



MICHAEL BAUMGARTNER

THE TREASURER OF SPOKANE COUNTY

COLLECT • SAFEGUARD • INVEST



THE TREASURER'S YEAR IN REVIEW 2019



The 2019 Year in Review



It is an honor to serve as your Treasurer of Spokane County. This “Year in Review” is part of my effort to increase the public outreach and understanding of what our Office does.

As a steward of the public’s funds, I hold my responsibility to **collect, safeguard, and invest** your tax dollars in the highest regard. Our dedicated Treasurer’s Office team has worked diligently over the past year to provide outstanding service to the people of Spokane County.

In many ways, you can think of the Treasurer’s Office as the public’s bank for the people of our area. Our Office processes nearly \$15 billion in cash-management services annually for the more than 80 public entities that we serve.

In the following pages, I hope you will gain an increased understanding of the role of the Treasurer’s Office as well as learn about some highlights from how we worked to best serve the tax paying public in 2019. In my experience, government always works best when it listens directly to the people. Please call, email, or join us at our next ‘Taxpayer Town Hall’ to share your ideas on how local government can better work for you.

Highlights

The Spokane Public Investment Fund dispersed \$28 million in earnings for local schools and other public entities.

Over 99% property tax collection rate.

10,859 eligible Seniors & Disabled utilized tax relief programs.

Local loan allowed Bigelow Gulch Road improvements to begin 6 months sooner.

Michael J. Baumgartner
The Treasurer of Spokane County

Collect

Serving Taxpayers with Fairness & Accountability



While the Treasurer's Office **does not** set your tax rates or put a determination of assessed value on your home, we are responsible for collecting your tax dollars **fairly and with accountability**.

In 2019 we saw a **99.27% tax collection rate**. **You should not pay more in taxes than you legally owe**. Our office returned \$3.6 million in excess payments and refunds in 2019.

If you are a Senior or disabled and meet certain income thresholds, **you may qualify for a tax payer exemption**. In 2019, over 10,000 participated in Spokane County.

We want to do everything we can to keep you in your home and avoid foreclosures. Due in part to 2017 legislation sponsored by then Senator Baumgartner, **our office can accept partial payments if you are having trouble making your tax payments**.

Taxes

	Assessed Value	Regular Tax Levied	Collection Rate
2019	\$49.7 B	\$579 m	99.27%
2018	\$45.6 B	\$618 m	98.02%
2017	\$42.4 B	\$562 m	98.82%

Foreclosure Auctions

	Parcels	Homes
2019	20	6
2018	20	8
2017	19	9

Safeguard

Public Banking Services & Payment Processing

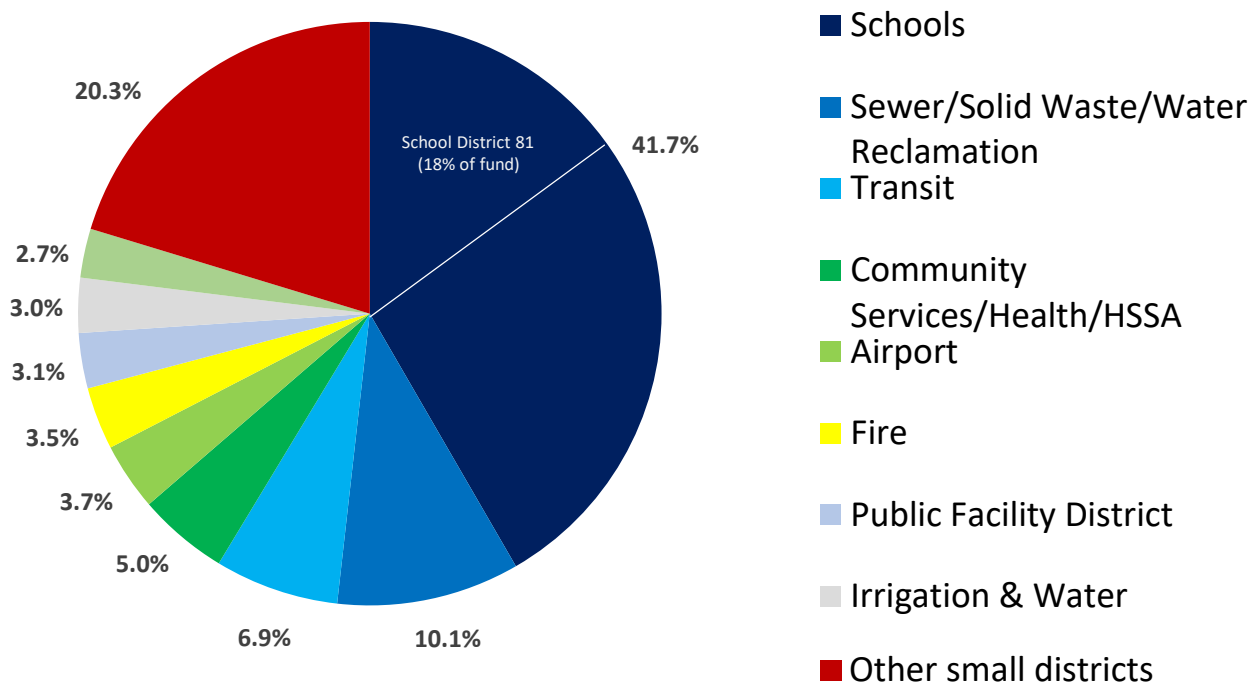


In 2019 The Treasurer's Office provided banking services and cash management of **approximately \$15 billion** for over 80 local public entities.

