



MICHAEL BAUMGARTNER

THE TREASURER OF SPOKANE COUNTY

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Treasurer Loans \$2.5 Million in Start-Up Financing to Spokane Regional Emergency Communications Operations

Spokane County, WA- Michael Baumgartner, The Treasurer of Spokane County announced today that the Spokane County Investment Pool (SCIP) will issue \$2.5 million in short term financing to Spokane Regional Emergency Communications (SREC) in response to a temporary shortage in startup operations & maintenance cash flow. The duration of the loan is 1.5 years with a 3.49% annual interest rate and is backed by the full faith and credit of Spokane County.

"I'm pleased that our Treasurer's Office could step in and provide short-term financing to help get SREC up and running and help strengthen public safety in our area," said Baumgartner.

As Treasurer, Baumgartner oversees and authorizes investments of The Spokane County Investment Pool which consists of approximately \$1.4 billion in the cash reserves of over 80 regional government entities. Major contributors to SCIP include area school districts, with Spokane County itself contributing just 3% of the pool's overall finances.

"We invest the vast majority of SCIP funds in large blocks of US Treasury Securities and fixed-income Federal Agency debt, however we are pleased when we can invest in local public projects that make sense financially and help build our community," stated Baumgartner.

The Treasurer's Office was approached by Mary Kuney, Chair of the Board of County Commissioners last week about a potential gap in cash flow at SREC due to the ongoing initial startup of financial systems for the new agency. Working with agency partners, a SCIP transaction was quickly brought forward ensuring initial financing is in place while billing agreements are established by Spokane County. SREC will receive the loan from the Treasurer's Office with a full faith and credit guarantee from Spokane County authorized by the Board of County Commissioners.

"We would typically not look to finance operational expenses for a new entity except in unique circumstances, however SREC should be in a strong cash-flow position once it is up and running and the County Commissioners have agreed to guarantee the loan in the event of default," added Baumgartner.

The Spokane County Investment Policy dictates that up to 5% of the portfolio may be held in district loans for terms no longer than five years. Past local SCIP loans from the Treasurer's Office include gap financing for Central Valley School district construction, safety improvements at Freeman School district, to Pride Prep Charter School, and the purchase of Etter Farms as part of Spokane County Conservation Futures.

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**Spokane County Investment Pool
Direct District Note
SREC Initial Operations & Maintenance Funding
July 19, 2019**

Loan Data

Original Principal	\$ 2,500,000
Loan Term (Years)	1.5
Annual Interest Rate	3.49%
Payments per Year	2.0
Payment	\$862,584.37

Payment #	Payment	Interest	Principal	Balance	Pmt Due
0				2,500,000.00	
1	862,584.37	43,625.00	818,959.37	1,681,040.63	1/19/2020
2	862,584.37	29,334.16	833,250.21	847,790.42	7/19/2020
3	862,584.37	14,793.94	847,790.42	(0.00)	1/19/2021