

STATE BOARD OF DEPOSIT STATE OF OHIO

Members:

Josh Mandel, Chairman
Treasurer of State
Mike DeWine
Attorney General
Dave Yost
Auditor of State

STATE BOARD OF DEPOSIT RESOLUTION - 02

February 1, 2017

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 6, 2016 and ending July 3, 2018; 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;

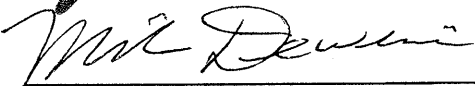
THEREFORE, BE IT RESOLVED BY THE STATE BOARD OF DEPOSIT:

First Commonwealth Bank and Home Federal Savings and Loan Association of Niles are hereby designated as public depositories of the public moneys of the state, for interim deposits only, for the period commencing July 6, 2016 and ending July 3, 2018.

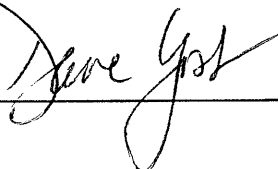
Josh Mandel, Chairman
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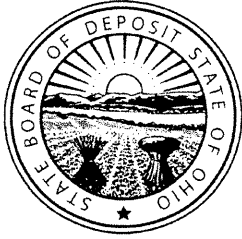


Dave Yost
Auditor of State



State Board of Deposit Resolution – 02

<u>Financial Institution Name</u>	<u>City</u>	<u>State</u>	<u>County</u>
First Commonwealth Bank	Indiana	PA	Indiana
Home Federal Savings & Loan	Niles	OH	Trumbull



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STATE BOARD OF DEPOSIT RESOLUTION - 01

February 1, 2017

WHEREAS, Ohio Revised Code ("R.C.") § 135.48 allows the State Board of Deposit to adopt rules under R.C. § 111.15 that are necessary to implement R.C. Chapter 135.

WHEREAS, R.C. §§ 135.18, 135.181, and 135.182 require all public depositories to provide security for the repayment of all public deposits using specified methods.

WHEREAS, the Treasurer of State will implement the Ohio Pooled Collateral Program required by R.C. § 135.182(B) and has presented recommended draft rules to govern the transition of public depositories to the Ohio Pooled Collateral Program from the other security methods provided in R.C. §§ 135.18 and 135.181.

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

The Board of Deposit hereby gives the Treasurer of State the authority to file a rule with the Joint Committee on Agency Rule Review ("JCARR") for adoption. The rule shall be in substantially similar form to the draft rule attached hereto. Additionally, the Board of Deposit hereby gives the Treasurer of State the authority to maintain, in accordance with the rules of JCARR, this rule and any other rule that has been adopted under R.C. Chapter 135.

Josh Mandel, Chairman
Treasurer of State

Mike DeWine
Attorney General

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Auditor of State

(E) Only a financial institution may apply for the OPCP. Individual branches may not apply. The financial institution shall provide evidence of the following for application to the OPCP:

- (1) The current financial condition of the financial institution, including evidence of sufficient capitalization;
- (2) Ability of the financial institution to maintain separate, accurate, and complete records relating to the pledge of collateral, deposits of public funds, and transactions related to the pledges of collateral;
- (3) Ability of the financial institution to meet all OPCP reporting requirements; and
- (4) Selection of a qualified approved collateral trustee and ability to execute trustee agreements with each trustee and the treasurer of state.

(F) A financial institution will not be approved for the OPCP if:

- (1) It is not an eligible public depository pursuant to section 135.03 of the Revised Code;
- (2) It does not use a qualified trustee pursuant to section 135.182(C) of the Revised Code; or
- (3) It does not comply with the reporting requirements pursuant to section 135.182(B)(2) of the Revised Code and as further detailed in the operating policy.

(G) If a financial institution is not approved for the OPCP, it will be notified in writing by the treasurer of state, and must meet the requirements of the specific pledge method on July 1, 2017.

(H) Prior to use of the OPCS, a financial institution must complete an agreement for each of its public depositors, in accordance with the operating policies.

