

TOBIAS READ
STATE TREASURER

JACQUELINE KNIGHTS
TREASURER'S DESIGNEE

CHRISTINE REYNOLDS
CHAIR



**MUNICIPAL DEBT
ADVISORY COMMISSION**
867 HAWTHORNE AVE SE
SALEM, OREGON 97301-5241
(503) 378-4930
DMD@ost.state.or.us

PUBLIC MEETING NOTICE AND AGENDA

MUNICIPAL DEBT ADVISORY COMMISSION MEETING

HYBRID VIRTUAL MEETING ON

Thursday June 15, 2023

10:30am – 12:00pm¹

AUDIO AND VIDEO PARTICIPATION:

[Click here to join the meeting](#)

AUDIO PARTICIPATION ONLY:

Dial-In Access 971-279-6217

Dial-In Toll Free 833-213-7399

Conference ID # 449 631 158#

IN-PERSON PARTICIPATION:

867 HAWTHORNE AVE SE – SALEM

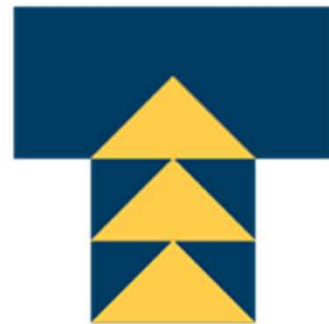
AGENDA

	<u>BEGIN</u>	<u>END</u> ¹
1. Call to Order and Roll Call	10:30 AM	10:35 AM
2. Message from the Chair	10:35 AM	10:45 AM
3. Summary of May 18 th Annual Meeting <ul style="list-style-type: none">o Chair Reynolds	10:45 AM	11:00 AM
4. OSBG Statistics Discussion <ul style="list-style-type: none">o Jacqueline Knights; Treasurer Designee	11:00 AM	11:30 AM
5. MDAC Report Update <ul style="list-style-type: none">o Jacqueline Knights; Treasurer Designee	11:30 AM	11:50 AM
6. Public Comment and Other Business	11:50 AM	12:00 PM
7. Adjournment		

¹ Approximate end time, subject to change

Municipal Debt Advisory Commission

Summary of 2022 Draft Annual Report



**OREGON
STATE
TREASURY**

June 15, 2023

Contents

- 2022 Issuance Summary
- POB Issuance Summary
- OSBG Program Considerations

2022 Issuance Summary



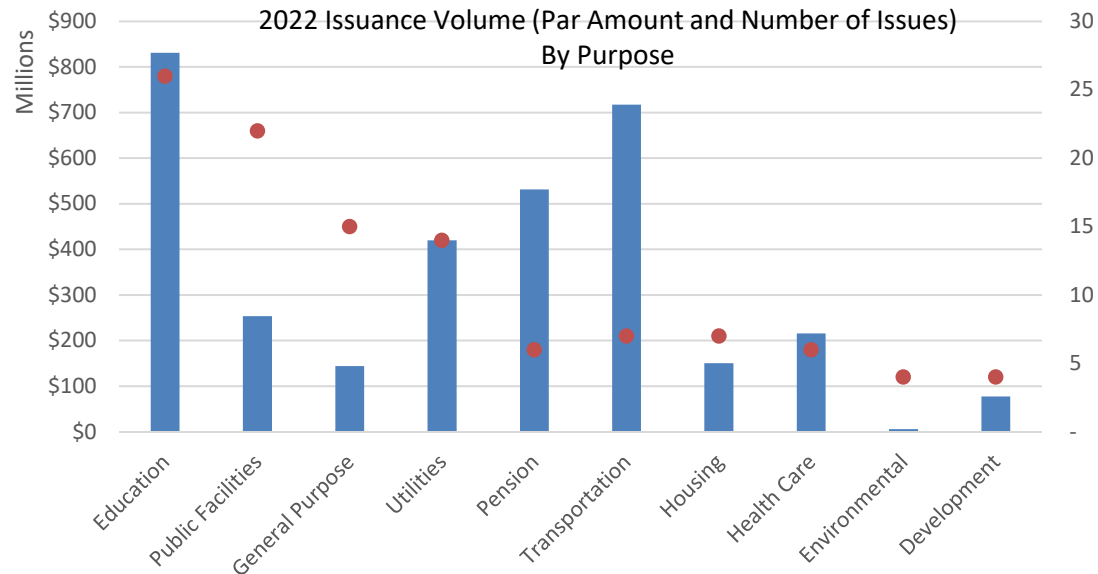
Oregon Local Government 2022 Issuance Summary

