

1
2
3
4 WHATCOM COUNTY COUNCIL
5 **Special Committee Of The Whole Work Session**
6

7 November 24, 2009
8
9

10 Council Chair Seth Fleetwood called the meeting to order at 2:05 p.m. in the Council
11 Chambers, 311 Grand Avenue, Bellingham, Washington.
12

13 **Present:** Barbara Brenner, Sam Crawford, Seth Fleetwood, Bob Kelly, L. Ward
14 Nelson, Laurie Caskey-Schreiber and Carl Weimer.

15 **Absent:** None.
16
17

18 **OTHER BUSINESS**
19

20 **Discussion of 2010 Budget issues and concerns - Superior Court and District Court**
21 **Probation (AB2009-366A)**
22

23 Dewey Desler, Deputy Administrator, stated they've come up with a solution for
24 funding problems at District Court Probation, with no loss of staff. Those details will come
25 forward soon. They recommend a \$400,000 reduction in the Planning and Development
26 Services Department for 2010, beyond what was budgeted. He submitted a handout (*on*
27 *file*). Superior Court is requesting \$202,000. They are working with Superior Court to
28 reduce that number.
29

30 **Discussion of 2010 Budget issues and concerns**
31

32 Desler stated the ending fund balance in 2010 will be less than ten percent. Four
33 options were presented. He read those options. Funds are available in the equipment
34 revolve and rental (ER&R) fund and real estate excise tax (REET) II fund that can fill gaps
35 that may occur in the road fund. The Executive does not support the option of raising
36 revenue by raising taxes.
37

38 The following people answered questions:

- 39
 - 40 • Marianne Caldwell, Administrative Services Department
 - 41 • David Stalheim, Planning and Development Services Department
 - 42 • Dan Gibson, Prosecutor's Office

43 Discussion included funding for the Conservation Program on Agricultural Lands
44 (CPAL) program; the Rural Arterial Program (RAP) funding penalty as a result of road funds
45 diverted to the general fund; the original proposal to use REET II funds for road projects
46 funded through the road fund; using road funds to pay for traffic deputies; whether vacant
47 positions are still included in the 2010 budget; how much more city residents would pay as
48 a result of a potential road levy shift to the general fund, and; lowering the conservation
49 futures fund and increasing the general fund in the amount of approximately \$250,000 to
50 pay for the Lake Whatcom watershed reconveyance.
51
52
53

1 **COMMITTEE DISCUSSION**

2
3 **1. RESPONSE TO COUNCIL INQUIRY REGARDING THE ADMINISTRATIVE**
4 **SERVICES FUND AND THE EQUIPMENT RENTAL AND REVOLVING FUND**
5 **(ER&R) (AB2009-419A)**
6

7 Dewey Desler, Deputy Administrator, stated that at the end of 2010, the
8 administrative services fund balance will be \$5.4 million. He described the reserve
9 requirements for self-insurance of health, dental, unemployment compensation, and
10 workman's compensation. An alternative to self-insurance is entering into a large insurance
11 pool. Self-insurance reserve standards are from the Office of Financial Management (OFM).
12

13 Fleetwood asked if they've ever had to dip into the self-insurance reserves.
14

15 Brad Bennett, Administrative Services Department, described the self-insurance
16 program.
17

18 Desler stated part of the fund balance represents other funds, including the road
19 fund and flood fund. Certain employees are covered by those funds. This balance also
20 covers special districts.
21

22 Kelly asked how much they can take from the administrative reserves to contribute
23 to filling the budget gap. Desler stated they already plan to reduce that fund by about
24 \$400,000.
25

26 Weimer asked why they need a reserve for Human Resources, Information
27 Technology, and Facilities. Bennett stated they will be at \$637,000 at the end of 2010.
28 From that, they need cash flow of over \$400,000, so about \$100,000 would be available.
29

30 Brenner stated they don't need the press secretary position.
31

32 Crawford asked the administration to suggest further cuts to the budget.
33

34 Caskey-Schreiber asked if they could increase certain fees. Desler stated they try
35 not to lay people off and also not to reduce services. They will review fees to make sure
36 they match the cost of service. It's not an answer. Planning Department revenue continues
37 to fall.
38

39 Ideas for budget changes include:

- 40 • Add revenue of \$153,000 from the one-tenth of one percent mental health
41 tax
- 42 • Subtract \$400,000 from extra help and one-time expenses and two existing
43 positions in the Planning Department
- 44 • Shift \$291,000 to pay for the reconveyance project by reducing the
45 conservation futures fund and increasing the general fund. That would
46 require a tax levy shift.
- 47 • Add \$243,000 by using the veteran's affairs fund by adjusting millage rates.
48 They collect \$250,000 per year, and spend less than half of that. The balance
49 is over \$700,000. Suspend collection for a year and let the committee use
50 the fund balance to continue services. Reduce or eliminate the tax collection,
51 and funnel that tax amount back to general fund.
- 52 • Subtract \$420,000 from a one percent cut to all departments of the
53 undedicated cash they receive, excluding bond payments and other things.