Our biggest 'clients' are local public schools - who make up almost **42%** cash management services by value. In contrast, the Spokane County General Fund accounts for less than 3%.

Additionally, **our office goes above and beyond** what is required by law--providing discretionary payment processing services for Spokane City Utilities & Environmental Services which save taxpayers an estimated **\$350,000**.

Public Banking Clients by Financial Size



Invest

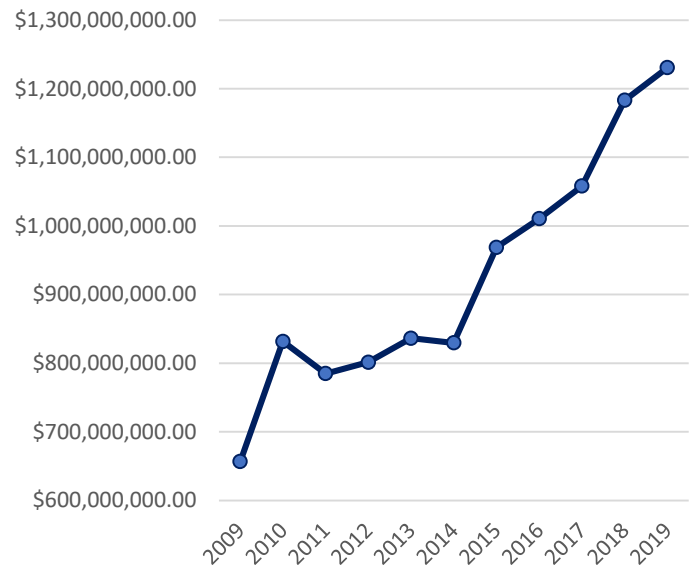
Managing the Spokane Public Investment Fund (SPIF)



The Treasurer's Office manages the Spokane Public Investment Fund (SPIF)* for the over 80 entities that bank with us. The funds are pooled and invested in fixed income debt instruments like US Treasuries and other bonds. (Stocks and equity investments are not allowed by state law). After taxes and fees, SPIF is the single largest source of public revenue in the county. **Every dollar we earn is a dollar in savings to taxpayers.**

*also referred to as SCIP

SPIF Year End Size



In 2019, the size of the SPIF Fund under management grew by over \$100m.

Our Core Investment Values

1. Safety

Preserving the capital of our public clients is always the first priority of our investment decisions.

2. Liquidity

Making sure that money is ready and available to our clients is a crucial part of fulfilling our community's needs.

3. Return

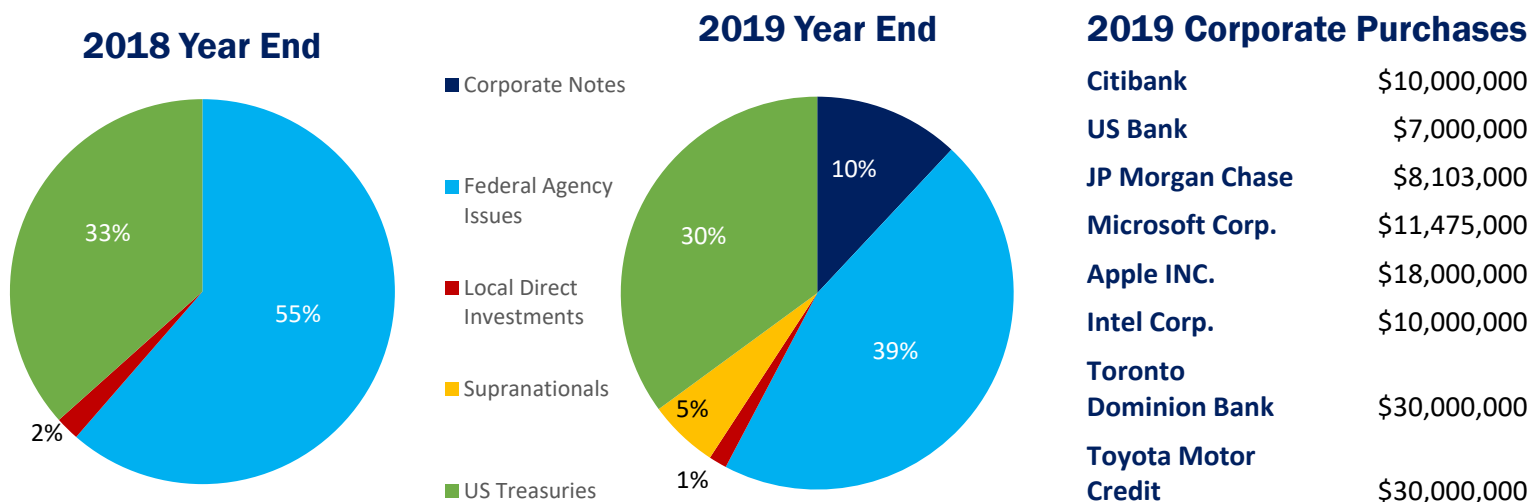
We work closely with our independent financial advisor to make smart and profitable investments, saving taxpayers millions in the process.

