

Debt and Investment Services from the State Treasurer's Office

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The LOCAL Program

A cost-effective mechanism for municipalities to finance property in a pooled transaction



Equipment Program
Real Estate Program



OST pools lease agreements across all participants and packages them as a security called a Certificate of Participation (COP)



COPs are similar to municipal bonds in that they are structured with regular principal and interest payments and sold to investors in the tax-exempt bond market

Funds are generally available three times per year, in February, June, and November



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The LOCAL Program

Recent projects



Pumper tender



Vector Truck



Fire Training Facility



Fleet truck

Benefits to participants:

- Interest Rates
- Economies of Scale
- Administrative assistance

Recent Sale Results

Interest Rates From Recent Transaction June 5, 2024 Sale Results

LOCAL*		
Term	Equipment	Real Estate
5 Years	3.29%	
7 Years	3.29%	
10 Years	3.29%	
20 Years		3.85%



LOCAL Program

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Get Financing

Providing local governments and state agencies an alternative way to finance real estate and equipment through OST's Certificates of Participation (COP) Program

The Office of the State Treasurer operates two Certificates of Participation (COP) programs: the LOCAL Program and State Lease-Purchase Program. COPs provide Washington local governments and state agencies with an alternative way to finance essential real estate and equipment over a multi-year period. The program is structured to ensure agencies benefit from economies of scale and the State's low tax-exempt financing rates.

In this section:

Local Government Financing

Forms, guidelines, and information on OST's LOCAL Program

State Lease-Purchase Program

Information, guides, and forms related to OST's State Lease-Purchase Program



Download and submit non-binding Notice of Intent and Credit application to apply



Local Government Investment Pool (LGIP)

Objective: Provide a safe, liquid, short-term investment vehicle for local governments



- Patterned after private sector 2a-7 money market funds
- Benchmark - net and gross yields of the iMoneyNet Government & Agency group of money market funds
- 100% liquidity daily and NO maturity date
- Safely invest while achieving a competitive rate of return
- Voluntary

- **Open to all local government entities in the state**



- **Liquidity**

- 100 % liquidity by 10:00 am
- No restrictions on balances or number of transactions per month
- Transaction size minimum -\$5,000, unless withdrawing interest for the month
- Transaction size maximum – no formal maximum, however we ask to be notified a day prior if transactions are larger than \$10 million. We do our best to accommodate requests

- **By statute OST can only charge what it costs to run the LGIP**

- FY 2023 Administrative Fee – 0.6 basis point (0.006%)

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Separately Managed Accounts (SMA)

Objective: Offer low cost intermediate-term investment management to local governments



- Investment strategy replicates OST's own core portfolio
- 5 year maximum maturity
- Effective duration around 2.1 years
- Invest in US Treasury, US agency and supranational notes
- Intended for core balances that are not required for immediate cash flow needs

- **Open to all local government entities in the state, with a minimum initial deposit of \$10 mm**

- **Administrative fees range from 2 to 4.5 basis points annually (0.02%-0.045%) depending on portfolio size.**



- Includes investment accounting and custody services
- Deducted from earnings

- **How it works:**

- Interagency agreement—contract model
- Separate accounts for individual participants, each with its own holdings
- Current portfolios range in size from \$15mm to \$300mm
- Deposits and withdrawals are intended to be infrequent but are not restricted.

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Local Government Investment Pool

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