

LOCAL GOVERNMENT NEWS REPORT

December 2010

INTEREST RATES

The average annualized yield for November was 0.50 percent. The rate for November was as follows:

November 1st – 30th	0.50 percent
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MESSAGE FROM TREASURER WHEELER

Greetings, and happy holidays.

My daughter loves to color, so it has been fairly easy to convince her about the value of creating and sending thank-you notes. My wife Katrina and I hope that she never loses that enthusiasm.

It's important to say – and to hear -- when decisions or gestures are appreciated.

As 2010 goes into the history books, I want to thank you for being a valuable business partner with the Oregon State Treasury, and to thank you for your commitment to public service. I also want to recognize the expert Treasury staff members who intersect with you when it comes to your financial affairs.

We take seriously our mission to provide essential financial services across the strata of government in Oregon, but it isn't enough to just offer top-quality bond oversight, investment management and banking services.

We also are continually striving to do better, to be nimble and keep down costs, and to be responsive to your business needs. That's what partners do.

As I've traveled Oregon during my first year as State Treasurer, I've heard consistently that citizens want their government to be efficient and to provide value. That's our daily goal at the Treasury, and I'm proud of the caliber and professionalism of our crew.

Customer service surveys show that Treasury staff consistently rate at the top of the class. However, we are not resting easy.

We understand that we are serving our clients, and I want to stress that we are continually looking for ways to improve. We also are committed to maintaining open channels of communication.

A recent example of a service enhancement was the introduction of our new debt management system, which has reduced paperwork and staff resources -- and we were able to launch the system because of requests from government bond issuers.

We know this is a time of challenges, both for Oregon families and also for the governments that serve Oregonians. If you have additional suggestions or requests for financial system enhancements that will help us to help you, please let us know.

Again, thank you again for doing business with Treasury, and thank you especially for the work you do to make Oregonians' lives better, every day.

Professionally, and also personally, have a fruitful 2011.

2011 HOLIDAY SCHEDULE

To help you in your investment planning, the following are holidays that will be observed by the Local Government Investment Pool during 2011.

Monday	January 17 th	(Martin Luther King Jr. Day)
Monday	February 21 st	(Presidents' Day)
Monday	May 30 th	(Memorial Day)
Monday	July 4 th	(Independence Day)
Monday	September 5 th	(Labor Day)
Monday	October 10th	(Columbus Day) *Due to Fed & bank closure
Friday	November 11 th	(Veterans' Day)
Thursday	November 24 th	(Thanksgiving Day)
Monday	December 26 th	(Christmas Day)

ACH transactions called in prior to 1:00 p.m. on the business day preceding a holiday will settle on the business day following the holiday. Any **ACH** transactions called in **between** 1:00 p.m. on the business day preceding a holiday and 1:00 p.m. on the business day following a holiday will settle at your bank the **second** business day following the holiday.

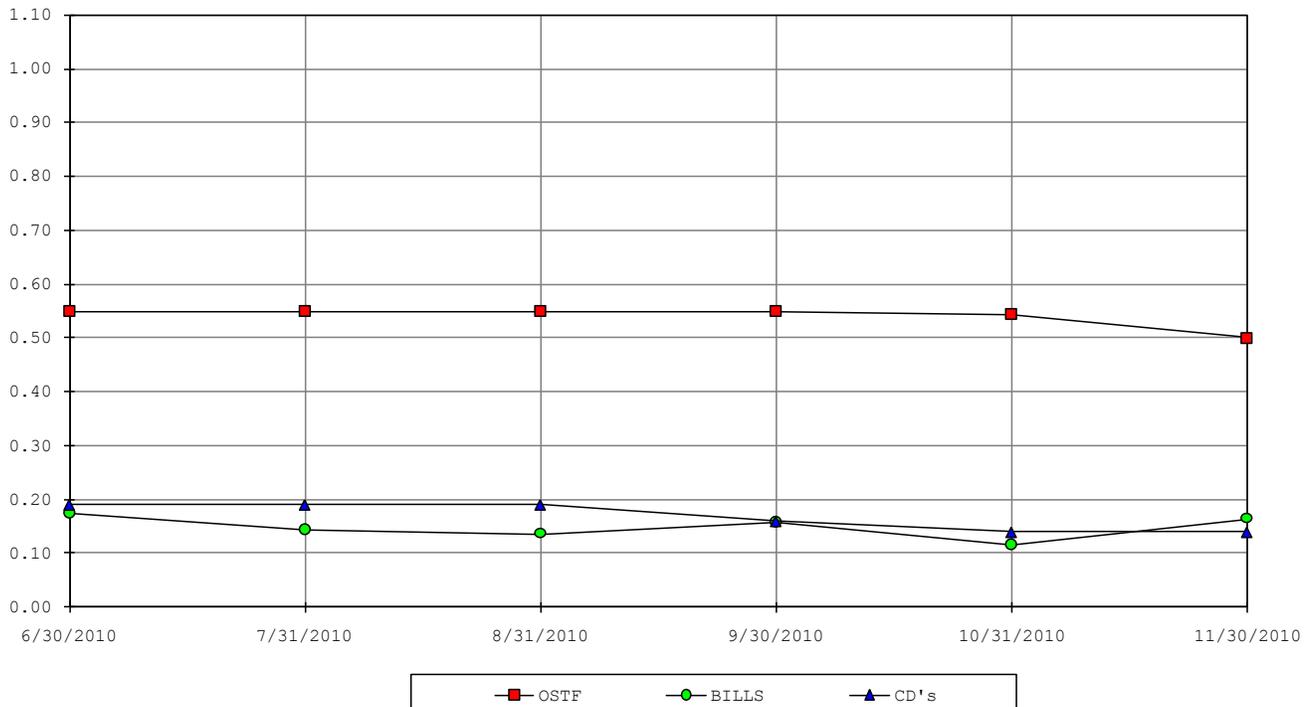
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OREGON SHORT-TERM FUND ANALYSIS



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

	6/30/2010	7/31/2010	8/31/2010	9/30/2010	10/31/2010	11/30/2010
LGIP AV DOLLARS INVESTED (MM)	4,231	4,038	4,198	4,107	3,810	5,383
STATE AGENCY AV DOLLARS INVESTED (MM)	6,492	6,241	6,077	5,906	5,965	5,833
TOTAL OSTF AV DOLLARS INVESTED (MM)	10,724	10,279	10,275	10,013	9,775	11,217
OST ANNUAL YIELD (ACT/ACT)	0.55	0.55	0.55	0.55	0.54	0.50
3-MO UST BILLS (BOND EQ YLD)	0.18	0.15	0.14	0.16	0.12	0.17
3-MO JUMBO CDS (ACT/360)	0.19	0.19	0.19	0.16	0.14	0.14

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.