

# SPOKANE COUNTY TREASURER'S OFFICE

## YEAR IN REVIEW 2023



**COLLECT SAFEGUARD INVEST**



**MICHAEL BAUMGARTNER**  
THE TREASURER OF SPOKANE COUNTY

# YEAR IN REVIEW

It remains an honor and a privilege to serve as Spokane County Treasurer. I have the opportunity to work with a remarkable team of talented and dedicated public service professionals. We know that as stewards of your tax dollars, we must work diligently to gain and keep your trust.

I believe trust is built on pillars of performance and transparency. I am proud to present this *Year in Review* as a testament to our efforts to achieve this trust, explaining the work of the Treasurer's Office and highlighting our accomplishments over the past year.

The primary responsibilities of the Treasurer's Office are to *collect, safeguard, and invest* the public funds of Spokane County.

Twice a year, our office performs its biggest task: collecting Spokane County's property taxes. Last year we collected approximately \$818 million in taxes, processing payments made in person, by mail, over the phone, and online. But we do so much more than collect taxes. We serve as the public financial hub of the region, dispersing those collected tax dollars back out to your local school districts, fire districts, libraries, agencies, and city and town governments.

Throughout the year, we provide banking services to these and other government entities within the county – nearly 80 different clients with hundreds of separate accounts. From our largest account holders, such as Spokane International Airport, down to our smallest cemetery district, we work hard to safeguard every dollar put under our responsibility.

Managing this large reserve of funds allows us the opportunity to produce additional revenue for the county through investment income. Last year our portfolio reached an historic high of \$1.9 billion, invested in highly secure fixed-income instruments. Since 2019, our investment strategy has generated over \$120 million in returns. This investment income can be used to support public services without raising taxes or adding fees. Every dollar we earn is a dollar in savings to taxpayers.

I hope this report provides the public with greater insight into the operations of the Treasurer's Office. I am proud of our team, and I believe our community is well-served by our work. But we are always looking for ways to improve. I believe that government works best when it is responsive to its citizens. Please reach out to us with your questions, comments, or ideas. *We work for you.*



**Michael Baumgartner**  
*The Treasurer of Spokane County*



**MICHAEL BAUMGARTNER**

*The Treasurer of Spokane County*  
2019-present

*Washington State Senator*  
2011-2018



# 2023 HIGHLIGHTS



## COLLECT

- \$818 million in property taxes collected
- 10,595 citizens assisted with senior and disabled exemptions
- Expanded in-person collection service at Spokane Valley City Hall



## SAFEGUARD

- Banking services for 80+ local government entities
- Processed over \$20 billion in transactions
- Daily accounting of nearly \$2 billion



## INVEST

- Spokane Public Investment Fund reached historic \$1.9 billion in value
- Over \$120 million in earnings since 2019
- Financed \$36 million in local public projects since 2019



**MIKE VOLZ**  
CHIEF DEPUTY TREASURER

## TREASURER'S OFFICE MANAGEMENT TEAM



**CHRISTA RICE**  
TREASURY OPERATIONS MANAGER



**DAN BISBEE**  
INVESTMENT OFFICER



**HILLARY PHAM**  
INTER-GOVERNMENTAL  
AFFAIRS OFFICER



**DEBBIE GEHRET**  
FINANCIAL SERVICES  
SUPERVISOR



**DEBBIE GRUBER**  
FINANCIAL SERVICES  
SUPERVISOR



**J.J. HERNANDEZ**  
SR. FINANCE MANAGER



# COLLECT

SERVING TAXPAYERS WITH FAIRNESS AND ACCOUNTABILITY

The Treasurer’s Office provides a range of tax and property-related services. While we do not set your tax rates or assess the value of your home, we are responsible for collecting your tax dollars with fairness and accountability.

