



**JOSH MANDEL**  
STATE TREASURER OF OHIO

January 27, 2011

Friday, 25 February 10:27

Minutes of the meeting of the State Board of Deposit held January 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  
Sue Hamilton, representing Attorney General Mike DeWine  
Brenda Rinehart, representing Auditor of State Dave Yost

**OTHERS PRESENT:**

Bill Bishilany, Treasurer of State  
Jennifer Day, Treasurer of State  
Gordon Short, Treasurer of State  
Kim Murnieks, Attorney General  
Sheryl Klein, Treasurer of State  
Seth Unger, Treasurer of State  
Jane Wolfe, Treasurer of State  
Betsy Zimmerman, Treasurer of State  
Kyana Pierson, Treasurer of State  
Paul Teasley, Hannah News Service  
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 December 23, 2010, which had previously been distributed to the members be dispensed and that the minutes be approved. Ms. Hamilton made the motion to approve the minutes and Ms. Rinehart seconded however abstained from approving the minutes as to substance. The motion was approved.

## OLD BUSINESS

Under old business Mr. Metcalf noted that at the last board meeting there was a request to the Board from the Ohio Tuition Trust Authority to consider rebidding their lockbox services. The prior Treasurer sent a letter to the Ohio Tuition Trust Authority stating that there was no plan to take any action at this time to rebid the lockbox services.

## NEW BUSINESS

### ECONOMIC OUTLOOK / INVESTMENT

Mr. Short presented an overview of the investment philosophy. The Federal Funds rate is at 0-.25%. The Federal Funds rate continues to remain flat. Core CPI is the primary measure of inflation. Core CPI showed a slight increase to 0.8% for the month of December 2010. Ohio home sales statewide for new and existing homes for the year end 2010 totaled 100,980, a 4% decrease from the 105,237 total for 2009 year end. Existing home sales increased to an annual total of 5.28 million for the month of December which is a 12.3% increase from the 4.70 million total recorded for the month of November. New home sales increased 5.5% from the total recorded for the month of October. The national unemployment rate was 9.4% for the month of December, a decrease of 0.04% from the rate a month earlier. Ohio's unemployment rate for December was 9.6% which shows a slight decrease from the 9.8% rate from the month of November. The strategy is to add short term securities to the portfolio with the expectation that interest rates will remain low.

Under new business Ms. Wolfe presented the quarterly board of deposit budget update.

### RATIFICATION OF THE INTERIM FUNDS

Mr. Metcalf asked for a motion for the Board to ratify \$8,491,622,209.48 as interim funds for December 2010. Ms. Hamilton 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 Trust banking fees for December 2010 were \$7,678.06. US Bank banking fees for ODNR Portsmouth were \$122.55 for October 2010 and \$34.54 for November 2010. Fifth Third additional banking fees for ODNR Akron were

\$18.06 for August 2010. Board of Deposit audit review consulting fees were \$146.98. Ms. Hamilton made a motion to authorize the Chairman to pay these expenses from the appropriations for that purpose. Ms. Rinehart seconded.

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

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

ATTEST \_\_\_\_\_  
SECRETARY

ATTORNEY GENERAL \_\_\_\_\_