1
2 Caskey-Schreiber asked if they can respect the judicial branch of government and
3 not include them in the one percent cut to all departments. Desler stated one percent of
4 undedicated funds from Superior Court, Clerk, and District Court would be about \$57,000.
5 Therefore:

- 6 • Change the total one percent cut to all departments to \$363,000 instead of
7 \$420,000.
8

9 Crawford stated they can say they'll lower department budgets by one percent, but
10 the Sheriff and Judges may not make those cuts. He asked how to get those departments
11 on board with the cuts. Desler stated that revenues have not materialized, but departments
12 think they can continue with planned expenditures or they miss revenue projections. They
13 can no longer deal with those missed revenue projections. So far, the Sheriff is respecting
14 the hiring freeze.
15

16 Caskey-Schreiber asked about freezing employee travel. Desler stated they are
17 doing that. Out-of-state travel is only allowed if there is an outside funding source. Also,
18 they need to maintain a \$7 million cash balance.
19

20 Caskey-Schreiber stated try to shop for less expensive health insurance. Desler
21 stated the administration wants to address the tort budget internally and more in-depth.
22 Also:

- 23 • Add \$52,000 from the conservation futures fund to pay for staff who work on
24 the purchase of development rights (PDR) program
25

26 Fleetwood asked how the Planning Department would reduce it's operations in the
27 amount of \$400,000.
28

29 David Stalheim, Planning and Development Services Department Director, stated
30 they haven't decided that yet. They would make two or three cuts in the department. They
31 have extra help line items in some growth management professional services line they can
32 cut. They would also cut the rest from two or three other positions. They are down to
33 three enforcement positions from five right now. Now, they are down 15 positions from
34 where they were two years ago, which was 73.6 positions.
35

36 Desler stated that to do the above, adjust the conservation futures fund, general
37 fund, and the veteran's relief fund tonight.
38

39 Crawford stated they haven't talked about cuts to the Health Department and
40 Cooperative Extension. He asked if they are seeing any reduction in the road fund. Desler
41 stated they should first consider the items they've discussed today.
42

43 Fleetwood stated he would be in favor of adding \$500,000 by increasing taxes by
44 two percent, one percent from annual property tax and one percent from banked capacity;
45 several hundred thousand from the administrative services fund from Finance, Facilities, or
46 the health insurance reserves; \$153,000 for the mental health sales tax transfer; several
47 hundred thousand from the Planning Department; \$291,000 from the conservation futures
48 fund to the general fund for the reconveyance, and; the veterans affairs fund in the amount
49 of \$243,000. From all that, fund \$285,000 to Superior Court and \$153,000 to District
50 Court.
51

1 **Fleetwood** stated they would take a series of straw votes to give some direction to
2 the administration. He ***moved to approve a straw vote*** to increase general property tax
3 by two percent.

4
5 The motion failed by the following vote:

6 **Ayes:** Fleetwood (1)

7 **Nays:** Crawford, Kelly, Weimer, Caskey-Schreiber, and Brenner (5)

8 **Absent:** Nelson (1)

9
10 **Fleetwood moved to approve a straw vote** to add revenue of \$153,000 from the
11 one-tenth of one percent mental health tax as discussed.

12
13 The motion carried by the following vote:

14 **Ayes:** Crawford, Kelly, Weimer, Caskey-Schreiber, and Fleetwood (5)

15 **Nays:** Brenner (1)

16 **Absent:** Nelson (1)

17
18 **Crawford moved to approve a straw vote** to move \$291,000 from the
19 conservation futures fund to the general fund.

20
21 **Caskey-Schreiber suggested a friendly amendment** to increase that amount to
22 \$300,000 for labor for the reconveyance.

23
24 **Crawford accepted** the friendly amendment.

25
26 The motion carried by the following vote:

27 **Ayes:** Crawford, Kelly, Weimer, Caskey-Schreiber, and Fleetwood (5)

28 **Nays:** None (0)

29 **Absent:** Nelson (1)

30 **Abstain:** Brenner (1)

31
32 **Fleetwood moved to approve a straw vote** to use the veterans affairs fund in the
33 amount of \$243,000.

