



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 September 29, 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: Jennifer Day, Treasurer of State
Jennifer Biedenharn, Treasurer of State
Brock Miskimen, Treasurer of State
Denise Blain, Treasurer of State
Tyler Brown, Treasurer of State
Seth Unger, Treasurer of State
Tyler Hansen, American Bridge
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 August 25, 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. Hamilton seconded. The motion was approved.

OLD BUSINESS

There was no old business to come before the Board.

NEW BUSINESS

ECONOMIC OUTLOOK / INVESTMENT

There was no oral presentation given for the economic outlook. The following information was included in the portfolio review packet. 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 July and continues to be driven largely by rent inflation / shelter and rising clothing prices. The Consumer

Price Index (CPI) rose to 0.4% in August as a result of rising gasoline and food prices. The Producer Price Index (PPI) data for August 2011 was unchanged at 0.2% despite falling energy prices. Ohio home sales for August 2011 came in at 10,094 units compared to 8,288 units in August 2010 showing an increase of almost 22%. The average monthly sales price for July 2011 decreased 1.6% to \$138,304 compared to \$140,617 in August 2010. U.S. unemployment for August held at 9.1% with about 14 million Americans unemployed. Ohio's unemployment rate for August rose to 9.1% from the 9.0% in July. The number of unemployed persons in Ohio in August rose to 536,000 from 529,000 reported for July. The strategy is to cautiously balance safety, liquidity and yield by investing in short term securities.

Under other business the following interim depository was presented to the Board for approval; **The Rockhold, Brown & Company Bank (Ross County) Bainbridge, Ohio**
There was a motion to approve the bank. Ms. Hamilton approved. Ms. Rinehart seconded. Motion carried.

RATIFICATION OF THE INTERIM FUNDS

Mr. Metcalf asked for a motion for the Board to ratify \$6,788,536,282.98 as interim funds for August 2011. Ms. Rinehart 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 August 2011 were \$96,174.81. Charter One banking fees for ODNR Portsmouth were \$504.84 for August 2011. PNC banking fees for ODNR Watercraft were \$141.09 for August 2011. PNC banking fees for ODNR Mine Subsidence were \$1,959.77 for August 2011. Board of Deposit audit fees [agreed upon procedure report] July - August 2011 were \$7,358.00. Ms. Hamilton made a motion to authorize the Chairman to pay these expenses from the appropriations for that purpose. Ms. Rinehart seconded. Motion carried.

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



