

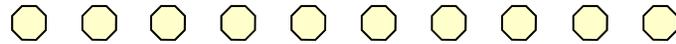


Municipal Debt Advisory Commission

2013

Oregon Municipal Debt Advisory Commission

2013 Annual Report



PUBLISHED AUGUST 2014

Current Members



Carol Juang McCoog
Chair

Hawkins, Delafield, & Wood
Partner
Public Member

Nancy Brewer

City of Corvallis
Finance Director
League of Oregon Cities Representative

Javier Fernandez

Bonneville Power Administration
Manager—Cash & Treasury
Public Member

Laura Lockwood-McCall

Office of the State Treasurer
Debt Management Division Director
Treasurer's Designee

Paul Matthews

Tualatin Valley Water District
Chief Financial Officer
Special Districts Representative

Doug Middlestetter

West Linn—Wilsonville School District
Chief Financial Officer
Oregon School Board Association Representative

Laurie Steele

Marion County
Treasurer
Association of Oregon Counties Representative

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Introduction



MDAC

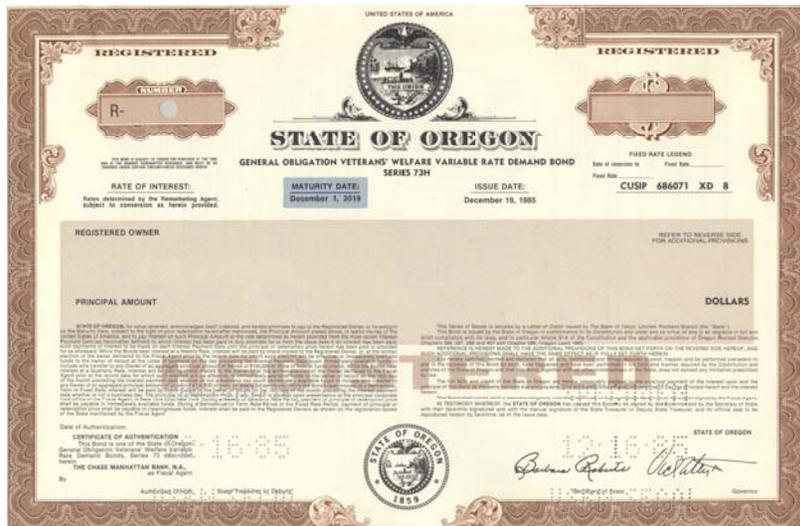
The Oregon Municipal Debt Advisory Commission (“MDAC” or “Commission”) was established in 1975 to assist local governments in the cost-effective issuance, sale, and management of their debt. The Commission is composed of seven members, including the State Treasurer (or his designee), three local government finance officers, one representative for the special districts, and two other public members. The Debt Management Division (DMD) of the Oregon State Treasurer’s Office (OST) is staff to the Commission. State [ORS 287A.634](#) requires the MDAC to prepare an annual report describing activities of the Commission in the preceding year.

OREGON ADMINISTRATIVE RULES

To ensure that information contained in the OST/MDAC Bond Tracker System is as accurate as possible, a verification of local government districts and their debt is accomplished by MDAC staff. [ORS 287A.640](#) states that:

“...a public body shall verify, at the request of the commission, the information maintained by the commission or the State Treasurer on the public body’s outstanding bonds.”

The information in the Bond Tracker System was updated and verified as of 12/31/2013. The next biennial verification will occur in 2016 for data as of 12/31/2015. These district-by-district verifications are performed by close collaboration between DMD staff and local government finance officials. The Department of Revenue also provides annual updates of real market values used in preparing overlapping debt report information. Additional verifications are performed when bonds are called or when special circumstances may require verification of outstanding debt.



Roles & Responsibilities



State statute [ORS 287A.634\(1\)](#) empowers the Municipal Debt Advisory Commission to carry out the following functions:

- Provide assistance and consultation, upon request of the state or a public body, to assist them in the planning, preparation, marketing and sale of new bond issues to reduce the cost of the issuance to the issuer and to assist in protecting the issuer's credit.
- Collect, maintain and provide financial, economic and social data on public bodies pertinent to their ability to issue and pay bonds.
- Collect, maintain and provide information on bonds sold and/or outstanding and serve as a clearinghouse for all local bond issues.
- Maintain contact with municipal bond underwriters, credit rating agencies, investors and others to improve the market for public body bond issues.
- Undertake or commission studies on methods to reduce the costs of state and local issues.
- Recommend changes in state law and local practices to improve the sale and servicing of local bonds.
- Perform any other function required or authorized by law.
- Pursuant [ORS Chapter 183](#) adopt rules necessary to carry out its duties.

The MDAC strives to improve existing services and to initiate new programs aimed at lowering borrowing costs and improving debt management practices for local governments, particularly in the area of capital planning and debt administration. Staff publishes a schedule of upcoming and recent municipal bond sales known as the "Bond Calendar."

The Bond Calendar lists state and local sales, enabling state agencies and local municipalities to minimize scheduling



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Oregon Bond Calendar

For Sale Dates from 1/1/2014 to 4/30/2014

Sale Date	Issuer	Sale Type	Bond Type	Series/ Par Amount	Project	Alternative Minimum Tax Bank Qualified Federally Taxable Zero Coupon	Maturity/ 1st Opt. Call	Average Bond Life Int. Rate	1. Underwriter/Purchaser 2. Bond Counsel 3. Financial Advisor
March 2014									
PROPOSED									
03/18	City Of Portland	Competitive	General Obligation (N) Bonds	2014 \$33,395,000	Public Safety Projects & Emergency Facilities Refunding	☐	06/15/2029		1. To Be Determined 2. Hawkins, DeLafield & Wood 3. Public Financial Management
April 2014									
PROPOSED									
04/02	Central Oregon Community College	Negotiated	Full Faith & Credit Obligations(N)	2014 \$22,000,000	Student Housing Projects	☐			1. Piper Jaffray - Seattle NW Division 2. Hawkins, DeLafield & Wood 3. None

[Bond Index \(http://treasury.oregon.gov/treasury/Divisions/Debt\)](#) [Election Schedule \(http://treasury.oregon.gov/treasury/Divisions/Debt/Management\)](#)

The State of Oregon Office of the Treasurer, acting on behalf of the Municipal Debt Advisory Commission (MDAC), maintains debt information to assist municipalities in debt related matters. The data is based on information obtained from issuers believed to be reliable; however, its accuracy cannot be guaranteed. The Office of the State Treasurer does not independently verify the information received from reporting municipalities. The State of Oregon is not responsible for the accuracy, completeness or timeliness of the information obtained and the data presented and disclaims any liability for or obligation to bond owners or others concerning the accuracy, completeness or timeliness of the data and information presented.

