



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 August 25, 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: Jennifer Day, Treasurer of State
Gordon Short, Treasurer of State
Brock Miskimen, Treasurer of State
Denise Blain, Treasurer of State
Tyler Brown, Treasurer of State
Jane Wolfe, Treasurer of State
Sue Hamilton, Attorney General
David Baird, Bank of New York
Tyler Hansen, American Bridge
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 July 28, 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 July and continues to be driven largely by rent / shelter inflation and rising clothing

prices. The Consumer Price Index (CPI) rose to 0.5% in July as a result of rising gasoline and food prices. The Producer Price Index (PPI) data for July 2011 rose 0.2% despite falling energy prices. Ohio home sales for July 2011 came in at 9,185 units compared to 7,796 units in July 2010 showing a decrease of almost 18%. The average monthly sales price for July 2011 increased 3.1% to \$140,903 compared to \$136,697 in July 2010. U.S. unemployment for July fell to 9.1% from the 9.2% reported for the month of June. Ohio's unemployment rate for July rose to 9.0% from the 8.8% in June. The number of unemployed persons in Ohio in July rose to 529,000 from 517,000 reported for June. The strategy is to cautiously balance safety, liquidity and yield by investing in short term securities.

Under other business Jane Wolfe presented the Board of Deposit budget update to the board.

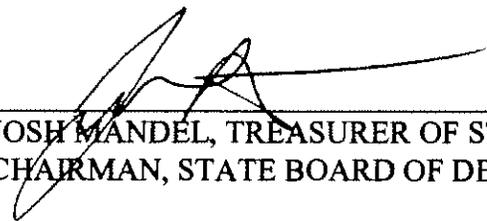
RATIFICATION OF THE INTERIM FUNDS

Mr. Metcalf asked for a motion for the Board to ratify \$3,215,194,183.89 as interim funds for July 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 July 2011 were \$91,584.57. Charter One banking fees for ODNR Portsmouth were \$502.13 for July 2011. PNC banking fees for ODNR Watercraft were \$31.76 for July 2011. PNC banking fees for ODNR Mine Subsidence were \$1,634.16 for July 2011. Treasurer of State Tax Manager fees for April – June 2011 were \$49,375.01. Ms. Rinehart made a motion to authorize the Chairman to pay these expenses from the appropriations for that purpose. Ms. Murnieks 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 