was adopted for the record. Treasurer Boyce also wants the minutes to reflect that the dates for the other two resolutions will be reviewed and regardless of the outcome would like a report to be given at the next meeting about the dates and all of the discussion held on this issue.

The following amended resolution was presented to the board;

STATE BOARD OF DEPOSIT
RESOLUTION
May 27, 2010

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 responses from eligible financial institutions desiring to be designated as public depositories of the public moneys of the state for the two-year period commencing July 5, 2010 and ending July 1, 2012; and,

WHEREAS; the State Board of Deposit adopted a resolution designating public depositories at its April 29, 2010 meeting for the two-year period commencing July 5, 2010 and ending July 4, 2012; and

WHEREAS; the State Board of Deposit must repeal that resolution due to a typographical error that misidentified July 4, 2012 as the ending date.

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

Hereby repeals the resolution adopted on April 29, 2010 and designates the attached list of financial institutions as public depositories of the public moneys of the state for the two-year period commencing July 5, 2010 and

ending July 1, 2012:

Financial Institution
Charter One Bank
Fifth Third Bank
Huntington National Bank
JPMorgan Chase Bank, N.A.
KeyBank National Association
PNC Bank National Association
U.S. Bank National Association

Ms. Hamilton and Mr. Keen both asked for a copy of the attached list of financial institutions before approving the amended resolution from the April 29, 2010 reconvened meeting. A copy of the attached list was provided to the board members.

Before asking for a motion to adopt the amended resolution Treasurer Boyce asked all members to give their input to insure there was a consensus before moving forward. Ms. Hamilton stated that it would not be an issue for state agencies or the Attorney General's office since they would not have to go to the controlling board if a contract was not signed in time. This was based on information the Treasurer of State provided to Ms. Hamilton about an account code that was set up in OAKS that does not require approval by the controlling board for any banking services / fees that go through the Board of Deposit RFP process. Mr. Keen was more comfortable with voting once legal counsel and Treasurer Boyce gave an explanation that we can go ahead and act on the resolution since it is consistent with what the statute requires and then research the dates on the other two resolutions and if necessary make adjustments at the next meeting. Treasurer Boyce asked for a motion to adopt the amended resolution from the reconvened meeting of April 29, 2010. Ms. Hamilton made the motion and Mr. Keen seconded. The motion was approved.

Treasurer Boyce then asked for a motion to approve the amended minutes from the regular meeting from April 29, 2010. Mr. Keen made the motion and Ms. Hamilton seconded. The motion was approved. (Note: the minutes from the regular meeting were approved earlier in the meeting).

There being no further business to come before the Board, Treasurer Boyce adjourned the meeting.

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

ATTEST _____
SECRETARY

ATTORNEY GENERAL _____