If you have questions about the Oregon Bond Calendar, please contact the Debt Management Division at 503-378-4930 or dm@post.state.or.us. If you would like this material provided in an alternative format, please contact the Treasurer's Office Americans with Disabilities Act Coordinator at 503-378-4552.

Negotiated sales may occur any day of the week when the sale date is indicated as a Monday.
☐ = Any Interest Date
Neg = Negotiated Sale
Com = Competitive Sale
Piv = Private Placement Sale
AMT = Subject to Alternative Minimum Tax
BQ = Bank Qualified
T&E = Federally Taxable
ZCRO = Zero Coupon or Deferred Interest Bonds

Full Faith & Credit Obligations(N) = Non-Self-Supporting - bonds repaid by non-property revenues - not property-tax backed
Full Faith & Credit Obligations(S) = Self-Supporting - bonds repaid by property revenues - not property-tax backed
General Obligations(N) = Non-Self-Supporting - bonds repaid & secured by all voters property taxes levied outside the limits of Article V(1)1b

3 Printed: 02/18/2014

conflicts which may impact the marketability of their issues. The Bond Calendar also contains information regarding bond elections and the Oregon Bond Index which charts Oregon municipal bond interest rates. The Bond Calendar is

updated on a real time basis and is available online at: <http://bondtracker.us/bondcalendar>

On behalf of the MDAC, the Debt Management Division produces the [Oregon Bond Education Center](#) (formerly the Oregon Bond Manual). The site is a resource for Oregon local governments issuing and managing debt.

In addition, MDAC staff monitors local and national bond markets and economic trends, advises agencies of market developments, and makes municipal bond policy and legislative recommendations to the State Treasurer. The Oregon State Treasurer/MDAC staff maintains the Bond Tracker System which is a database on debt issuance and debt outstanding for all Oregon municipal bond issuers.

Debt Instruments



An example of an **Appropriation Credit** is a Certificate of Participation. Payments on these type obligations are subject to appropriation. It is not considered a “default” if an appropriation payment is not made. These obligations were more common for capital finance needs before counties obtained the ability to issue "limited tax bonded indebtedness" or Full Faith & Credit Obligations.

Conduit Revenue Bonds are "pass through" obligations of private parties that are secured solely by commitments of private entities. Examples: hospital facility authority revenue bonds or a city conduit revenue bonds for nonprofit educational facilities.

Dedicated Niche Tax Obligations are obligations that are secured solely by taxes other than property taxes that provide permanent (long term) financing. Examples: Tri-Met's payroll tax revenue bonds, urban renewal agency tax increment bonds and city and county gas tax revenue bonds.

Full Faith & Credit Obligations-Non-Self Supporting (FF&C(N)) are obligations that: (i) are secured by the issuer's full faith and credit including their general fund; (ii) are not secured by any power to impose additional taxes outside constitutional limits; (iii) are expected to be paid from sources that include permanent rate property taxes and/or state school support payments; (iv) provide permanent (long term) financing; and (v) are legally binding obligations, rather than being "subject to appropriation." Examples: school district full faith and credit obligations.

Full Faith & Credit Obligations -Self Supporting (FF&C(S)) are obligations that: (i) are secured by the issuer's full faith and credit including their general fund; (ii) are not secured by any power to impose additional taxes outside constitutional limits;

(iii) are expected to be 100% paid from sources other than property taxes and their general fund; (iv) provide permanent (long term) financing; and (v) are legally binding obligations, rather than being "subject to appropriation." Example: The City of Portland's limited tax revenue bonds that financed PGE park, paid from hotel/motel taxes. This category may include obligations historically referred to as: Limited Tax Revenue or Full Faith and Credit Obligations.

General Obligation -Non-Self Supporting (GO(N)) is an obligation that: (i) provides permanent (long term) financing; (ii) is secured by the power to levy unlimited, property taxes; and (iii) is expected to be paid from those property tax levies. Example: school district general obligation bonds.

General Obligation -Self Supporting (GO(S)) is an obligation that: (i) provides permanent (long term) financing; (ii) is secured by the power to levy unlimited, property taxes; but (iii) is expected to be paid 100% from revenues other than property taxes. Example: city general obligation sewer bonds.

Other is a financial obligation type that does not fit in any of the other categories currently tracked by the MDAC and is not expected to be used often.

Revenue obligations are secured and paid for solely by a stream of identified revenues (other than property tax or specific tax revenues) and provides permanent financing. Examples: sewer and water revenue bonds.

Short Term Borrowings normally mature in less than 13 months from date of issue. Examples: TANs, RANs, TRANs and other short term borrowings in anticipation of revenues or long term take-out financing.