- Overall municipal debt issuance nationally, according to SIFMA, was down 19% in 2022 from 2021, with refundings and taxable issuance of debt experiencing the largest decline
- In 2022, Oregon Local Issuers placed or sold almost \$3.35 billion in debt, which is a \$2.51 billion (41.6%) decline from the \$6.03 billion issued in 2021, the decline can be attributed in part to the following:
 - \$1.45 billion (57.8%) combined decline in current and advance refunding bonds
 - \$869 million (34.6%) decline in issuance of taxable pension obligation bonds
- As of December 31, 2022, outstanding indebtedness of Oregon Local Issuers was \$39 billion, which is a \$1.1 billion (3.44%) increase over the \$37.7 billion outstanding at calendar year end 2021:
 - This increase in outstanding debt is lower than the amount of new issuance by \$2.05 billion, which means that Local issuers repaid or amortized more debt in 2022 than they incurred

2022 Local Issuance

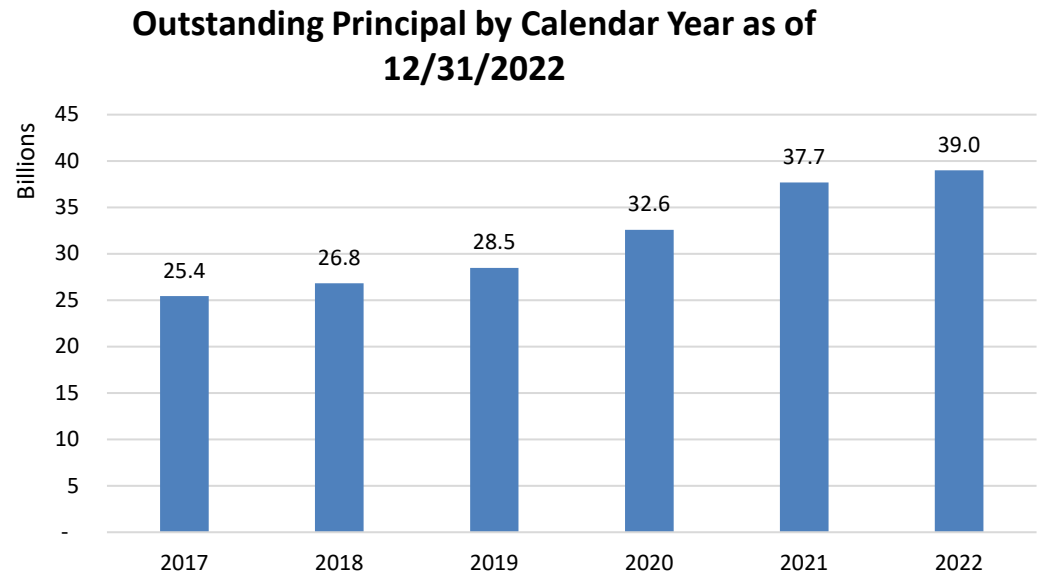
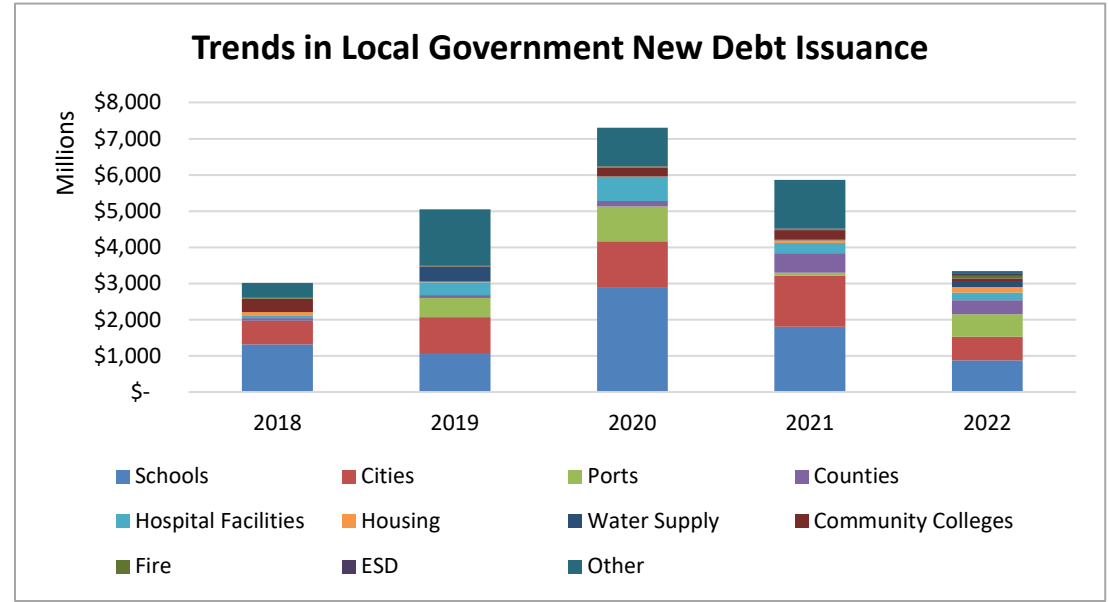
2022 Local Government Debt Issued by County		
County	Debt Issued (\$)	%
Multnomah	1,172,767,262	35.04
Washington	542,977,153	16.22
Lane	519,697,400	15.53
Clackamas	285,990,854	8.54
Deschutes	210,309,100	6.28
Jackson	113,357,992	3.39
Marion	106,305,000	3.18
Umatilla	65,233,955	1.95
Union	55,075,000	1.65
All Other Counties	275,231,068	8.22
Total	3,346,944,784	100.00

