

**WHATCOM COUNTY
EXECUTIVE'S OFFICE**

County Courthouse

311 Grand Avenue, Suite #108
Bellingham, WA 98225-4082



October 16, 2000

Whatcom County Council
County Courthouse
311 Grand Avenue
Bellingham, Washington

RE: The Executive's 2001 Recommended Budget

Distinguished Members of the County Council:

This letter introduces and submits the Executive's Recommended Budget for fiscal year 2001, in accordance with Section 6.10 of the Whatcom County Charter. I am pleased to submit a balanced budget for your review.

Currently, county government remains stable, with all departments functioning within the limits of the amended 2000 budget. Departments are providing effective services to our citizens in an efficient manner and we will end the year on target. Following the Council's guidelines, the Executive's Recommended Budget continues existing levels of service in an efficient and fiscally responsible manner.

The high quality services provided throughout county government remain at satisfactory levels due to the hard work and dedication of our county employees. Our employees are working diligently to provide the best services possible to the citizens of Whatcom County.

Whatcom County and its cities have been grappling with ever-increasing law and justice system workloads, new statutes and increasing expectations on the part of our citizens. The jail and juvenile detention facilities are constantly full and straining to meet the demands placed on them.

In 2000, my office, in conjunction with a large and diverse group of citizens and officials, presented for County Council approval and citizen review, a comprehensive law and justice plan. This objective and carefully documented approach specifies the problems and details the solutions that our communities must follow over the next few years if we are to build a justice system that is fair, efficient and effective. A system that prevents crime, controls the behavior of criminal offenders and ensures that our neighborhoods are safe.

That plan sets the stage for major initiatives that will address crime and jail overcrowding issues. This, in turn, requires the best efforts and wisdom of the administration, the County Council, our employees and, ultimately, our citizens.

I have proposed with this budget to begin the implementation of key recommendations in the Law and Justice Plan. Eight new Sheriff's deputies will be added to the patrol division to respond to calls from our citizens for assistance. Three additional correction officers are added to the jail. \$1.8 million is proposed to be set in reserve for further program development and prioritization efforts of our newly formed Law and Justice Council.

In the coming year, we will also continue our leadership in accomplishing the goals set forth in the Whatcom County Comprehensive Water Resource Plan. This plan enables us to achieve the objectives set forth, including protection of Lake Whatcom, compliance with the Endangered Species Act, and groundwater and shellfish protection.

For the past four years, this administration and the Council have kept property taxes at the lowest possible level. This will be the fifth consecutive year we have not increased property taxes. Meanwhile, our costs of operation continue to increase at a rate of about 4 percent per year. We also bear an increasing burden of additional unfunded mandates from the state and federal government.

The revenue directed at the general fund is projected to be \$53.7 million. This represents a \$2.2 million increase over the year 2000. No property tax rate increases are proposed. The modest increase in revenue results from:

- replacement funds from the Legislature for the loss in excise taxes from Initiative 695,
- the collection of the sales and use tax,
- increases in interest income,
- the addition of new construction to the property tax,
- fees for jail and alternative corrections programs, and
- an increase in external grants.

This 2001 General Fund Budget is balanced at \$51.9 million in ongoing expenditures. Prudent, onetime expenditures of approximately \$3.6 million are included with this budget recommendation in order to address critical and current needs. \$1.8 million in current year revenues and \$1.8 million from our general fund reserves will finance these onetime expenditures.

I would like to take this opportunity to commend members of the Administrative Services staff for bringing the County recognition by the Government Finance Officers Association of the U.S. and Canada. We have received an award for distinguished budget presentation for the second year in a row. My congratulations to them for all their hard work in developing this important document.

I present the Executive's Recommended Budget to the County Council and to the citizens of Whatcom County for the coming year 2001. I feel it adequately addresses a basic level of service while staying within projected revenue and expenditure levels. It also maintains an adequate level of reserves necessary to meet established business practice and future emergency needs.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Kremen", with a long, sweeping flourish extending to the right.

Pete Kremen
County Executive

County Executive's 2001 Budget Highlights

No Property Tax Increase

This is the fifth consecutive year that the property tax levy rate has not been increased. Property tax revenue is expected to increase \$450,000 in 2001, principally the result of new construction.

Eight Additional Sheriff's Deputies

Eight new sheriff's deputies are proposed to respond to criminal activities and citizen calls for assistance. This 19% increase in the patrol division is the largest single increase in patrol deputies in the history of the Sheriff's Department.

Also, three new corrections officers are proposed to manage the increasing demands placed on the jail services unit of the Sheriff's Department.

Funding to Implement Law and Justice Plan

One million eight hundred thousand dollars has been reserved in the Executive's budget for high priority, on-going and one-time efforts. Proposed projects supporting the Law and Justice Plan will be developed and presented to the County Council for implementation in the spring of 2001.

Continuing to Fund Drug Court and Treatment Services

Drug Court was a tremendous success and is included in the 2001 budget. It will be a priority in 2001 to obtain grant funding to help support this program.

Addressing Critical Water Issues

County government is leading a cooperative effort with other governments, the tribes and citizen groups to address critical water issues facing our community. The 2001 budget will implement plans and programs to:

- Improve water quality in Lake Whatcom
- Improve salmon habitat
- Better quantify the water available for use by our community
- Assist in shellfish recovery and water quality in our bays and estuaries

An additional staff position is proposed to assist the community in accurately utilizing water related data to solve local problems.

Expanded Health and Dental Programs for Children and Youth

Significant new health programs are proposed to respond to the health and dental needs of low and moderate income children in our community.

Continuing Investment in Technology

In 2001, Whatcom County will continue its investment in technology with over \$850,000 directed at upgrading and enhancing our wide area network and acquiring necessary software and specific computer capabilities.

Essential Reserves Maintained

The 2001 budget maintains essential reserves for emergencies, cash flow, and self-insurance. The projected 2001 ending fund balance is \$12,855,832. This balance, less the reserve for implementation of the Whatcom County Law and Justice Plan, will be approximately \$11.1 million. This compares to \$8.7 million in the 2000 budget.