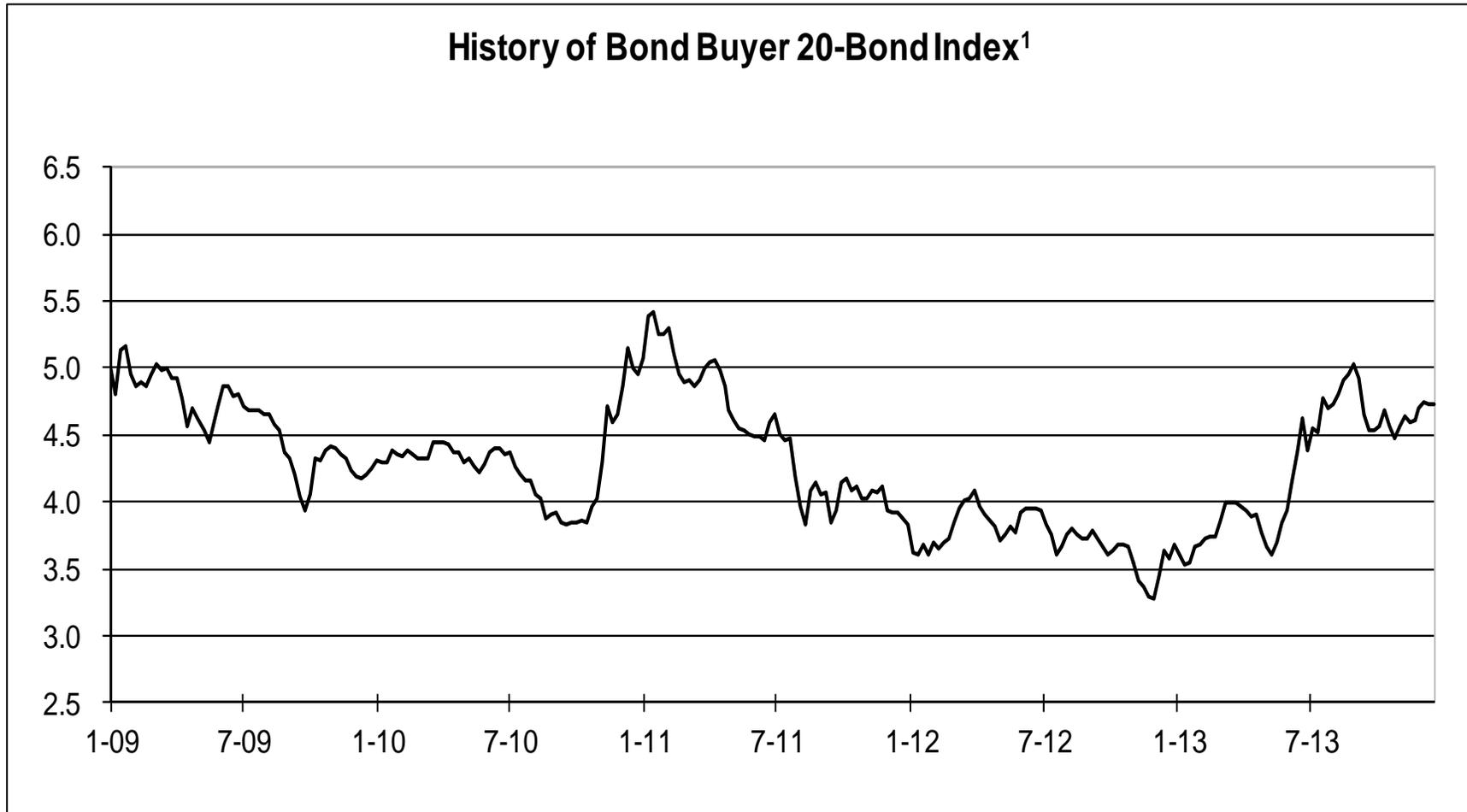
Interest Rates



In 2013, long term rates returned to levels last seen in 2011. Over the course of 2013, the Bond Buyer 20-Bond Index rose 105 basis points, ending the year at 4.73%.

2013	Start	End	High	Low	Avg
Bond Buyer 20-Bond Index	3.68%	4.73%	5.03%	3.53%	4.26%
Oregon Bond Index A-rated 20	3.38%	4.15%	5.03%	3.23%	4.03%

History of Bond Buyer 20-Bond Index¹



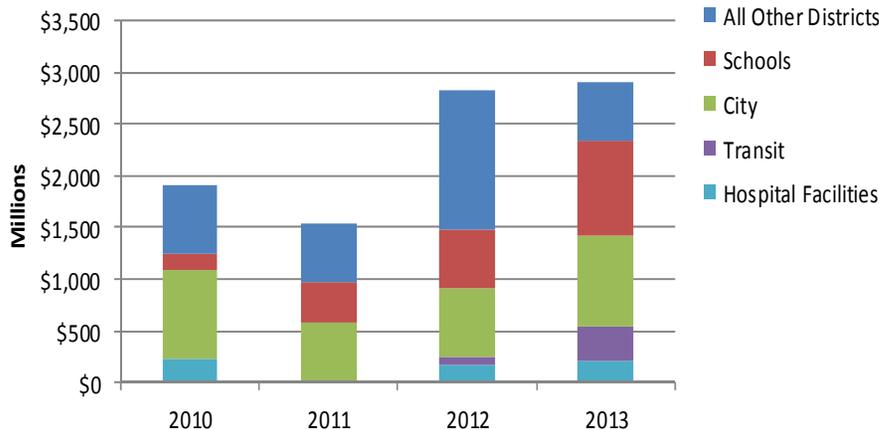
¹The *Bond Buyer 20-GO Index* represents an average interest rate on 20-year maturities of General Obligation bonds of 20 state and municipal issuers with ratings ranging from "Aaa" to "Baa" (average rating is approximately single "A").

²The *OBI 20 yr.* represents an average rate on 20-year maturities of Oregon municipal general obligation bonds rated "A," as reported to the Debt Management Division of the Office of the State Treasurer by regional/northwest traders of Oregon bonds.

Debt Issued

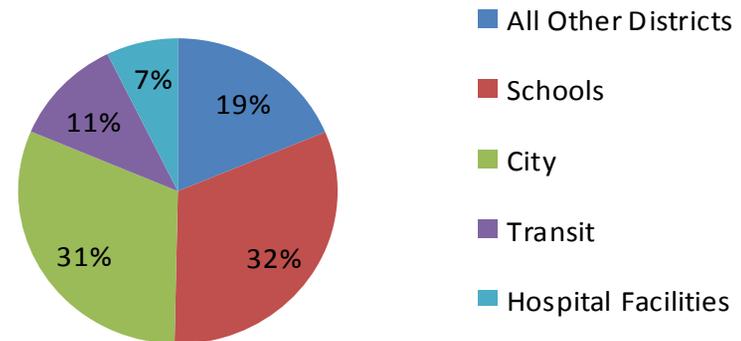


Trends in Local Government New Debt Issuance



In the November 2013 election, eighteen local bond issues were presented to the voters, totaling over \$649 million in proposed new issuance. Seven bond election measures passed, totaling \$96 million. School districts were the leading issuer of new obligations in 2013, with nearly \$908 million in bonds sold. Cities were second with almost \$891 million in new issuance, and third was transit districts with \$325 million issued.

Local Government New Debt Issuance in 2013



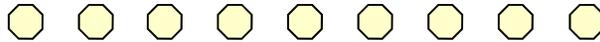
The largest category of Oregon local government debt issued in 2013 was General Obligation (Non-Self-Supporting) Bonds with over \$1 billion issued; Revenue Bonds were next, at over \$922 million issued. (See page 3 for a description of the bond types).