TAX YEAR	ASSESSED VALUE	TOTAL TAX LEVIED	COLLECTION RATE
2023	\$88,340,941,294	\$817,615,779	98.28%
2022	\$68,475,842,152	\$769,563,132	98.45%
2021	\$61,404,479,662	\$712,827,434	98.34%
2020	\$54,747,262,597	\$658,133,986	98.95%
2019	\$49,737,060,837	\$579,176,558	99.27%

In 2023, we collected over \$818 million in property taxes and other fees, processing payments made in person, by mail, over the phone, and online.

### FORECLOSURES

YEAR	PARCELS	HOMES
2023	14	3
2022	12	3
2021	13	6
2020	6	3
2019	20	6

### SENIOR AND DISABLED PROPERTY TAX EXEMPTIONS

YEAR	PROGRAM PARTICIPANTS
2023	10,595
2022	9,509
2021	9,483
2020	9,699
2019	8,233

Property taxes are determined by local government budgets, property assessment values, and voter-approved ballot measures. **On average, 40% of your tax bill is self-imposed, by voters voting in favor of bond and levy ballot measures.**

## NOTABLE TAX INCREASES IN TAX YEAR 2023

TAX DISTRICT	ACTION(S)	TOTAL TAX INCREASE
Spokane Public School District	School Board majority adopted excess levies. Higher property values and new construction increase levy amount.	\$10.6 million
City of Spokane	City Council majority approved annual 1% levy increase. Voters approved EMS levy (4/2022). Higher property values and new construction increase levy amount.	\$10.3 million
State Public School Levies 1&2	Higher property values and new construction increase levy amount.	\$13.4 million
Central Valley School District	School Board majority approved excess levies. Higher property values and new construction increase levy amount.	\$2.6 million
Spokane County Fire District #1	Fire Commission majority approved general and special tax levies. Voters approved levy (8/2022). Higher property values and new construction increase levy amount.	\$2.5 million

Source: Spokane County Assessor  
NOTE: Not all Spokane County taxpayers affected by each of these increases

## 2023 PROPERTY TAX DISTRIBUTION BY DISTRICT TYPE

	REGULAR LEVY	EXCESS LEVY (VOTER-APPROVED)	TOTAL TAX
SCHOOL	\$194,975,826	\$285,332,375	\$480,308,201
CITY	\$113,080,149	\$10,813,892	\$123,894,041
FIRE	\$70,397,129	\$30,453,515	\$100,850,644
COUNTY	\$66,160,626		\$66,160,626
COUNTY ROAD	\$29,016,702		\$29,016,702
LIBRARY	\$17,242,166		\$17,242,166
CEMETERY/OTHER	\$76,822	\$66,577	\$143,399
<b>TOTAL</b>	<b>\$490,949,420</b>	<b>\$326,666,359</b>	<b>\$817,615,779</b>

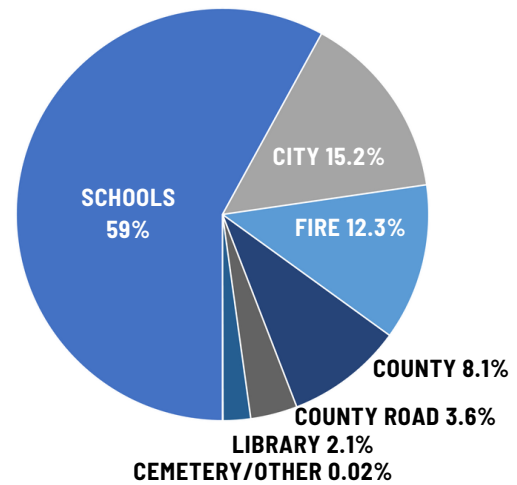
Source: Spokane County Assessor

The above chart shows the distribution of Spokane County's property taxes by taxing district type for tax year 2023. Excess levy amounts generally reflect those taxes raised by voter-approved measures that took effect for the 2023 tax year.

Of the approx. \$818 million levied for 2023, over \$326 million consisted of excess levy taxes.

