



JOSH MANDEL
STATE TREASURER OF OHIO

March 24, 2011

Thursday. 28 April 12:03

Minutes of the meeting of the State Board of Deposit held March 24, 2011
at
10:00 a.m. in the Office of the Treasurer of State.

MEMBERS PRESENT:

Seth Metcalf, representing Treasurer of State Josh Mandel
Kim Murnieks, representing Attorney General Mike DeWine
Mary Amos Augsburger, representing Auditor of State Dave Yost

OTHERS PRESENT:

Bill Bishilany, Treasurer of State
Jennifer Day, Treasurer of State
Gordon Short, Treasurer of State
Mike Fracassa, Treasurer of State
Sue Hamilton, Attorney General
Denise Blain, Treasurer of State
Chris Berry, Treasurer of State
Brock Miskimen, Treasurer of State
Tyler Brown, Attorney General
Ryan Uhle, Treasurer of State
David Baird, Bank of New York
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.

Mr. Metcalf asked for a motion that the reading of the minutes of the State Board of Deposit meeting held February 24, 2011, which had previously been distributed to the members be dispensed and that the minutes be approved. Ms. Murnieks made the motion to approve the minutes and Ms. Augsburger seconded. The motion was approved.

OLD BUSINESS

There was no old business to come before the board.

NEW BUSINESS

ECONOMIC OUTLOOK / INVESTMENT

Mr. Short presented an overview of the investment philosophy. The investment objectives are preservation of principal, maintenance of liquidity and to maximize return. The Federal Funds target rate remains flat at 0-.25%. The Federal Funds rate will continue to remain flat due to subdued inflation and elevated unemployment. Core CPI (Consumer Price Index) is the primary measure of inflation. Core CPI came in higher than expected at 0.2%, but remained flat month over month. Core PPI (Producer Price Index) data for February 2011 came in as expected at 0.2%. The prices of food and energy did elevate the overall PPI more than expected to 1.6%. Ohio housing data for January 2011 came in flat with 5,327 units compared to 5,306 units in January 2010 showing a slight increase of 0.4%. Mortgage applications fell for the month while mortgage rates peaked mid month, only to end flat. Building permits fell to the lowest in five decades, down 8.2% in February compared to a decrease of 10.4% in January. Housing starts were down 22.5% in February compared to an increase of 14.6% in January. This was the lowest level in two years. Unemployment for February fell to 8.9% from the 9.0% reported for the month of January. Ohio's unemployment rate for February was 9.2% compared to a revised 9.3% for January. The number of unemployed persons, according to the Bureau of Labor Statistics, stood at 13.7 million. The number of unemployed workers in Ohio in February was 542,000 down from 551,000 reported in January. The strategy is to cautiously balance safety, liquidity and yield by investing in short term securities.

Under new business an interim depository was presented to the Board.

Ohio Commerce Bank Cuyahoga County

There was a motion to approve the bank. Ms. Murnieks approved and Ms. Augsburger seconded.

RATIFICATION OF THE INTERIM FUNDS

Mr. Metcalf asked for a motion for the Board to ratify \$7,717,705,012.40 as interim funds for February 2011. Ms. Augsburger moved and Ms. Murnieks 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 banking fees for February 2011 were \$103,719.20. KeyBank Trust banking fees for February 2011 were \$8,032.10. Charter One banking fees for ODNR Portsmouth were \$561.40 for November 2010 and \$500.80 for December 2010. Charter One banking fees for ODNR Portsmouth were \$718.77 for January 2011. Treasurer of State Tax Manager fees were \$45,875.01 for October – December 2010. OAKS voucher processing fees were \$2.16. Ms. Augsburger made a motion to authorize the Chairman to pay these expenses from the appropriations for that purpose. Ms. Murnieks seconded.

There being no further business to come before the Board, Mr. Metcalf adjourned the meeting.

JOSH MANDEL, TREASURER OF STATE
CHAIRMAN, STATE BOARD OF DEPOSIT

ATTEST _____
SECRETARY

ATTORNEY GENERAL _____