Local Debt Issued in 2013

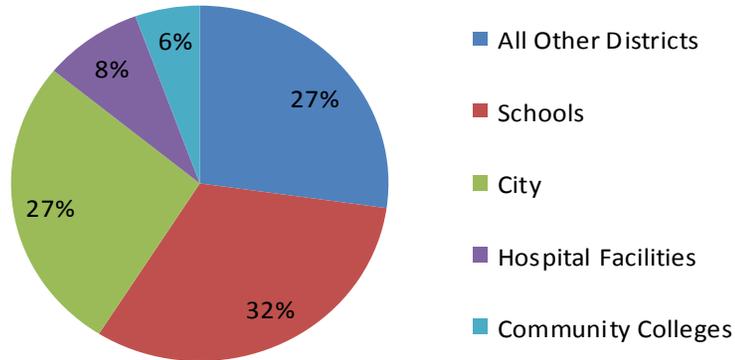
General Obligation (N) Bonds	\$ 1,029,316,220
Revenue Bonds	922,109,637
Conduit Revenue Bonds	342,833,000
Full Faith & Credit Obligations (N)	203,833,001
General Obligation (S) Bonds	200,532,848
Full Faith & Credit Obligations (S)	191,604,000
Dedicated Niche Tax Obligations	7,000,000
Appropriation Credits	3,520,000
TOTAL	\$ 2,900,748,706

Local governments in four Oregon counties accounted for over 67.5% of all local debt issued in 2013. Among these counties, local issuers in Multnomah County led with \$1.2 billion. Issuers in Deschutes, Marion, and Jackson Counties sold the second, third, and fourth largest debt by par amount at \$291 million, \$259 million and \$206 million respectively.

Debt Outstanding



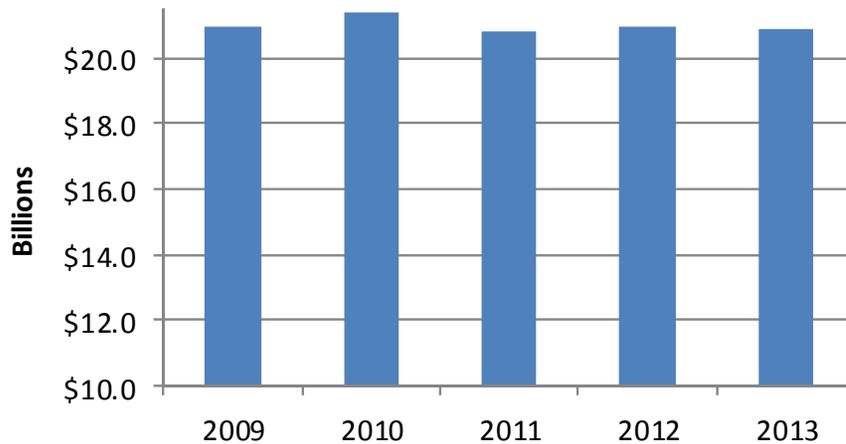
Total Outstanding Principal as of 12-31-13



As of December 31, 2013, school districts and cities are responsible for nearly \$12.3 billion of the almost \$21.0 billion in outstanding local government debt in Oregon.

The largest category of outstanding debt as of December 31, 2013 was Revenue Bonds with over \$6 billion outstanding, followed by General Obligation (Non-Self Supporting) Bonds with over \$5.6 billion outstanding.

Outstanding Principal by Year



Outstanding Local Debt

(as of 12/31/13)

Revenue Bonds	\$ 6,021,940,234
General Obligation (N) Bonds	5,632,720,730
Full Faith & Credit Obligations (N)	3,451,870,250
Full Faith & Credit Obligations (S)	2,503,092,921
Conduit Revenue Bonds	2,296,568,399
Dedicated Niche Tax Obligations	614,281,392
General Obligation (S) Bonds	368,994,370
Appropriation Credits	22,611,323
Other	5,650,363
TOTAL	\$20,917,729,983

Growth in local outstanding debt has remained relatively flat since the beginning of 2009. Although there was a slight decline in outstanding principal debt from 2012 to 2013, it is anticipated that as economic conditions improve around the State, local governments will pick up the pace of new issuance to accommodate needed investments in infrastructure and facilities.

Refundings



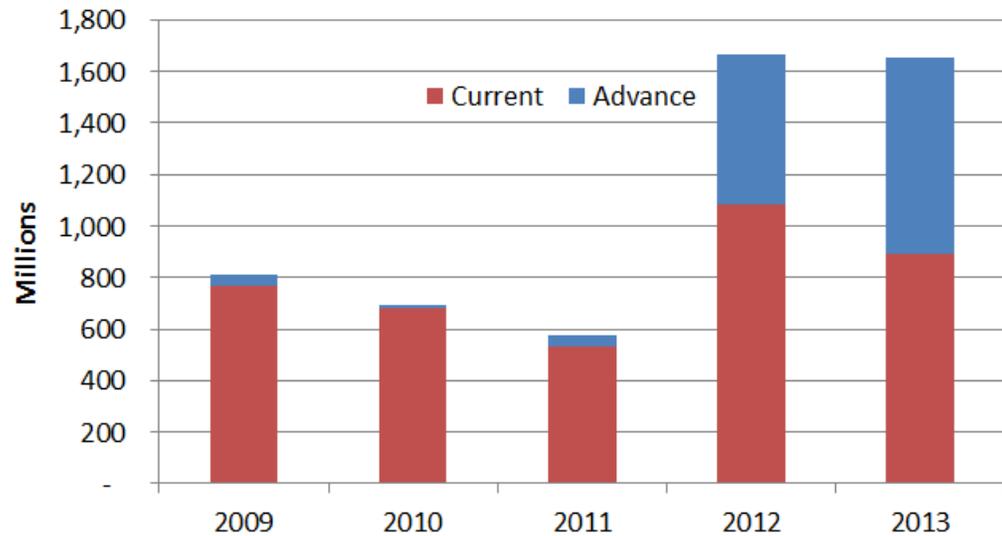
Generally, refundings are executed to realize debt service savings when new bonds are sold at interest rates significantly below those of the original issue. A refunding may also be undertaken to effect a permanent reorganization of debt by removing restrictive covenants or structures.

The Office of the State Treasurer is responsible for assessing the merits of proposed advance refunding issues and authorizing those having a significant beneficial impact. Advance refundings that result in clear public benefit and meet the requirements of [OAR 170-062-0000](#) receive approval.

In 2013, the number of advance refundings increased slightly as interest rates remained relatively low on a historical basis. Local governments reported advance and current refunding present value savings of over \$68 million in 2013.

Bonds are limited to a single advance refunding by federal law. There are no federal limits on the number of times an issue may be current refunded and current refundings do not require OST approval.

