

STATE BOARD OF DEPOSIT

STATE OF OHIO



Members:
Josh Mandel, Chairman
Treasurer of State

Mike DeWine
Attorney General

Dave Yost
Auditor of State

Minutes of the meeting of the State Board of Deposit held October 27, 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
Brenda Rinehart, representing Auditor of State Dave Yost

OTHERS PRESENT: Michael Lord, Treasurer of State
Jennifer Day, Treasurer of State
Brock Miskimen, Treasurer of State
Denise Blain, Treasurer of State
Tyler Brown, Treasurer of State
Chris Berry, Treasurer of State
Jane Wolfe, Treasurer of State
Sue Hamilton, Attorney General
Tyler Hansen, American Bridge
Paul Teasley, Hannah News Service
David Baird, Bank of New York
Rory Campbell, Ohio Democratic Party
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 September 29, 2011, which had previously been distributed to the members be dispensed and that the minutes be approved. Ms. Rinehart made the motion to approve the minutes and Ms. Murnieks 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 Open Market Committee (FOMC) anticipates that

the rate will continue to remain flat due to subdued inflation and elevated unemployment through mid 2013. Core CPI (Consumer Price Index) is the primary measure of inflation. Core CPI rose 0.2% in August and continues to be driven largely by rent inflation / shelter and rising clothing prices. The Consumer Price Index (CPI) rose to 0.3% in September as a result of rising gasoline and food prices. The Producer Price Index (PPI) data for September 2011 increased 0.8% as energy and food costs rose. Ohio home sales for September 2011 came in at 8,866 units compared to 10,094 units in August 2011, which still shows an increase of 14.4% when compared to September 2010. The average monthly sales price for September 2011 increased to \$130,965 compared to \$129,400 in September 2010. U.S. unemployment for September held at 9.1% with about 14 million Americans unemployed. Ohio's unemployment rate for September was unchanged at 9.1%. Ohio's September unemployment rate is down from the 9.8% reported for September 2010. The number of unemployed persons in Ohio in September fell to 534,000 from 536,000 reported for August. The strategy is to cautiously balance safety, liquidity and yield by investing in short term securities.

Under other business the Board of Deposit budget update was presented to the board members. It was noted for the record that the Board secretary is responsible for all board records. An update was given to the Board on the upcoming RFP for banking services.

Also under other business the following interim depository was presented to the Board for approval;

Cincinnati Federal Savings & Loan Association [Hamilton County]

There was a motion to approve the bank. Ms. Rinehart approved. Ms. Murnieks seconded. Motion carried.

RATIFICATION OF THE INTERIM FUNDS

Mr. Metcalf asked for a motion for the Board to ratify \$4,412,477,061.60 as interim funds for September 2011. Ms. Murnieks moved and Ms. Rinehart 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 September 2011 were \$114,334.67. KeyBank Trust banking fees for August 2011 were \$4,425.83 and \$6,519.83 for September 2011. KeyBank warrant settlement fees for July – September 2011 were \$18,845.04. Charter One banking fees for ODNR Portsmouth were \$473.77 for September 2011. PNC banking fees for ODNR Mine Subsidence were \$1,653.12 for September 2011. OAKS voucher processing fees [postage] were \$3.61. Ms. Murnieks made a motion to authorize the Chairman to pay these expenses from the appropriations for that purpose. Ms. Rinehart seconded. Motion carried.

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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 

AUDITOR OF STATE 