

# Kittitas County Auditor

## Agenda Staff Report

### **AGENDA DATE:**

5/21/2013

### **ACTION REQUESTED:**

Request the Chairman's signature on the notice of intent with State of Washington local Option Capital Asset Lending (LOCAL) program

### **BACKGROUND:**

Kittitas County applied for an energy grant through the Department of Commerce to upgrade the lighting systems throughout the County facilities; improved the elevators in the Courthouse and Jail; commission the HVAC controls in the Jail; and replace leaky wall and window construction in a portion of the Courthouse with a modern, insulated wall and window system. The estimated project costs are \$1,321,618. The County was awarded \$330,384 in grant dollars for the project. This leaves a balance \$991,234. The 2013 county budget includes \$121,410 and the project includes upgrades to Solid Waste which will contribute to their upgrade. This will leave an estimated amount to borrow of \$850,000. The estimated completion of the project is June 30, 2014

We have selected to use the Washington State Treasurer Local Option Capital Asset Lending Program (LOCAL).

The LOCAL program is an expanded version of the successful state agency lease/purchase program. The program was originally created by the Legislature in 1989 (RCW 39.94) to provide the lowest cost financing for state agency purchases by pooling funding needs into larger offerings of securities. Thanks to support and assistance from many friends of local government, the Legislature passed legislation in 1998 to provide local governments access to the program. Local government agencies of all types can finance equipment or real estate needs through the State Treasurer's office subject to existing debt limitations and financial considerations.

The major benefits of LOCAL are (1) simplicity and (2) low cost financing. Participants will benefit from the current program rating of Moody's Aa2, low fees and expenses, and access to the public bond markets.

An advisory body was convened to guide the program. Representatives of local governments were appointed by associations representing various types of entities to provide direction and feedback on proposed program features, guidelines, and procedures. We are committed to offering a program that will benefit local government and be simple to use.

The LOCAL program is an excellent example of state and local governments working together to deliver the most cost effective and highest quality product possible. As partners, we have created a program that delivers for you and your constituents.

The timeline for the project application is June 1 for the Notice of Intent/Credit Approval; all other documents are due June 20. The funds can be available in late August, with the first payment due in December.

The letter of intent and a credit application (to be completed by County Treasurer) will be sent to the Washington State Treasurer. In a subsequent agenda session the Board of County Commissioners will approve a resolution and other financing documents.

### **INTERACTION:**

Deanna Panattoni, County Treasurer  
Matt Anderson, Facilities Maintenance Director

### **RECOMMENDATION:**

Recommend the Board approve the letter of Intent and approve the Chair to sign the document.

### **HANDLING:**

Return to Judy to mail to State Treasurer

**LEAD STAFF:**

Judy Pless