Local Government Refunding Par Amount



Local Government Refundings

Year	Current Refunding			Advance Refunding		
	Quantity	Issued (\$M)	Net PV Interest Savings (\$M) ¹	Quantity	Issued (\$M)	Net PV Interest Savings (\$M)
2009	30	769	10.6	3	43	2.1
2010	47	678	23.6	3	17	0.8
2011	57	529	35.7	2	45	3.2
2012	66	1,086	68.9	20	583	37.3
2013	52	891	27.7	23	760	40.7
Total	252	3,953	166.5	51	1,448	84.1

¹Current Refunding Present Value Savings data may be incomplete, as this information has been provided on a voluntary basis

Issue Purpose



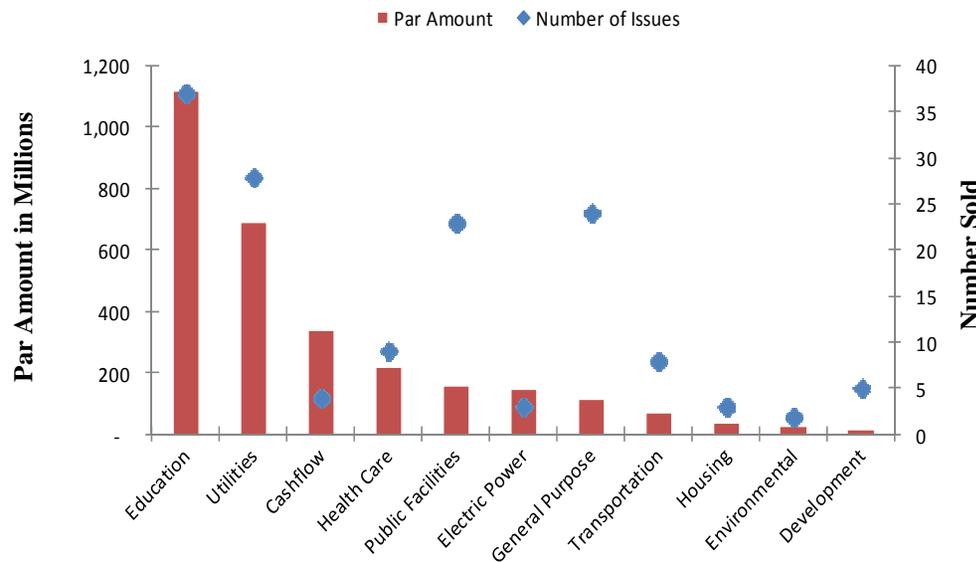
TOP ISSUERS BY PURPOSE IN 2013

<u>Purpose</u>	<u>Issuer</u>	<u>Issued</u>
Cashflow	Tri-Met	\$ 325,000,000
Utilities	City Of Portland	\$ 253,635,000
Utilities	City Of Portland	\$ 210,965,000
Education	Portland Community College	\$ 177,495,000
Electric Power	Port Of Morrow	\$ 100,000,000
Education	Deschutes Cty SD 1 (Bend-Lapine)	\$ 91,825,000
Education	Deschutes Cty SD 1 (Bend-Lapine)	\$ 81,050,000
Education	Multnomah Cty SD 1J (Portland)	\$ 76,265,000
Utilities	City Of Lake Oswego	\$ 75,290,000

In 2013, education-related facilities was the largest purpose of new local debt, with over \$1.1 billion issued in 37 series. Portland Community College led education issuance with bonds totaling over \$177 million. The next largest issuance category was utilities at more than \$688 million sold in 28 series of bonds.

In 2013, capital construction for education facilities continued to be in the top position for outstanding debt. Pension Obligation bonds (POBs), sold in the early-to-mid 2000's to help fund Public Employee Retirement System (PERS) liabilities remains the second largest category of outstanding local bonded debt.

Par Amount & Number of Issues Sold in 2013



OUTSTANDING BY PURPOSE

(AS OF 12/31/13)

Education	\$ 5,215,242,075
Pension	3,729,771,656
Utilities	3,595,459,597
Health Care	2,461,956,457
Public Facilities	1,478,419,430
Transportation	1,378,240,426
Development	849,660,967
General Purpose	561,204,388
Electric Power	521,322,457
Environmental	500,802,491
Cashflow	335,595,000
Housing	253,122,262
Unknown	36,932,777
TOTAL	\$20,917,729,983

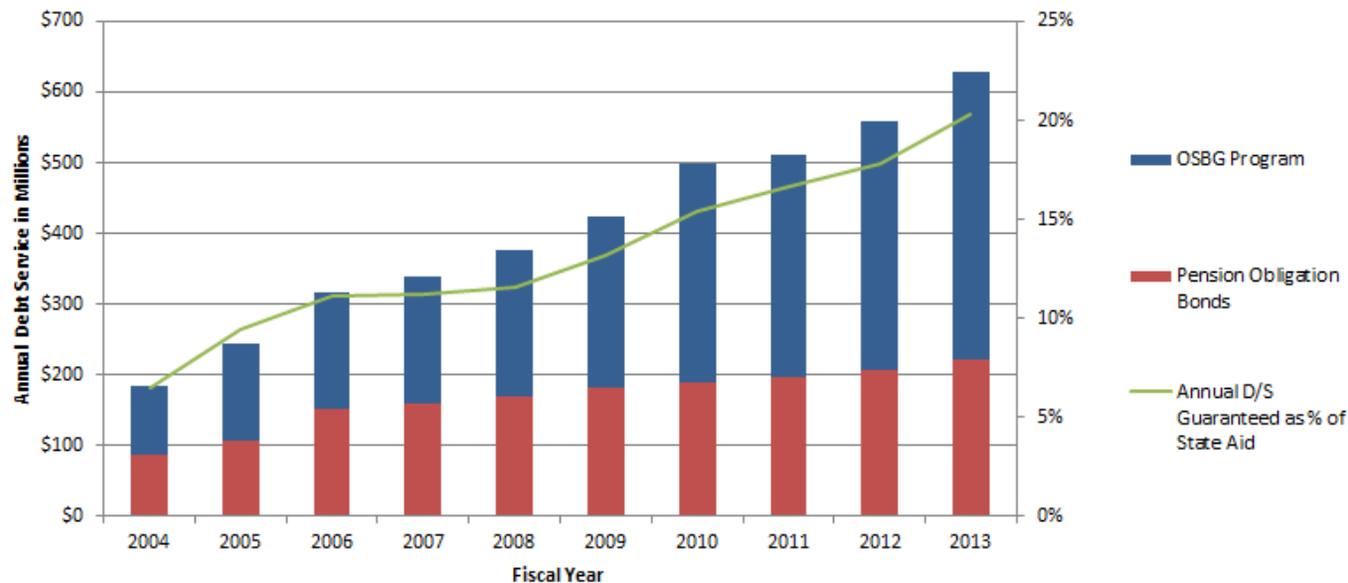
State Aid Intercept



Since its inception in 1999, the Oregon School Bond Guaranty (OSBG) program has grown significantly in size and scope. As of June 30, 2013, the program has outstanding guarantees on \$3.6 billion in outstanding GO bonds (or \$5.2 billion overall in guaranteed debt service) issued by Oregon school districts and community colleges. While it is impossible to know precisely how much the State guaranty has saved Oregon taxpayers in interest costs on school bonds, a conservative estimate of an average reduction of .25% (25 basis points) in borrowing costs suggests debt service savings of roughly \$6 million per year, or \$121 million over a 20-year period.

