

LOCAL GOVERNMENT NEWS REPORT

May 2010

INTEREST RATES

The average annualized yield for April was 0.55%. The rate for April was as follows:

April 1 st – 30 th	0.55%
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UPCOMING HOLIDAY MAY 31st

Because of the Memorial Day holiday, the Oregon State Treasury (OST), the Fed wire service, and Oregon banks will be closed Monday, May 31st. Any ACH transfers called-in prior to 1:00 p.m. on Friday, May 28th, will settle at your bank on Tuesday, June 1st. Any ACH transfers called-in between 1:00 p.m. Friday, May 28th, and 1:00 p.m. Tuesday, June 1st, will settle at your bank on Wednesday, June 2nd.

ANNUAL ONLINE SERVICES USER VALIDATION

Annual User Validation reports will be e-mailed out later this month to all local governments that currently access their pool account statements online. The validation e-mail will be directed to those designated as Password Administrators and will contain a listing of all users within that local government that are currently setup to access online statements.

Local governments that receive a validation report are asked to review the report and respond back regarding its accuracy. In addition, we strongly encourage local governments to take a close look at those individuals that have not accessed the system within the last six months. If needed, users can easily be deregistered by using OST's C-26 Registration/Deregistration form. As a reminder, all local governments are required to send a C-26 Registration/Deregistration form to ost.banking@state.or.us when they have any turnover in staff with online statement access.

Along with the validation, we are utilizing this opportunity to remind all users that User ID and Passwords for OST applications should not be shared. There is a process in place for resetting passwords and registration/deregistration of individual users. If you have questions regarding this process, please work with your local government password administrator. We will work together to ensure your needs are addressed.

WELCOME NEW OREGON SHORT-TERM FUND BOARD MEMBER— STEWART TAYLOR

Oregon State Treasury is excited to welcome Stewart Taylor as the newest member of the Oregon Short-Term Fund (OSTF) Board. In his own words:

I have enjoyed working as the Finance Director for the City of Albany for the past three years. Prior to coming to Albany, I held the same position in the City of Milwaukie and the City of Cottage Grove. I also worked for eight years as a financial advisor for AIG VALIC providing tax deferred investment advice for higher education and local government clients.

My wife, Anne, our four boys, and I moved to Oregon over eighteen years ago to accept the Assistant to the City Manager position in the City of Salem. We moved from Utah where I received a Masters of Public Administration degree from Brigham Young University. Go Cougars!

Anne and I love sunny days on the beach, walking our husky-dog, and spoiling our grandkids.

Please join us in welcoming Stewart. He is a great addition to the Board.

OREGON SHORT-TERM FUND EDUCATIONAL VIDEOS

On March 9th, at the Annual OMFOA/OACTFO Spring Conference, the Oregon Short-Term Fund Board sponsored an educational presentation.

This presentation entitled “Year in Review and What’s Next?” Included the following discussions:

- Review of the past year, and current status of the Oregon Short-Term Fund, by Perrin Lim and Tom Lofton, Oregon State Treasury.
- Looking at Investment Pools around the country, by Deanne Woodring, Davidson Fixed Income Management
- Composition of the Oregon Short-Term Board, including duties and roles of the board members, by Douglas Goe, Orrick, Herrington, Sutcliffe LLP.

This presentation is now available on our website and can be viewed, along with the handout in Chapter 4 of our OSTF Educational Video Library, please click on the link below:

