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# LOCAL GOVERNMENT NEWS REPORT

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September 2008

## INTEREST RATES

The average annualized yield for August was 3.25%. The rate for August was as follows:

August 1 <sup>st</sup> – 31 <sup>st</sup>	3.25%
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## OSTF UPDATE REGARDING CURRENT MARKET CONDITIONS

Due to recent market events, the OSTF Staff has prepared an update for local government participants. The update can be found on our website via the link below.

[http://www.ost.state.or.us/divisions/finance/newsletters/2008/LG\\_2008\\_09\\_\(Special%20Edition%20about%20Market%20Conditions\).pdf](http://www.ost.state.or.us/divisions/finance/newsletters/2008/LG_2008_09_(Special%20Edition%20about%20Market%20Conditions).pdf)

## UPCOMING BANK HOLIDAY OCTOBER 13<sup>th</sup>

Monday, October 13<sup>th</sup>, is Columbus Day. The Office of the State Treasurer will be open; however, the Federal Reserve and Oregon banks will be closed. Due to this bank holiday, any ACH transfers called prior to 1:00 p.m. on Friday, October 10<sup>th</sup>, will settle at your bank on Tuesday, October 14<sup>th</sup>. Any ACH transfers called between 1:00 p.m. Friday, October 10<sup>th</sup>, and 1:00 p.m. Tuesday, October 14<sup>th</sup>, will settle at your bank on Wednesday, October 15<sup>th</sup>. The same-day Fed Wire withdrawal option will be unavailable on October 13<sup>th</sup>.

## NEW OSTF BOARD MEMBER

The Oregon Short Term Fund (OSTF) Board recently welcomed new member Douglas Goe, who joined the Board effective July 1<sup>st</sup>, 2008.

Mr. Goe is the partner-in-charge of Orrick's Pacific Northwest office which is located in Seattle, Washington, and Portland, Oregon. He also is a vice chair for the firm's Public Finance Department. Orrick is consistently ranked as the Nation's leading municipal bond counsel firm.

Mr. Goe is bond counsel to many Oregon and Washington state departments, commissions and boards, and numerous Oregon counties and cities. He works on large transportation financings for highways, bridges, transit, airport and marine facilities. He has served as a member of the Oregon Department of Transportation's Innovative Finance Advisory Committee and has drafted legislation for a variety of transportation projects.

For over 25 years, Mr. Goe has worked on large and small industrial, economic development, and solid waste disposal projects for manufacturing, paper and newsprint, and waste disposal companies. He serves as bond counsel to a number of school districts on general obligation, full faith and credit and pension bond financings. He was responsible for helping draft the initial legislation that authorizes school districts and local governments to finance their unfunded actuarial pension liabilities.

Before joining Orrick, Mr. Goe chaired the Public Finance Group and served on the Executive Committee of Ater Wynne LLP. Prior to that, he was an associate at Ragen, Roberts, Tremaine, Krieger, Schmeer, O'Scannlain & Neill. Mr. Goe holds a Bachelor of Arts degree in Political Science from Lewis and Clark College, and a Juris Doctor degree from Willamette University.

### ORS 294.810 LIMITATION INCREASE

The limitation in ORS 294.810 has been **increased** from \$41,401,967 to **\$42,220,131**. This increase of 1.98 % is in proportion to the percent change in the 1st half of 2008, Consumer Price Index for All Urban Consumers of the Portland, Oregon, Standard Metropolitan Statistical Area, as compiled by the U.S. Department of Labor, Bureau of Labor Statistics. \*

**CPI adjustments for Local Gov't Balance Limitation**

Period Start	Period End	Portland CPI	Semi-Annual		LGP Balance Limitation
7/1/2001	12/31/2001	183.6	1.32%	\$	36,118,033
1/1/2002	6/30/2002	183.5	-0.05%	\$	36,118,033
7/1/2002	12/31/2002	184.0	0.27%	\$	36,216,447
1/1/2003	6/30/2003	186.0	1.09%	\$	36,610,104
7/1/2003	12/31/2003	186.5	0.27%	\$	36,708,519
1/1/2004	6/30/2004	189.8	1.71%	\$	37,337,705
7/1/2004	12/31/2004	192.5	1.42%	\$	37,868,853
1/1/2005	6/30/2005	194.5	1.04%	\$	38,262,295
7/1/2005	12/31/2005	197.5	1.54%	\$	38,852,459
1/1/2006	6/30/2006	199.8	1.16%	\$	39,304,918
7/1/2006	12/31/2006	202.5	1.35%	\$	39,836,066
1/1/2007	6/30/2007	206.7	2.05%	\$	40,653,049
7/1/2007	12/31/2007	210.5	1.84%	\$	41,401,967
1/1/2008	6/30/2008	214.6	1.98%	\$	42,220,131

ORS 294.810 (2) provides that the \$30 million limitation shall increase in proportion to the increase occurring after 9/9/95 in the CPI for all urban consumers of the Portland, Oregon area.