2022 Issuance by Purpose		
Purpose	Par Amount (\$)	Number of Issues
Education	830,894,353	26
Public Facilities	253,358,245	22
General Purpose	144,224,584	15
Utilities	419,896,663	14
Pension	531,743,870	6
Transportation	717,432,302	7
Housing	150,265,000	7
Health Care	215,570,000	6
Environmental	6,030,000	4
Development	77,529,767	4
Grand Total	3,346,944,784	111



Trends in Local Government Indebtedness

Outstanding Amount By Issuer Type 12/31/2022	
Issuer Type	Amount Outstanding
School	\$13,532,296,543
City	\$8,019,127,036
Port	\$3,439,549,470
Hospital Facilities Authority	\$2,339,691,379
Community College	\$1,608,970,509
County	\$1,901,187,264
Water Supply	\$1,430,680,489
OHSU	\$1,185,857,495
Service	\$1,144,964,279
Independent Univ.	\$1,141,508,722
Transit	\$1,023,428,839
Housing	\$458,907,495
Urban Renewal	\$327,714,517
Fire	\$265,813,863
Health	\$198,071,860
Library	\$197,274,948
Sanitary	\$167,820,762
Park	\$151,654,743
Public Utility	\$125,114,812
Irrigation	\$58,674,333
Water Control	\$48,736,184
Vector Control	\$17,745,000
Other	\$22,475,924
Intergovernmental Agreement	\$9,010,352
Road	\$1,172,635
Law Enforcement	\$700,759
Grand Total	\$38,818,150,214



POB Issuance Summary



POB Issuance Summary

- POB issuance guidelines to reflect SB 1049 (ORS 238.697) were fully implemented in July 2021, after which Local Issuers sold \$1.88 billion of POBs to fund their PERS Unfunded Accrued Liability
 - These issuances benefited from historically low rates in 2021 and favorable rates in early 2022
 - As of June 30, 2022, Local Issuers had \$3.51 billion outstanding in POBs
 - These POBs generally use the Fund Diversion Agreement to redirect state aid to the bond trustee to make payments on the POBs, which enhances the credit of the POBs

POBs Issued Under SB 1049 (ORS 238.697)

