



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 June 23, 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: Bill Bishilany, Treasurer of State
Jennifer Day, Treasurer of State
Gordon Short, Treasurer of State
Sue Hamilton, Attorney General
Denise Blain, Treasurer of State
Chris Berry, Treasurer of State
Tyler Brown, Treasurer of State
Brock Miskimen, Treasurer of State
Chris Wallace, Treasurer of State
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 May 26, 2011, which had previously been distributed to the members be dispensed and that the minutes be approved. Ms. Murnieks made the motion to approve the minutes and Ms. Rinehart seconded. The motion was approved.

OLD BUSINESS

Under old business the Treasurer of State Chief Operating Officer Jennifer Day presented to the board members the results from the fully Integrated Warrant Processing (IWP) request for proposal. US Bank, Huntington Bank and Key Bank all responded to the request for proposal. Responses / score sheets were received back from the Auditor of State and the Attorney General. The Treasurer's office also had (4) staff members score each bank. As a result of the combined scoring Key Bank was awarded the Integrated Warrant Processing (IWP) contract. Mr. Metcalf asked for a motion to approve the selection of Key Bank. Ms. Rinehart made the motion and Ms. Murnieks seconded. Motion carried.

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. The Consumer Price Index (CPI) fell to 0.2% in May due to a leveling out of energy prices. The Producer Price Index (PPI) data for May 2011 fell to 0.2% from 0.8% in April. Ohio home sales for May 2011 came in at 9,108 units compared to 11,503 units in May 2010 showing a decrease of 20.8%. The monthly sales price for May 2011 was also down 5.8% to \$121,613 compared to \$129,084 in May 2010. Unemployment for May rose to 9.1% from the 9.0% reported for the month of April. Analysts expected an increase in the jobs number of 165k, however only 54k jobs were added in the month of May. Ohio's unemployment rate for May was 8.6% unchanged from the 8.6% reported for April. The number of unemployed persons, according to the Bureau of Labor Statistics, stood at 13.7 million for May. The number of unemployed workers in Ohio in May was 508,000 down from 509,000 reported in April. The strategy is to cautiously balance safety, liquidity and yield by investing in short term securities.

RATIFICATION OF THE INTERIM FUNDS

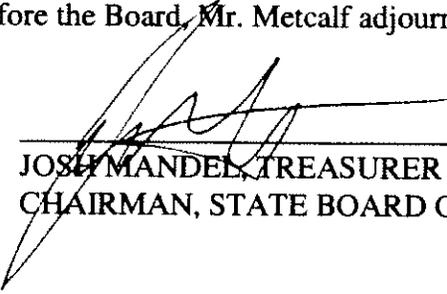
Mr. Metcalf asked for a motion for the Board to ratify \$7,004,106,109.73 as interim funds for May 2011. Ms. Murnieks moved and Ms. Rinehart seconded. Motion carried.

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 May 2011 were \$87,413.68. KeyBank Trust banking fees for May 2011 were \$8,661.18. Charter One banking fees for ODNR Portsmouth were \$156.41 for February 2011, \$493.32 for March 2011 and \$569.51 for April 2011. PNC banking fees for ODNR Watercraft were \$39.14 for February 2011, \$33.64 for March 2011, \$38.13 for April 2011 and \$36.32 for May 2011. PNC banking fees for ODNR Mine Subsidence were \$1,248.28 for February 2011, \$2,016.24 for March 2011, \$1,651.67 for April 2011 and \$1,852.46 for May 2011. OAKS voucher processing / postage fees were \$2.96 and \$3.88. Ms. Rinehart made a motion to authorize the Chairman to pay these expenses from the appropriations for that purpose. Ms. Murnieks seconded. Motion carried.

Board of Deposit 3

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