



# 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 July 28, 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  
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  
Seth Unger, Treasurer of State  
Tyler Brown, Treasurer of State  
Andrew Keller, Treasurer of State  
Katie OBrien, Treasurer of State  
Kevin Servick, Auditor of State  
Isabel Louis, Office of Budget and Management  
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 June 23, 2011, which had previously been distributed to the members be dispensed and that the minutes be approved. Ms. Augsburger made the motion to approve the minutes and Ms. Hamilton 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 climbed 0.3% in June driven largely by rent / shelter inflation which accounts for over 40% of core CPI. The Consumer Price Index (CPI) fell to 0.2% in June

due to falling energy prices. The Producer Price Index (PPI) data for June 2011 fell to 0.4% from 0.2% in May. Ohio home sales for June 2011 came in at 10,009 units compared to 12,000 units in June 2010 showing a decrease of 17%. The average monthly sales price for June 2011 was also down 2.9% to \$142,235 compared to \$146,536 in June 2010. Unemployment for June rose to 9.2% from the 9.1% reported for the month of May. Analysts expected an increase in the jobs number ranging from 105,000 to 175,000, however only 18,000 jobs were added in the month of June. Ohio's unemployment rate for June rose to 8.8% from the 8.6% in May. The number of unemployed persons, according to the Bureau of Labor Statistics, rose to 517,000 from 508,000 reported for May. The strategy is to cautiously balance safety, liquidity and yield by investing in short term securities.

Under other business Mr. Metcalf discussed the timeline for the biennial bank designation for public depositories. The Treasurer's office will begin the process early fall and prepare the request for proposal materials to send out January 2012. All board members will be included in the process. The awards will be made at the March 2012 Board of Deposit meeting and become effective June 30, 2012.

#### **RATIFICATION OF THE INTERIM FUNDS**

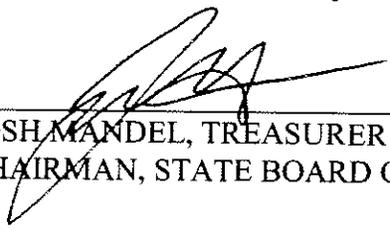
Mr. Metcalf asked for a motion for the Board to ratify \$7,523,708,989.70 as interim funds for June 2011. Ms. Augsburger moved and Ms. Hamilton seconded. Motion carried.

#### **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 banking fees for June 2011 were \$83,241.85. KeyBank Trust banking fees for June 2011 were \$8,107.31. Charter One banking fees for ODNR Portsmouth were \$393.90 for May 2011 and \$507.04 for June 2011. PNC banking fees for ODNR Watercraft were \$48.21 for June 2011. PNC banking fees for ODNR Mine Subsidence were \$587.70 for June 2011. OAKS voucher processing / postage fees were \$2.61. SafeGuard Business Systems deposit tickets for ODNR / Watercraft were \$41.26. Payworks Payroll Program fees were \$185.00. Ms. Augsburger made a motion to authorize the Chairman to pay these expenses from the appropriations for that purpose. Ms. Hamilton seconded. Motion carried.

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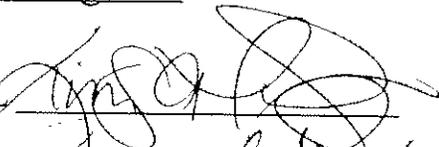
There being no further business to come before the Board, Mr. Metcalf adjourned the meeting.

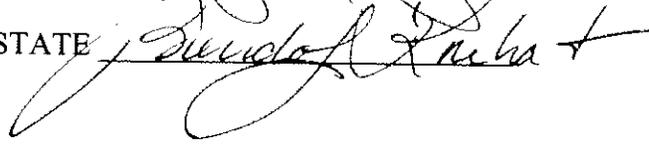
  
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JOSH MANDEL, TREASURER OF STATE  
CHAIRMAN, STATE BOARD OF DEPOSIT

ATTEST  
SECRETARY

  
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ATTEST

AUDITOR OF STATE

  
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ATTORNEY GENERAL

  
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AUDITOR OF STATE