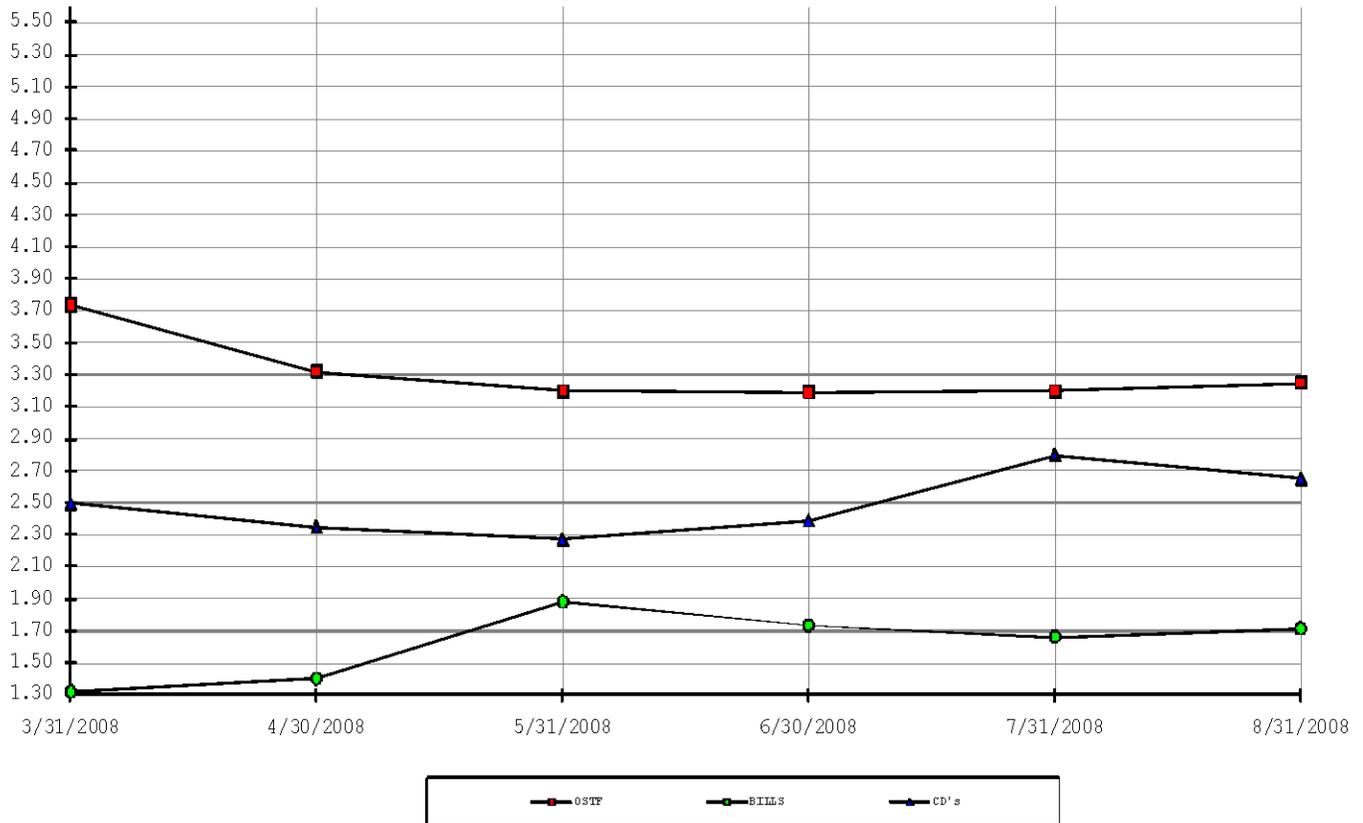
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Local Government News List: <http://www.webhost.osl.state.or.us/mailman/listinfo/local-gov-news>

**OREGON SHORT-TERM FUND ANALYSIS**



**Oregon Short-Term Fund Analysis as of August 31, 2008**

	3/31/2008	4/30/2008	5/31/2008	6/30/2008	7/31/2008	8/31/2008
<b>LGIP AV DOLLARS INVESTED (MM)</b>	5,117	5,094	4,991	4,397	4,232	4,263
<b>STATE AGENCY AV DOLLARS INVESTED (MM)</b>	6,243	6,047	6,476	6,269	6,079	5,729
<b>TOTAL OSTF AV DOLLARS INVESTED (MM)</b>	11,360	11,141	11,467	10,666	10,311	9,992
<b>OST ANNUAL YIELD (ACT/ACT)</b>	3.74	3.32	3.20	3.19	3.20	3.25
<b>3-MO UST BILLS (BONDEQ YLD)</b>	1.32	1.40	1.88	1.74	1.67	1.72
<b>3-MO JUMBO CDS (ACT/360)</b>	2.50	2.35	2.27	2.39	2.80	2.65

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