The chart to the right shows each of these distributions as a percentage of the total amount of taxes levied in 2023.

### 2023 PROPERTY TAX DISTRIBUTION BY PERCENT (approx.)



## EXPANDED TAX COLLECTION SERVICE IN SPOKANE VALLEY



Spokane Valley City Hall

We know that not everyone finds it convenient to travel downtown to visit our office at the County Courthouse, so we once again partnered with the City of Spokane Valley to set up a satellite collection point at the Spokane Valley City Hall during the Spring and Fall tax collection periods of 2023. We provided in-person tax collection services for over three hundred taxpayers at this additional convenient location.



# SAFEGUARD

*PUBLIC BANKING SERVICES FOR OUR COMMUNITY*

The Treasurer's Office serves as a hub for public financial activity in Spokane County, providing a range of services for local government entities. Altogether we serve as the primary banking partner for over 80 separate clients, accounting for over 500 individual accounts.



Among our clients are taxing entities such as school districts, fire districts, and city and town governments, as well as a number of independent authorities and agencies.

The **Spokane County General Fund** makes up approximately 10% of our client pool. Aside from the regular accounts we manage that support County government operations, we also serve as the primary depository for Spokane County's funds in unique circumstances, such as the \$101 million allocated to the county by the American Rescue Plan Act (ARPA) of 2021.

Our biggest clients are local public schools, which make up around a third of our client pool by dollar value. Just by itself, Spokane Public School District (#81) accounted for over 10% of the total value of our client pool in 2023.

## SCHOOL DISTRICTS

- Spokane Public School District*
- Central Valley School District*
- Mead School District*
- Cheney Public School District*
- East Valley School District*
- West Valley School District*
- Deer Park School District*
- Medical Lake School District*
- Riverside School District*
- Nine Mile Falls School District*
- Newport School District*
- Freeman School District*
- Reardan-Edwall School District*
- Liberty School District*
- Tekoa School District*
- Rosalia School District*
- St. John Endicott School District*
- Orchard Prairie School District*
- Great Northern School District*



*Sacajawea Middle School*



Spokane Transit Authority

**The Treasurer's Office  
manages over  
\$20 billion in  
transactions for our  
clients annually.**

Our financial partnerships span a range of relationships, determined by both statutory requirements and voluntary associations we have built with our clients.

In many cases we are the *ex officio* Treasurer for these clients and provide a full range of services, while in other cases we merely fulfill a custodial role in holding an entity's public funds.

For the county's cities and towns, we collect taxes on their behalf and ensure the distribution of those funds to each community.

#### INDEPENDENT AGENCIES AND AUTHORITIES

- Spokane International Airport
- Spokane Transit Authority
- Spokane Regional Health District
- Spokane Regional Clean Air Agency
- Spokane County Library District
- Spokane Regional Emergency Communications
- Spokane Health Sciences and Services Authority
- Spokane Conservation District
- Spokane Aquifer Joint Board
- Newman Lake Flood Control
- Spokane Noxious Weed Control Board
- NorthEast Washington Educational Service District 101
- Spokane Public Facilities District
- Spokane Regional Transportation Council
- Spokane Regional Health District
- Washington State University Spokane County Extension
- Aging and Long-Term Care of Eastern Washington
- Washington Counties Risk Pool
- Enduris Washington
- Stevens County Public Utilities District
- Northeast Public Development Authority
- West Plains Airport Area Public Development Authority
- University District Public Development Authority
- BroadLinc Spokane County

#### CITIES AND TOWNS

- The City of Airway Heights
- The City of Cheney
- The City of Deer Park
- The Town of Fairfield
- The Town of Latah

- The City of Liberty Lake
- The City of Medical Lake
- The City of Millwood

- The Town of Rockford
- The Town of Spangle
- The City of Spokane
- The City of Spokane Valley
- The Town of Waverly