Of all school bonds issued, 83.8% (based on outstanding principal)¹ contain an intercept mechanism, either as general obligation bonds under the OSBG program or as Pension Obligation Bonds (POBs). These two programs combined total \$7.1 billion¹. As the table below demonstrates, the two state aid intercept bonding programs, OSBG and POBs, are relying on an increasing percentage of state aid to schools. For FY 2013, annual school/community college debt service guaranteed by the State was 20.3% of overall state aid for these jurisdictions.

Annual Debt Service Guaranteed by the State of Oregon through State Aid Intercept for School Districts and Community Colleges



¹ Total debt service is not included for all bonds, as interest is only calculated in the Bond Tracker System for bond issues containing an intercept mechanism.

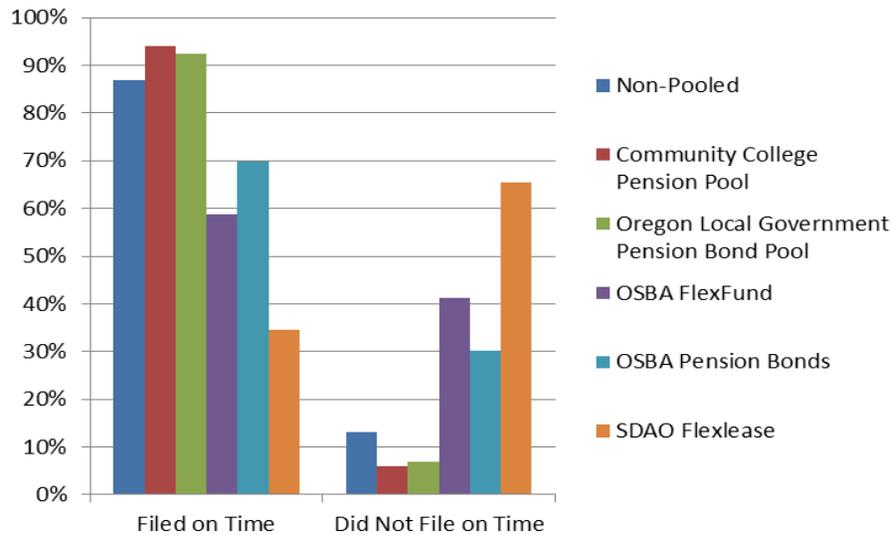
Continuing Disclosure Compliance



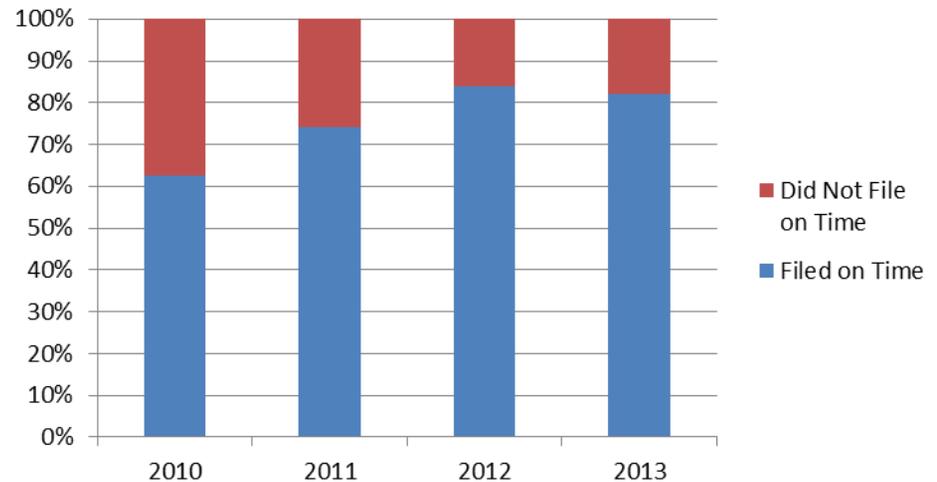
Continuing Disclosure filings of financial and other material information is required by many municipal debt issuers on an annual and ongoing basis, as laid out in Securities and Exchange Commission Rule 15c2-12.

As part of MDAC's effort to improve debt management practices in Oregon, MDAC staff surveyed the Electronic Municipal Market Access (EMMA) database to assess Oregon local government compliance. After excluding issuers who did not have continuing disclosure requirements and those with zero outstanding balances, staff found that 82% of local government issuers filed their annual reports on EMMA on a timely basis in 2013.

2013 Non-Pooled vs. Pooled EMMA Disclosure Compliance Filings



Local Government Continuing Disclosure Annual Financial Information Filings



MDAC staff were able to determine that non-compliance was historically high with pooled issuance transactions (typically those issued in the past for local pension obligation debt). On-time compliance has improved in recent years as shown above.

In March 2013, staff notified every issuer not in compliance with Rule 15c2-12 and offered training and assistance for their filing. MDAC staff found that Oregon local government's total on-time compliance remained at over 80% overall in 2012 and 2013.

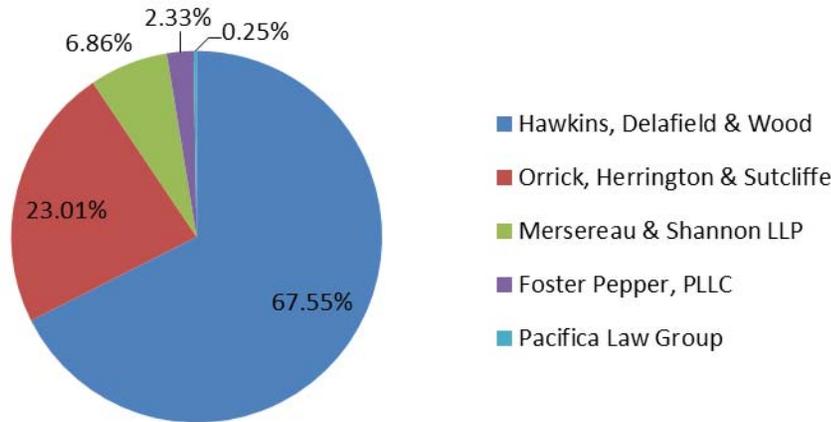
Oregon MDAC has been recognized as a national leader through their efforts to provide assistance to local governments in fulfilling their annual filing responsibilities.