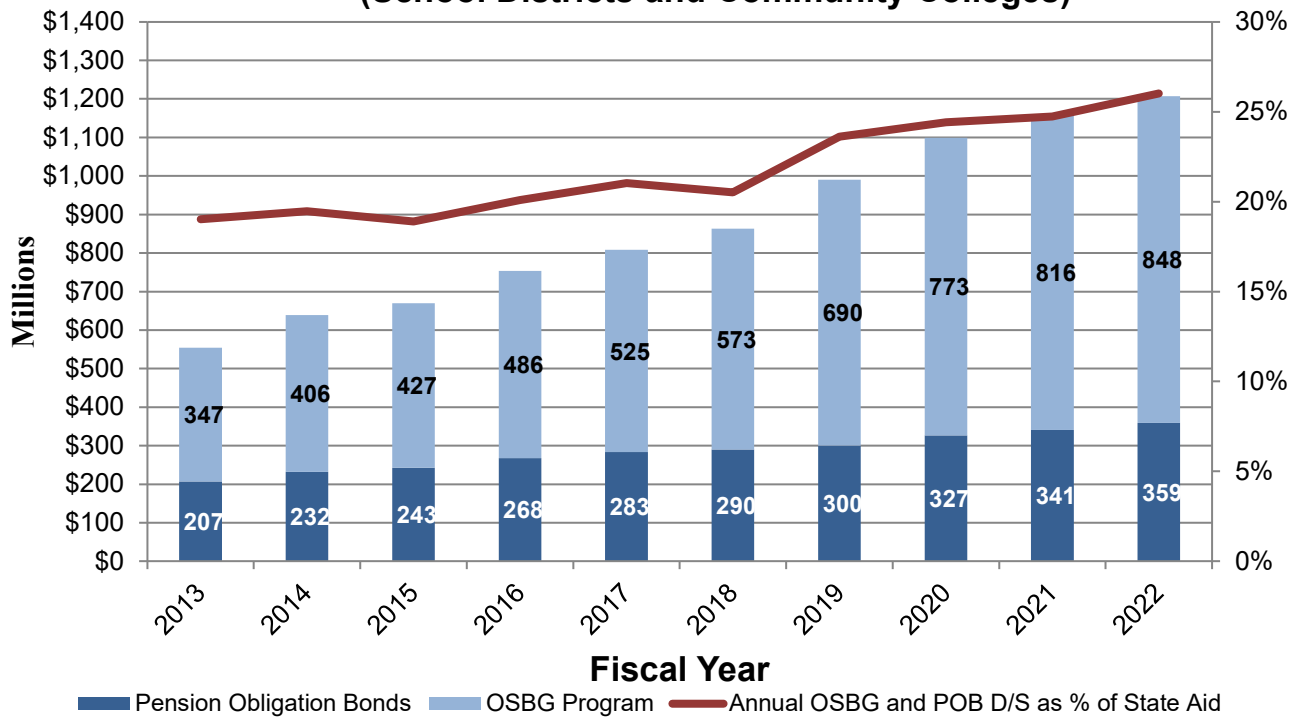
PUBLIC BODY	DATE OF ISSUE	AMOUNT ISSUED	BOND TIC (a)
Multnomah Cty SD 1J (Portland)	7/15/2021	\$399,390,000.00	2.18%
Baker Cty SD 5J (Baker)	8/19/2021	\$19,600,000.00	1.62%
Lane Cty SD 52 (Bethel)	8/19/2021	\$68,905,000.00	2.45%
Polk Cty SD 2 (Dallas)	8/19/2021	\$39,575,000.00	2.45%
Umatilla Cty SD 5R (Echo)	8/19/2021	\$3,340,000.00	2.52%
Marion Cty SD 1 (Gervais)	8/19/2021	\$3,985,000.00	2.51%
InterMountain ESD	8/19/2021	\$13,875,000.00	2.47%
Jefferson ESD	8/19/2021	\$2,380,000.00	2.54%
Jefferson Cty SD 509J (Madras)	8/19/2021	\$31,905,000.00	2.46%
Lake Cty SD 7 (Lakeview)	8/19/2021	\$10,750,000.00	2.48%
Umatilla Cty USD 7 (Milton-Freewater)	8/19/2021	\$8,210,000.00	2.48%
Morrow Cty SD 1	8/19/2021	\$18,300,000.00	2.46%
Marion Cty SD 15 (North Marion)	8/19/2021	\$15,390,000.00	2.47%
Marion Cty SD 29J (North Santiam)	8/19/2021	\$14,755,000.00	2.47%
Lane Cty SD 76 (Oakridge)	8/19/2021	\$6,985,000.00	2.49%
Deschutes Cty SD 2J (Redmond)	8/19/2021	\$71,800,000.00	2.45%
Douglas Cty SD 4 (Roseburg)	8/19/2021	\$32,535,000.00	2.46%
Marion Cty SD 4J (Silver Falls)	8/19/2021	\$35,425,000.00	2.46%
Lane Cty SD 19 (Springfield)	8/19/2021	\$106,955,000.00	2.45%
Tillamook Cty SD 9 (Tillamook)	8/19/2021	\$13,195,000.00	2.47%
Umatilla Cty SD 6 (Umatilla)	8/19/2021	\$10,705,000.00	2.48%
Union Cty SD 1 (La Grande)	8/19/2021	\$19,435,000.00	2.46%
Clackamas Cty SD 3J (W.Linn-Wilsonville)	8/19/2021	\$112,440,000.00	2.45%
Umpqua Community College	8/31/2021	\$17,805,000.00	2.50%
Mt Hood Community College	8/31/2021	\$58,895,000.00	2.48%
Clackamas Community College	8/31/2021	\$49,740,000.00	2.49%
Rogue Community College	8/31/2021	\$31,545,000.00	2.49%
Chemeketa Community College	8/31/2021	\$55,965,000.00	2.48%
Clackamas Cty SD 62 (Oregon City)	9/29/2021	\$74,500,000.00	2.44%
Lane Cty SD 45J3 (South Lane)	6/22/2022	\$26,691,611.00	4.50%
Multnomah Cty SD 3 (Parkrose)	6/22/2022	\$27,156,599.00	4.50%
Multnomah ESD	6/22/2022	\$60,233,416.00	4.45%
Umatilla Cty SD 8 (Hermiston)	6/22/2022	\$61,733,955.00	4.45%
Lane County	6/28/2022	\$286,638,289.00	4.30%
Lane Community College	6/30/2022	\$69,290,000.00	4.20%
Total		\$1,880,028,870.00	