# INVEST

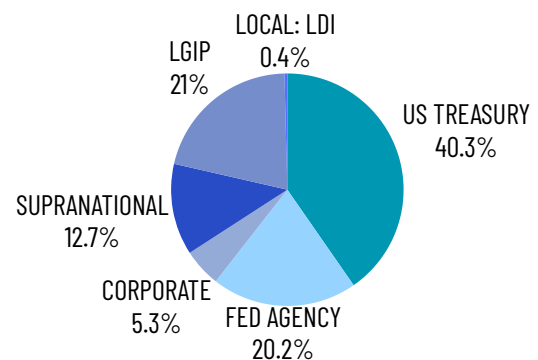
## EARNING INCOME ON PUBLIC FUNDS

The Treasurer's Office manages an investment portfolio consisting of the pooled funds of our local government clients, the **Spokane Public Investment Fund (SPIF)**. This fund is invested in a diversified portfolio of fixed-income instruments. Earnings income from these investments is distributed back to our clients, and supports local public services without raising taxes or fees. Every dollar returned by our investments is a dollar saved by taxpayers. Since 2019, the SPIF has earned over \$120 million for Spokane County's taxpayers.

## SPOKANE PUBLIC INVESTMENT FUND PORTFOLIO SUMMARY

### 2023 PORTFOLIO METRICS

<b>AVG DAILY BALANCE</b>	<b>\$1.6 billion</b>
<b>WEIGHTED AVG MATURITY</b>	<b>1.40yrs</b>
<b>EFFECTIVE DURATION</b>	<b>1.34yrs</b>
<b>AVG MONTHLY YIELD</b>	<b>2.46%</b>
<b>TOTAL EARNINGS 2023</b>	<b>\$40.48 million</b>



### SECTOR ALLOCATION

(as of 12/31/2023)

### PORTFOLIO STRATEGY

- **DIVERSIFICATION:** We hold an array of US Treasury notes, Federal Agency debt (*Freddie Mac, Fannie Mae, etc.*), Supranational debt (*World Bank, Inter-American Development Bank, etc.*), and Corporate bonds. To maintain overnight liquidity we hold a reserve position in the State's Local Government Investment Pool (*LGIP*).
- **CASH FLOW MANAGEMENT:** We track both incoming tax revenues as well as the spending needs of our clients throughout the year. The SPIF generally reaches annual high points in value after the Spring and Fall tax collection periods, and then drops in subsequent months as we cover expenses and debt service for our clients: the school districts, fire districts, local agencies and other government entities serving Spokane County.
- **EARNINGS MAXIMIZATION:** We ladder our investments out to five years (*by law*) to ensure a balance between short-term cash flow requirements and long-term predictability on investment returns for the portfolio.



Since 2019, our investments have generated over **\$120 million** in earnings.



### **2023: A YEAR OF HISTORIC HIGHS**

Starting in early 2022, the Federal Reserve reversed several years of declining interest rates and instead began a series of dramatic rate hikes in order to fight rising inflation. By late 2023 interest rates reached a level not seen in decades, creating large ripple effects across the nation's economy.

As a debt instrument investment portfolio, the SPIF earned increased returns due to this historically high interest rate climate. In 2023, we distributed over \$40 million in investment income back to our participating clients.



## **SPOKANE PUBLIC INVESTMENT FUND** **GUIDING PRINCIPLES**

### **1) SAFETY**

*Our first investment priority is the preservation of our capital: your tax dollars*

### **2) LIQUIDITY**

*We manage cash flows to ensure we are always ready to meet the spending obligations of our clients*

### **3) INCOME**

*After safety and liquidity, we prudently seek investment income at a market rate of return*

Our SPIF Investment Policy has been certified by the **Government Investment Officers Association** [GIOA]



Professional affiliations:



Government Finance Officers Association



WASHINGTON STATE  
ASSOCIATION OF  
COUNTY TREASURERS

*In mid-November, the SPIF reached a daily balance of over **\$1.9 billion.***

# LOCAL DIRECT INVESTMENT

## FINANCING LOCAL GOVERNMENT

The Treasurer's Office invests in area public projects through the **Local Direct Investment (LDI)** program. We reserve up to 10% of our investments for low-cost loans to the public entities that bank with us.

