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# LOCAL GOVERNMENT NEWS REPORT

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January 2008

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## INTEREST RATES

The average annualized yield for December was 4.8135%. The rates for December were as follows:

December 1 <sup>st</sup> – 6 <sup>th</sup>	4.87%
December 7 <sup>th</sup> – 31 <sup>st</sup>	4.80%

## INTEREST EARNINGS FOR 2008

If you are verifying your pool interest earnings each month, please be sure to use 366 days in your calculation; as 2008 is a leap year.

## UPCOMING HOLIDAY

Due to the Martin Luther King Jr. holiday, the Office of the State Treasurer, Fed wire service and Oregon banks will be closed Monday, January 21<sup>st</sup>. Local government account statements will not be produced for January 21<sup>st</sup>, due to the closures. Any ACH transfers called prior to 1:00 p.m. on Friday, January 18<sup>th</sup>, will settle at your bank on Tuesday, January 22<sup>nd</sup>. Any ACH transfers called between 1:00 p.m. Friday, January 18<sup>th</sup>, and 1:00 p.m. Tuesday, January 22<sup>nd</sup>, will settle at your bank on Wednesday, January 23<sup>rd</sup>.

## LOCAL GOVERNMENT NEWS LIST

Do you have new staff or other co-workers that have not yet subscribed to the Local Government News List? The process to subscribe is simple and insures that your staff will receive information that may impact your local government in the quickest method possible. In addition, subscribers will also receive the monthly Local Government News Report.

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## UPCOMING CHANGES TO PUBLIC FUNDS COLLATERALIZATION

This is just a follow-up to the article in our November newsletter that outlined the changes to the public funds collateralization program. As a reminder, HB 2901 that was passed during the 2007 legislative session significantly revised ORS 295 and becomes effective July 1, 2008.

All public officials should be receiving a letter either by email or regular mail in the next week or two. The letter will provide more details about the collateralization changes as a result of the new requirements and will also request some information from each public official to be sent to the Treasurer's Office by February 15, 2008.

If you have any questions or do not receive the letter mentioned above by January 25<sup>th</sup>, please call Wendy Finley at (503) 378-3400.

Debbe Myers

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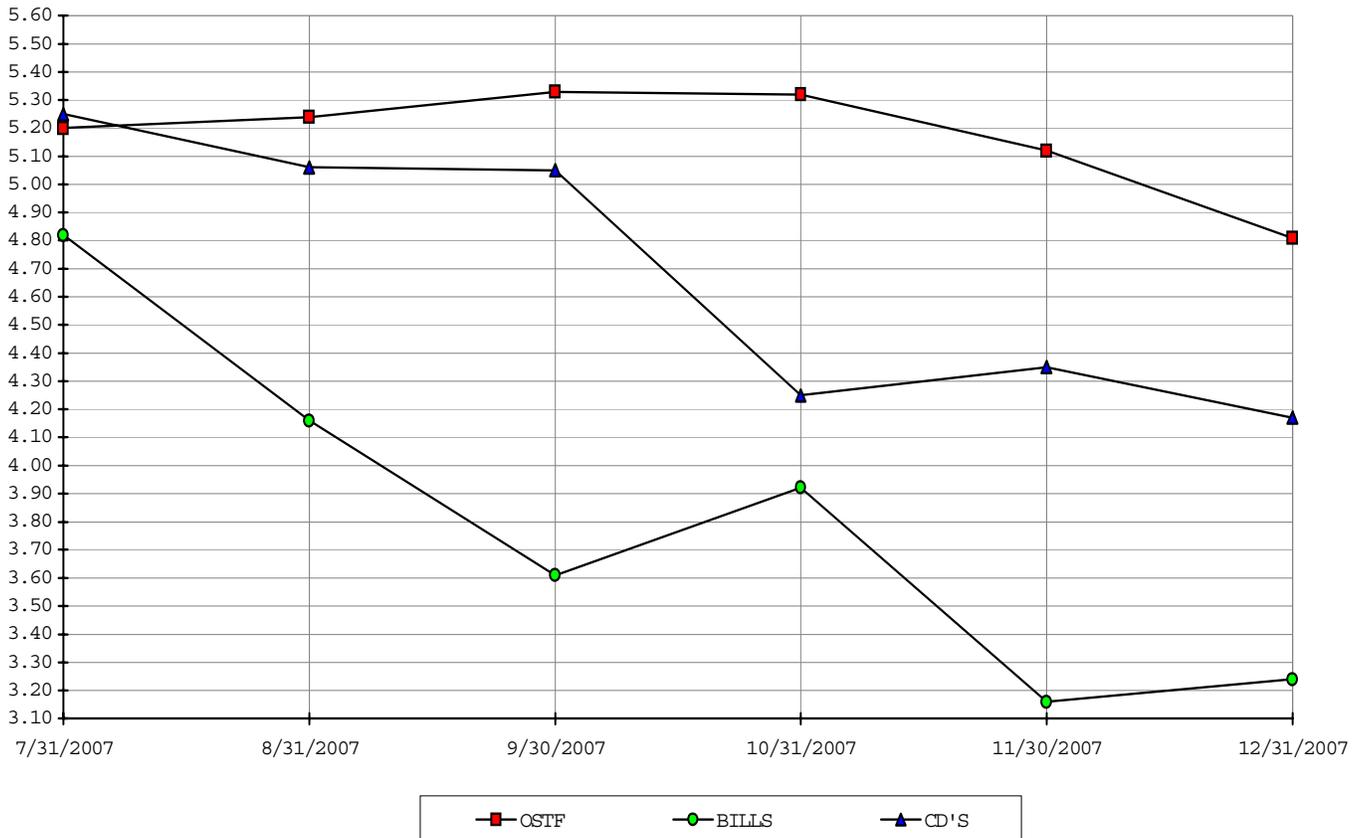
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**OREGON SHORT-TERM FUND ANALYSIS**



**Oregon Short-Term Fund Analysis as of December 31, 2007**

	<u>7/31/2007</u>	<u>8/31/2007</u>	<u>9/30/2007</u>	<u>10/31/2007</u>	<u>11/30/2007</u>	<u>12/31/2007</u>
LGIP AV DOLLARS INVESTED (MM)	3,730	3,805	3,784	3,828	5,150	5,395
STATE AGENCY AV DOLLARS INVESTED (MM)	6,271	6,051	6,409	6,811	6,554	5,842
TOTAL OSTF AV DOLLARS INVESTED (MM)	10,001	9,856	10,194	10,639	11,704	11,237
OST ANNUAL YIELD (ACT/ACT)	5.20	5.24	5.33	5.32	5.12	4.81
3-MO UST BILLS (BONDEQ YLD)	4.82	4.16	3.61	3.92	3.16	3.24
3-MO JUMBO CDS (ACT/360)	5.25	5.06	5.05	4.25	4.35	4.17

NOTE: The OST ANNUAL YIELD represents the average annualized yield paid to accountholders during the month. Since interest accrues to accounts on a daily basis and the rate paid changes during the month, this average rate is not the exact rate earned by each account.

3-MO UST BILLS yield is the yield for the Treasury Bill Issue maturing closest to 3 months from monthend. 3-MO JUMBO CDS is the highest posted rate received by the Treasury from Oregon banks as of monthend. Consequently, whereas the yield on UST Bills should normally be lower than CD rates, the fact that the quotes are up to a week different in time may result in an apparent reversal of this situation.

This material is available in alternative format and media upon request.