OSBG Program Considerations

OSBG Program Considerations

- As of June 30, 2022, the Oregon School Bond Guaranty (OSBG) Program guaranteed \$9.4 billion or roughly 24% of all outstanding debt of all Oregon Local Issuers and 62% of all outstanding debt of school and community college districts
 - FY 2022 debt service on OSBG guaranteed bonds was \$848 million or 5.68% of State Net General Fund Revenues and 18.93% of FY 2022 State Aid for school and community college districts
 - Combined OSBG guaranteed debt service and POB debt service supported by Fund Diversion Agreements totaled \$1.17 billion in FY 2022 and in the aggregate is roughly 26% of State Aid for school and community college districts in FY 2022

**Annual Debt Service of OSBG Guaranteed Debt and POB Debt
Using Fund Diversion Agreements
(School Districts and Community Colleges)**



Updates to the Bond Tracker System in 2022

- In 2022, the Debt Management Division implemented several updated improvements to the system:
 - Overlapping Debt Report – Since 2021, all the Overlapping Debt Reports are pulled from BondTracker by region and saved on a shared drive for future use before the annual upload of updated tax information overrides the prior years data in the system. This allows Local Governments to access ODR well after the cut off date and ensures record retention rules are being followed appropriately
 - Pension Obligation Bond – In 2021, the process of tracking POBs drastically changed to include an adaptation within BondTracker to form accessible POB data that can be used, along with an already utilized POB tracking spreadsheet and guideline for each issuance to allow DMD to accurately and efficiently report POB information to outside entities in a timely manner. This also allows DMD to closely monitor the POB activities
 - Debt Limit Verification – Every other year, Local Governments go through a process to verify their debt with DMD. Starting in 2024, the verification process will be done almost exclusively using electronic resources such as email, electronic scanning and drive sharing
 - Issuer Table Update - In late 2022, DMD worked with IT to implement a table change with the Issuer main area. This will allow staff to input more than one contact information for an Issuer.
 - Purposes, Bond Types & Definitions – DMD is currently working on writing out a comprehensive list of Purposes, Bond Types and Definitions that are reflected in BondTracker for the use by Bond Counsel, Underwriter Counsel, Municipal Advisors and Underwriters to ensure accurate data is being used in the system moving forward and give everyone a uniformed understanding of how to use these sections in the system
 - Bond Calendar – In mid-2022, the Bond Calendar was moved to the new BondLink webpage accessible at www.buyoregonbonds.com to provide cohesiveness to outside investors looking to invest in Oregon opportunities.