Issued as promissory notes, LDI investments have competitive rates and no fees. A "win-win" for our community, our LDI program supports local public projects at a significant cost savings to taxpayers.

**Since 2019, the Treasurer's Office has loaned over \$36 million via LDI to support public safety, road construction, school safety, airport operations and expansion financing, and other local projects.**

SPOKANE COUNTY TREASURER LDI PROJECTS (2019-2023)	YEAR	AMOUNT
<i>Spokane International Airport expansion project</i>	2023	\$15 million
<i>Spokane County Conservation Futures: Dishman Hills MacPhee purchase</i>	2023	\$2.25 million
<i>Moab Irrigation District well construction project</i>	2022	\$400,000
<i>FD #10 (West Plains) Firefighting vehicle financing</i>	2022	\$423,000
<i>FD #13 (Newman Lake) Firefighter training facility</i>	2021	\$300,000
<i>Washington ESD 101 supply of PPE for statewide schools</i>	2020	\$3 million
<i>Spokane International Airport cash flow loan</i>	2020	\$7.2 million
<i>FD #2 (Fairfield) ambulance gurney</i>	2019	\$45,000
<i>Spokane County: Bigelow Gulch road construction bridge loan</i>	2019	\$4 million
<i>Spokane Regional Emergency Communications cash flow loan</i>	2019	\$2.5 million
<i>Spokane County Conservation Futures: Etter Ranch project</i>	2019	\$2 million



Spokane International Airport

### **Airport Expansion Project**

In 2023, The Treasurer's office loaned the Spokane International Airport the first \$15 million of a total \$30 million finance package to ensure an expedited timeline for their major terminal expansion project.

# PUBLIC OUTREACH AND POLICY

## GOVERNMENT THAT WORKS FOR YOU

*Treasurer Baumgartner, a former State Senator, and Chief Deputy Mike Volz, a current State Representative, support an active role for the Treasurer's Office in discussions about, and advocacy for, sound taxation policy for the citizens of Spokane County. Over the past few years, our office has achieved a number of important objectives:*

### **PROTECTING TAXPAYERS**

Championed the passage of legislation to reduce onerous penalties and interest charges imposed on delinquent taxes. *[House Bill 1410, passed by Legislature 2021]*

### **TAX RELIEF FOR SMALL BUSINESS OWNERS**

Supported the elimination of an out-of-date gambling tax to help restaurants and bars in unincorporated areas of the county survive the pandemic. *[County Commission Ordinance, 2020]*

### **BETTER BANKING FOR LOCAL GOVERNMENT**

Advocacy for a change in state law expanding options for local governments to utilize credit unions as public depositories. *[Senate Bill 5106, passed by Legislature 2021]*

### **FLEXIBILITY FOR TAXPAYERS**

As State Senator, Treasurer Baumgartner sponsored legislation to allow for partial property tax payments. Today as Treasurer, he continues that policy allowing taxpayers to make incremental payments to keep up with their tax bills. *[RCW 84.56.020 (iiA), passed by Legislature 2015]*



### **TAXPAYER TOWN HALLS**

Treasurer Baumgartner held two Town Hall meetings this past year to talk about the work of our office and listen to taxpayer concerns. In April we held a joint forum with County Assessor Tom Konis, and in October we were joined by Senator Mike Padden (4th) in Spokane Valley.



# 2023 HIGHLIGHTS



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## SAFEGUARD

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Please reach out to us with your questions, comments, or ideas. [We work for you.](#)



**MICHAEL BAUMGARTNER**  
THE TREASURER OF SPOKANE COUNTY

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