Bond Counsel



Local governments hire bond counsel firms to advise them regarding the legal and tax aspects of a bond sale. Bond Counsel provides the legal opinion for the bond issue that describes its federal and state tax consequences and opinions that the bonds were legally authorized and issued. The bottom table summarizes Oregon municipal long-term financial obligation sales by volume for various bond counsel firms during the past 3 years.

2013 Top Bond Counsel by Volume



Number of New Issues by the Top 3 (in volume) Local Government Bond Counsels in 2013

Issuer Category	Hawkins	Mersereau & Shannon	Orrick
Cities	30	6	10
Comm. Colleges	2	1	0
Counties	9	0	0
Fire Districts	4	7	0
Health/Hospitals	0	1	8
Library	0	1	0
Parks	3	2	0
Ports	2	3	1
Public Utilities	1	0	0
Schools / ESDs	20	9	4
Sanitary Districts	2	1	0
Service Districts	1	0	0
Urban Renewal	1	0	3
Water Control/Supply	2	3	0
Others	0	1	0
TOTAL	77	35	26

Bond Counsel for Local Government by Volume

2011			2012			2013		
	Volume	No.		Volume	No.		Volume	No.
K&L Gates LLP	\$ 997,164,766	113	Hawkins, Delafield & Wood	\$ 1,652,816,653	98	Hawkins, Delafield & Wood	\$ 1,732,740,945	77
Mersereau & Shannon LLP	279,762,448	19	Orrick, Herrington & Sutcliffe	895,080,000	28	Orrick, Herrington & Sutcliffe	590,216,759	26
Orrick, Herrington & Sutcliffe	263,502,886	12	Mersereau & Shannon LLP	271,312,283	27	Mersereau & Shannon LLP	175,966,002	35
Kirchner, Moore & Company	1,315,000	1	Foster Pepper, PLLC	4,210,000	1	Foster Pepper, PLLC	59,730,000	3
						Pacifica Law Group	6,500,000	1
Total	\$ 1,541,745,100	145	Total	\$ 2,823,418,936	154	Total	\$ 2,565,153,706	142

Municipal Advisors

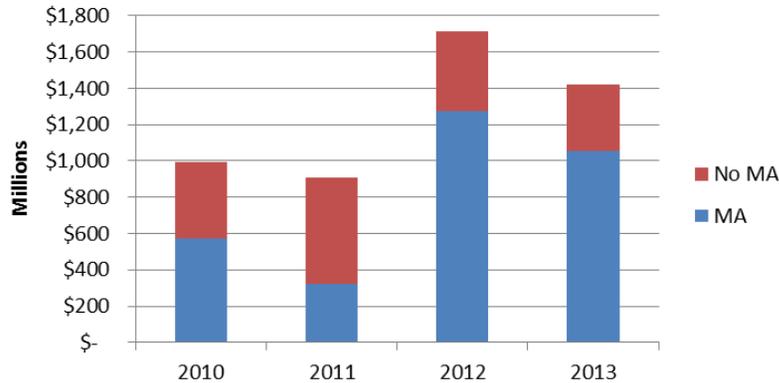


The Municipal Advisor (MA) is a consultant who advises an issuer on matters pertinent to the security, structure, timing, marketing, fairness of pricing, terms, and ratings on a bond issue. MAs often serve as an agent for the issuer during the pricing of negotiated bonds.

2013 Local Government Issues by Sale Type

Issuer Category	Competitive		Negotiated		Privately Placed		Total
	MA Used	No MA	MA Used	No MA	MA Used	No MA	
Cities	11	0	5	8	25	0	49
Comm. Colleges	1	0	0	2	0	0	3
Counties	2	0	0	4	3	0	9
Fire Districts	0	0	0	10	1	0	11
Health / Hospitals	0	0	2	2	5	0	9
Housing	0	0	0	3	0	0	3
Parks	2	0	1	1	1	0	5
Ports	0	0	0	4	2	0	6
Public Utilities	0	0	2	2	1	0	5
Others	1	0	0	6	1	0	8
Transit	0	0	1	0	0	0	1
Schools / ESDs	6	0	17	10	0	0	33
Urban Renewal	0	0	0	0	4	0	4
TOTAL	23	0	28	52	43	0	146

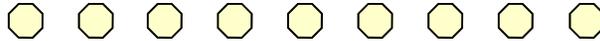
MA Used vs. Not Used
on Negotiated Sales by Volume



Municipal Advisors for Local Governments by Volume

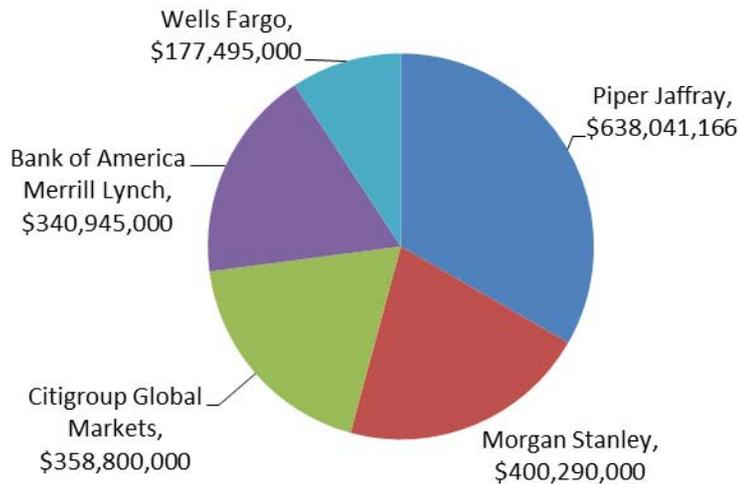
2011		Volume	No.	2012		Volume	No.	2013		Volume	No.
None	\$	835,128,929	104	Seattle Northwest Securities	\$	708,896,097	25	Western Financial Group	\$	659,203,391	11
Western Financial Group		308,856,913	20	None		560,207,839	87	None		576,800,095	83
Seattle Northwest Securities		248,940,258	15	Melio & Company LLC		465,120,000	7	Public Financial Management		564,600,000	3
Delta Utility Associates, LLC		92,510,000	3	Western Financial Group		451,500,000	12	Piper Jaffray		553,996,054	17
D.A. Davison & Co.		40,060,000	1	Public Financial Management		284,885,000	6	Charles Carter Company		326,470,000	14
Economic & Financial Analysis		13,099,000	1	Charles Carter Company		225,880,000	13	Wedbush Morgan Securities		93,845,166	6
Charles Carter Company		3,150,000	1	Delta Utility Associates		71,230,000	1	Cain Brothers & Company		64,138,000	2
				Cain Brothers & Company		45,200,000	1	Economic & Financial Analysis		24,066,000	3
				D.A. Davidson & Co.		8,500,000	1	GEL Oregon, Inc.		10,495,000	1
				McLiney and Company		2,000,000	1	A. Dashen & Associates		9,185,000	1
								Russell Caldwell Company		7,280,000	2
								DBS Financial Services		5,255,000	1
								D.A. Davidson & Co.		3,590,000	1
								Montague DeRose & Assoc.		1,825,000	1
Total		\$ 1,541,745,100	145	Total		\$ 2,823,418,936	154	Total		\$ 2,900,748,706	146

Lead Underwriters



The Lead Underwriter's role is to manage the syndicate that purchases securities from the issuer for resale to investors. The tables below summarize Oregon municipal long-term financial obligation for 2013 sales by Sale Type and Lead Underwriter. In 2013, local government transactions included 23 competitive sales and 80 negotiated sales.