- (1) This agreement shall specify the agreed upon collateral rate for each account.
- (2) This agreement must be mutually agreed upon and signed by individuals with the authority to obligate and bind the financial institution and the public unit.
- (3) An original copy of this agreement shall be provided to the public unit, and an original copy shall be maintained by the financial institution, to be made immediately available to the treasurer of state upon request.
- (4) This agreement shall be updated on a continuing basis, as agreed to by the financial institution and the public unit(s).

(I) All trustees participating in OPCP must submit information to OPCS as specified in the operating policies.

(J) Public units shall participate in the OPCP in the following methods:

- (1) The treasurer of state will provide market pricing of all collateral and publish the reports on the OPCS portal. Public units shall be responsible for reviewing and monitoring the reports posted, verifying the accuracy of reports of their itemized deposits, and reporting any discrepancies to their financial institution.
- (2) The treasurer of state will provide OPCS access to the public units in accordance with the operating policies.

Authority: Ohio Revised Code Section 135.48

(A) As used in this section:

- (1) "Financial institution" refers to any institution designated as a public depository pursuant to section 135.01 of the Revised Code, and any institution which receives or holds any public deposits as defined in section 135.31 of the Revised Code, or which receives or holds any funds from a public depositor as defined in section 135.182(A)(2) under the Revised Code.
- (2) "Ohio pooled collateral program" (OPCP) refers to the program, created by the treasurer of state pursuant to section 135.182(B)(1) of the Revised Code, in which each financial institution that selects the pledging method prescribed in section 135.18(A)(2) of the Revised Code or section 135.37(A)(2) of the Revised Code, shall pledge to the treasurer of state a pool of eligible securities for the benefit of all public depositors at the public depository to secure the repayment of uninsured public deposits at the public depository, and, if applicable, collateral dedicated to a specific public depositor, provided that at all times the total market value of the securities so pledged is at least equal to the amounts required by section 135.182.
- (3) "Ohio pooled collateral system" (OPCS) refers to the system created and maintained by treasurer of state to facilitate financial institution and public unit participation in the OPCP program via a publicly-available website and private portal access.
- (4) "Operating policies" refers to the set of operational procedures, policies, and requirements for the use of the OPCS, to be made available by the treasurer of state. All participation in the OPCP and use of the OPCS shall be subject to the operating policies, maintained at the sole discretion of the treasurer of state.
- (5) "Pooling method" refers to the method of pledging a security or securities using the OPCS, as prescribed in section 135.18(A)(2) of the Revised Code.
- (6) "Public deposits" refers to moneys of a public depositor as defined in section 135.182(A)(2) under the Revised Code, but for the purposes of these rules herein, does not include the moneys of metropolitan housing authorities, public or Indian housing agencies, or United States federal agencies.
- (7) "Public unit" refers to the state or a subdivision there of, as applicable, that deposits public moneys with a public depository pursuant to sections 135.01 to 135.21 of the Revised Code.
- (8) "Public unit negotiated collateral requirement" refers to a collateral requirement negotiated by a public unit with its financial institution which may differ from the statutory collateral requirement.
- (9) "Specific pledge method" refers to the method of separately securing uninsured public deposits of a public depositor, as prescribed in section 135.18(A)(1) of the Revised Code.
- (10) "Specific Pledge Account" refers to an account containing a security or securities pledged for the benefit of one specific public unit by a financial institution participating in the pooling method. A financial institution may be permitted to use the specific pledge account if: the charter for the public unit requires use of the specific pledge method; United States federal law designates the specific pledge method for the public unit; or it is permitted at the discretion of the treasurer of state. Under this method, the financial institution will secure all uninsured deposits at least equal to the statutory collateral requirement for specific pledge method.

(E) Only a financial institution may apply for the OPCP. Individual branches may not apply. The financial institution shall provide evidence of the following for application to the OPCP:

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(3) Public units shall periodically certify account details, including deposit balances, and contact details are correct, in accordance with the schedule in the operating policies.

(4) Public units may negotiate a public unit negotiated collateral requirement for individual accounts with their financial institution, which may be higher than the statutory collateral requirement.

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