<http://www.ost.state.or.us/Services/LocalGov/Resources.asp>

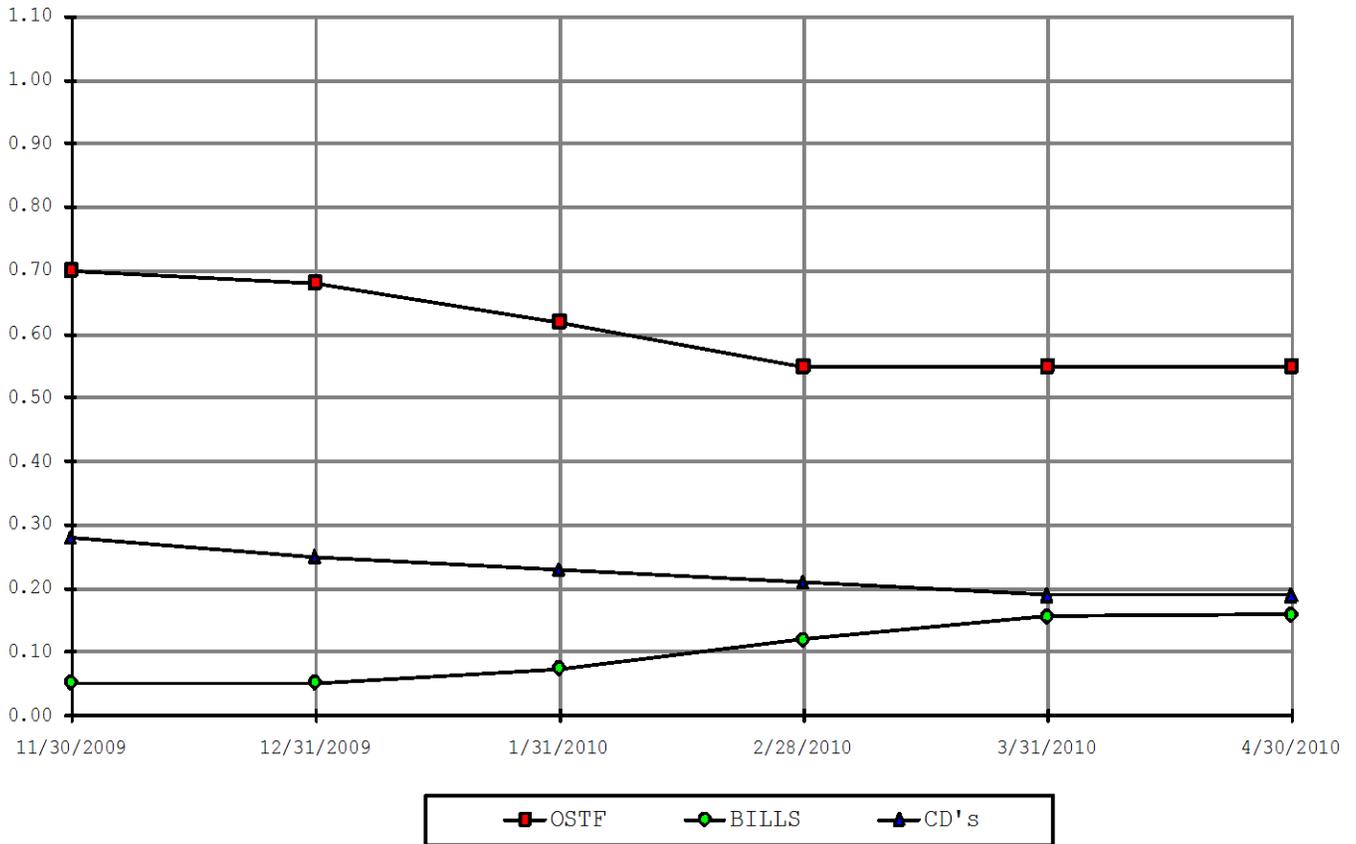
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Local Government News List: <http://listsmart.osl.state.or.us/mailman/listinfo/local-gov-news>

OREGON SHORT-TERM FUND ANALYSIS



Oregon Short-Term Fund Analysis as of April 30, 2010

	11/30/2009	12/31/2009	1/31/2010	2/28/2010	3/31/2010	4/30/2010
LGIP AV DOLLARS INVESTED (MM)	5,119	5,505	5,173	5,122	4,950	4,881
STATE AGENCY AV DOLLARS INVESTED (MM)	5,791	5,628	5,677	5,588	5,162	5,904
TOTAL OSTF AV DOLLARS INVESTED (MM)	10,910	11,133	10,850	10,709	10,112	10,785
OST ANNUAL YIELD (ACT/ACT)	0.70	0.68	0.62	0.55	0.55	0.55
3-MO UST BILLS (BOND EQ YLD)	0.05	0.05	0.07	0.12	0.16	0.16
3-MO JUMBO CDS (ACT/360)	0.28	0.25	0.23	0.21	0.19	0.19

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.