Top 5 Underwriters by Volume in 2013



Local Government Underwriters by Sale Type in 2013

Rank by Volume	Competitive	Negotiated	Total
Piper Jaffray	1	28	29
Morgan Stanley	1	1	2
Citigroup Global Markets	2	2	4
Bank of America ML	3	0	3
Wells Fargo	1	0	1
Janney Montgomery Scott	2	0	2
Robert W. Baird	4	24	28
Wedbush Morgan Securities	0	10	10
D.A. Davidson & Co.	0	12	12
Other	2	3	12
TOTALS	23	80	103

Lead Underwriters for Local Government by Volume

2011			2012			2013		
	Volume	No.		Volume	No.		Volume	No.
Seattle Northwest Securities	\$ 406,255,908	44	Seattle Northwest Securities Corp.	\$ 595,398,063	25	Piper Jaffray	\$ 638,041,166	29
Bank of America Merrill Lynch	273,142,799	15	JP Morgan Securities	354,120,000	87	Morgan Stanley	400,290,000	2
JP Morgan Securities	206,310,000	6	Morgan Stanley	287,345,000	7	Citigroup Global Markets	358,800,000	4
Citigroup Global Markets	132,005,000	7	Bank of America Merrill Lynch	264,915,000	12	Bank of America ML	340,945,000	3
Robert W. Baird	103,510,000	4	Wells Fargo Bank	159,655,000	6	Wells Fargo	177,495,000	1
Wells Fargo Bank	99,835,000	2	U.S. Bank National Association	157,520,000	13	Janney Montgomery Scott	88,950,000	2
Goldman Sachs & Company	56,770,000	2	Citigroup Global Markets	140,480,000	1	Robert W. Baird	77,050,000	28
Piper Jaffray	56,186,258	6	JP Morgan Chase	140,000,000	1	Wedbush Morgan Securities	73,045,000	10
Wedbush Morgan Securities	52,257,000	25	Bank of America, N.A.	120,721,000	1	D.A. Davidson & Co.	70,025,000	12
Other	155,473,135	34	Other	603,264,873	1	Other	266,476,054	12
Total	\$ 1,541,745,100	145	Total	\$ 2,823,418,936	154	Total	\$ 2,491,117,220	103

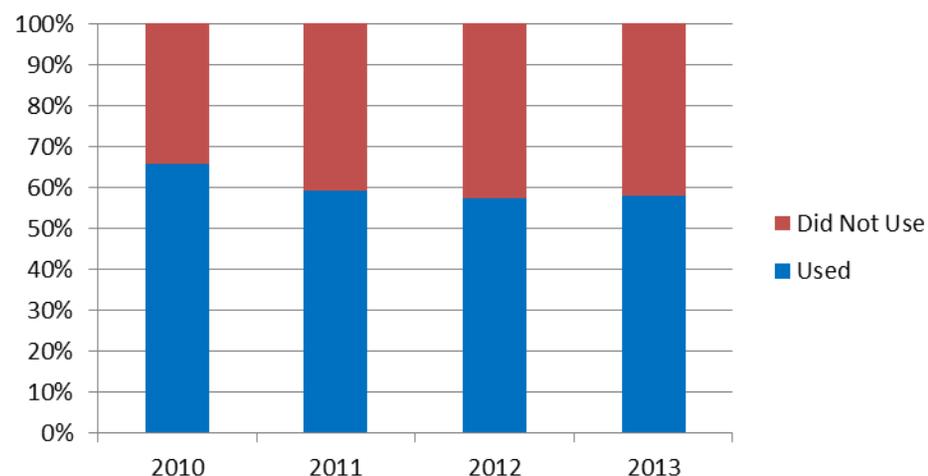
Underwriter's Counsel



An underwriter's counsel is an attorney or firm who is selected by, and represents, underwriters in a publically offered negotiated bond sale. Their primary role is to assure adequate disclosure to investors and to assist in the underwriter's due diligence process.

Oregon's Local Government 2013 engagement of an underwriter's counsel remained steady compared to 2012 with slightly less number of issues. By par amount, in 2012, 57% of issuers used a separate underwriter's counsel; in 2013, this usage was 58%.

Underwriter's Counsel Usage in Public Offerings¹



Use of Underwriter's Counsel for Public Offerings in 2013¹ Oregon (State & Local)

Underwriters Counsel Equal to Each Manager (Proportionate)	Par Amount (US\$ mil)	Market Share (%)	Number of Issues
Orrick Herrington & Sutcliffe LLP	1,087.3	25.6	11
Hawkins Delafield & Wood LLP	1,068.1	25.1	9
Kutak Rock LLP	167.5	3.9	8
Ungaretti & Harris LLP	60.2	1.4	1
Quarles & Brady LLP	36.2	.9	9
Foster Pepper PLLC	33.2	.8	3
Eichner Norris & Neumann PLLC	15.4	.4	2
Mersereau & Shannon LLP	2.5	.1	1
Subtotal with Underwriters Counsel	2,470.3	58.1	44
Subtotal without Underwriters Counsel	1,782.0	41.9	73
Industry Total	4,252.2	100.0	117

¹ Source: Thompson Financial, 2013

Oregon Treasury—Debt Management Division



The Debt Management Division (DMD) of the Oregon State Treasurer's Office serves as staff to the Municipal Debt Advisory Commission. The DMD implements policies and administrative rules promulgated by the Commission. The DMD staff consists of:

Laura Lockwood-McCall	Director
Larry Groth	Deputy Director
Alice Bibler	Debt Manager
Lee Anaya	Debt Program Senior Analyst
Martha Kellams	Debt Program Analyst
Jennifer Harding	Debt Program Coordinator
Jennifer Thatcher	Debt Management Assistant

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