

**WHATCOM COUNTY
EXECUTIVE'S OFFICE**

County Courthouse

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



January 1, 2004

Citizens of Whatcom County:

I submit the Whatcom County Final Budget for the fiscal year beginning January 1, 2004. In accordance with the Whatcom County Charter, I proposed a 2004 budget to the County Council on October 17, 2003. On November 5, 2003, the council adopted the 2004 budget in open session with Whatcom County¹ Ordinance Number 2003-056.

The resources in the 2004 budget have been allocated in accordance with Whatcom County's mission statement, "*provide essential and desirable public services in a cost effective and accountable manner.*"

The 2004 final budget complies with budget development policies adopted by the County Council for 2004. The Whatcom County budget for 2004 totals \$126,232,053. This is approximately \$2.5 million less than the amended 2003 budget. Whatcom County's personnel costs have risen in 2004 with a 2% increase in the county's union agreements and a significant increase in employee health insurance costs; however, these increases were largely offset with compensating budget reductions. The \$2.5 million overall reduction is largely the result of completing water resources planning efforts, thus reducing associated expenditures and transitioning into the implementation of the water resources plan.

Revenues for 2003 total \$114,635,799. This is \$1.12 million dollars more than the amended 2003 budget. The net increase in revenue is the result of property tax on new construction, increased sales tax revenue, and Washington State's restoring, in part, of funding for public health services. Revenue increases were partially offset by the loss of investment income.

¹According to the Whatcom County Code ordinance adoption rules, this ordinance became law on November 15, 2003.

Short Term Financial Condition is Sound

In the short term, Whatcom County's financial condition is sound. The county has relatively little debt and a significant general fund balance. The projected beginning 2004 General Fund balance is \$15 million, which is 25 percent of General Fund expenditures.

Whatcom County Faces Future Funding Challenges

The state and federal governments continue to issue mandates to local governments without providing adequate funding. At a time when demands for law and justice services are growing rapidly, the state has partially withdrawn its funding of local law and justice services. Voter initiatives have limited county governments' ability to increase revenues. Whatcom County is one of the fastest growing communities in Washington State. For the foreseeable future, we face serious challenges in our ability to respond to the increased demand for county services. In 2004, our focus will be on reprioritizing existing services and on using current revenues to maximize benefits to the growing community for 2005 and beyond. We will be giving special attention to service areas in which citizens may wish to make additional investments, such as emergency medical services and law and justice services. We now know that to meet our growing community's service demands, future significant increases in Whatcom County's service capacity will require citizen support.

Summarized 2004 Budget Priorities

Eliminate Methamphetamine Labs

We are adding two sheriff deputies and one clerical support position to the drug task force to concentrate on the reduction and elimination of the manufacture, distribution and consumption of Methamphetamine in our community.

Increase Law Enforcement Presence in Eastern Whatcom County

A resident deputy will be added to the Sheriff's office to serve the growing law enforcement needs in eastern Whatcom County.

Streamline Development Permitting

The Planning and Development Services Department, the Public Works Department, and the Health Department will co-locate their development related staff to create a "One Stop Shop" for development permitting activities. These county departments will work as a team to streamline processes and more efficiently serve our citizens.

Increase Productivity

The Administrative Services Department will acquire an imaging system and make it available to county departments. This system will make a substantial variety of documents more accessible to more departments and the public. It will also reduce the space in county facilities presently dedicated to storing paper records.

Improve Law and Justice Information

In 2004, we will begin implementation of the Law and Justice Data Integration Project. This project will improve information sharing among law and justice departments, the timeliness and accuracy of the information, and streamline information accessibility.

Improve Storm Water Treatment

The Public Works Department will upgrade its procedures and implement a program to meet the requirements of the National Pollution Discharge Elimination System requirements.

Maintain Infrastructure

Annually, Whatcom County prepares a six-year capital improvement program as a component of our comprehensive plan. The 2004 budget for road improvements is \$9,244,000. There are no major facilities additions budgeted in 2004.

Whatcom County is Committed to Quality Service, Cost Effective and Accountable Methods

In light of the challenges we face, Whatcom County government continues in its commitment to provide quality services through cost effective and accountable methods.

Respectfully Submitted,



Pete Kremen
County Executive