“WHEN MANAGING THE PUBLIC’S MONEY, RETURN OF CAPITAL IS MORE IMPORTANT THAN RETURN ON CAPITAL.”

Asset Diversification



In 2019, to achieve **higher yield and diversify risk**, the SPIF made it's first investments in Supranational Institutional debt like World Bank Bonds and in high-rated Corporate debt. The **bedrock of the fund** remains assets backed by US Government guarantees.



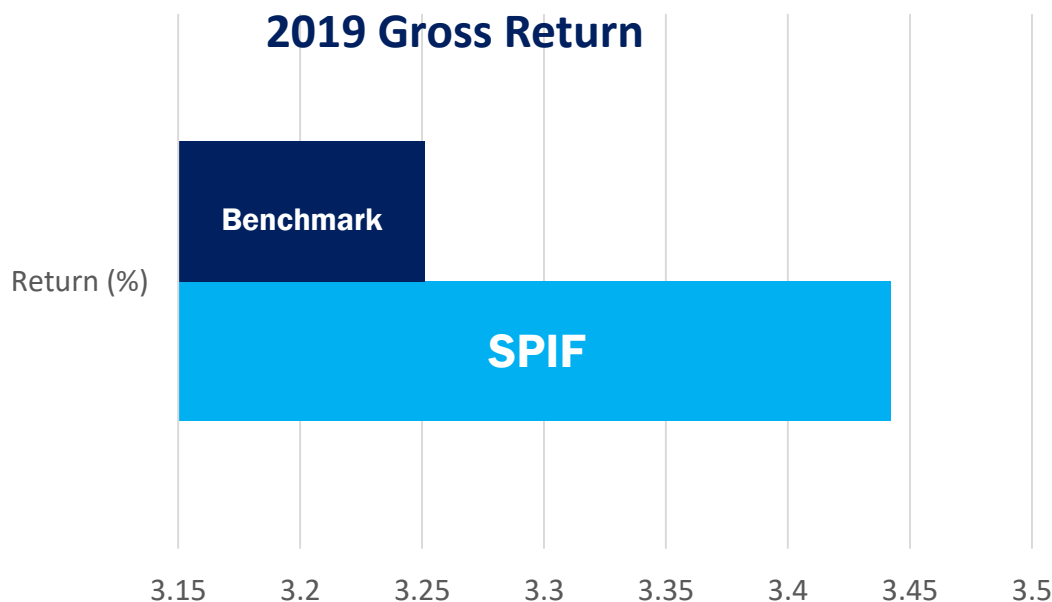
Year End Performance

In 2019, the SPIF earned over \$28 million for local schools and other public entities and **outperformed its benchmark index***.

Earnings:
\$28.3 million

Effective Rate of Return: 2.22%

Effective Duration:
1.33 Years
(Dec 2019)



*ICE Bank of America Merrill Lynch 0-3 Year US Treasury Index

Treasurer's Local Direct Investments (LDI)

Putting Your Money to Work Here at Home



We believe that there is no better way to strengthen our community than investing right here in Spokane. While not required by law to do so, we open 5% of our investment fund to offer low-cost loans to the public entities that bank with us. These Local Direct Investments (LDI's) are a "secure win-win" typically earning a higher rate of return than other SPIF investments but charging less than the open market and with no fees.

**Local Direct Investments
2019: \$8.545 million**

**Total Loans Outstanding:
\$15,435,932**

**2019 Weighted Average
Return on LDIs: 3.26%**

2019 Highlight: Bigelow Gulch Road –faster & cheaper



Spokane County Roads is set to receive \$4 million in federal funds for work on Bigelow Gulch Road. By granting a \$4 million bridge loan through the Treasurer's LDI, the project can be delivered sooner and with lower cost and greater community economic benefit. Other 2019 LDI's include \$2.5 million for the new Spokane Regional Emergency Center (SREC) and \$2 million to finance the purchase of Etter Ranch for Conservation. Past LDI's include safety enhancements at Freeman School District and capital construction for Central Valley Schools.

*Geiger Blvd. & Bigelow Gulch urban connector construction



Public Outreach

Government that Works
for You



2019 Highlights: New 'Taxpayer Town Halls'

Government works best when **it listens directly to the people**. That's why we initiated semiannual Taxpayer Town Halls, where the public can learn and, **more importantly**, share their ideas.

New Spokane Valley Temporary Office

When citizens want to speak to their **government in person**, the location and open hours of the downtown Courthouse can be inconvenient . That's why we partnered with Spokane Valley City Government to offer a temporary remote location during the busy October tax season. We plan to do it again. It's about **making things easier** for tax payers .



Treasurer Office Staff serving citizens at the Spokane Valley remote tax collection site in October.

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**We work for you. Please be
in contact with questions
and ideas.**