34
35 The motion carried by the following vote:

36 **Ayes:** Crawford, Weimer, Caskey-Schreiber, and Fleetwood (4)

37 **Nays:** Brenner and Kelly (2)

38 **Absent:** Nelson (1)

39
40 **Fleetwood moved to approve a straw vote** to cut \$400,000 cut from the
41 Planning Department.

42
43 The motion carried by the following vote:

44 **Ayes:** Crawford, Weimer, Caskey-Schreiber, Fleetwood, Brenner and Kelly (6)

45 **Nays:** None (0)

46 **Absent:** Nelson (1)

47
48 **Weimer moved to approve a straw vote** to switch \$52,000 from the conservation
49 futures fund to the general fund for agricultural land preservation efforts.

50
51 The motion carried by the following vote:

52 **Ayes:** Crawford, Weimer, Caskey-Schreiber, Fleetwood, Brenner and Kelly (6)

53 **Nays:** None (0)

1 **Absent:** Nelson (1)
2

3 **Weimer moved to approve a straw vote** to remove reserves in the amounts of
4 \$500,000 from the administrative services fund, \$300,000 from the administrative Finance,
5 Human Resources, and Information Technology account and \$200,000 from Facilities, for a
6 total of \$1 million.
7

8 The motion carried by the following vote:

9 **Ayes:** Crawford, Weimer, Caskey-Schreiber, Fleetwood and Kelly (5)

10 **Nays:** None (0)

11 **Absent:** Nelson (absent) and Brenner (out of the room) (2)
12

13 **Fleetwood moved to approve a straw vote** to approve a one-percent property
14 tax increase.
15

16 The motion failed by the following vote:

17 **Ayes:** Fleetwood (1)

18 **Nays:** Crawford, Weimer, Caskey-Schreiber, Brenner and Kelly (5)

19 **Absent:** Nelson (1)
20

21 There was discussion about Superior Court funding in the amount of \$285,000.
22

23 **Fleetwood moved to approve a straw vote** to take from the administrative
24 services health insurance in the amount of \$285,000. Bennett stated they can't, because of
25 junior taxing districts.
26

27 Desler stated that he instead suggests collecting \$100,000, spread among all
28 departments equally. It would total one-quarter of one percent to all departments.
29

30 Brenner stated the Council is its own division of government. It is a small division,
31 and can't make cuts like the administration can.
32

33 **Fleetwood withdrew his motion.**
34

35 **Caskey-Schreiber moved to approve a straw vote** to cut the budget across
36 departments except Superior Court, District Court, and the County Council, in the amount of
37 one percent, for a total amount of \$363,000.
38

39 **Crawford moved** to amend to not exempt the County Council.
40

41 **Caskey-Schreiber accepted** the motion as a friendly amendment.
42

43 The motion carried by the following vote:

44 **Ayes:** Crawford, Weimer, Caskey-Schreiber, Fleetwood and Kelly (5)

45 **Nays:** Nelson and Brenner (2)
46

47 **Fleetwood moved to approve a straw vote** to give the courts \$250,000.
48

49 The motion carried by the following vote:

50 **Ayes:** Brenner, Weimer, Caskey-Schreiber, Fleetwood and Kelly (5)

51 **Nays:** Nelson and Crawford (2)
52

1 **Caskey-Schreiber moved to approve a straw vote** to provide the Council Office
2 \$30,000 for legal defense of the urban growth areas (UGAs).
3

4 The motion carried by the following vote:

5 **Ayes:** Weimer, Caskey-Schreiber, Fleetwood and Kelly (4)

6 **Nays:** Brenner, Nelson and Crawford (3)
7

8 Desler stated the administration will respect the Council's decisions as they go
9 forward.
10

11 Weimer stated he would like the Council to vote on these decisions tonight. Since
12 they've been talking about it, they don't have to introduce the items. They can incorporate
13 them into the existing additional services request (ASR). Desler stated that's correct.
14
15

16 **COMMITTEE DISCUSSION AND RECOMMENDATIONS TO COUNCIL**

17

18 **1. ORDINANCE AUTHORIZING A SHIFT OF \$1,750,000 FROM THE ROAD LEVY**
19 **TO THE GENERAL FUND LEVY FOR 2010 PURSUANT TO RCW 84.52.043**
20 **(AB2009-411)**

21 See above.
22

23 **2. ORDINANCE AMENDING THE 2010 WHATCOM COUNTY BUDGET, SECOND**
24 **REQUEST, IN THE AMOUNT OF \$3,440,693 (AB2009-419)**

25 See above.
26

27 **3. ORDINANCE LIMITING THE 2010 ROAD FUND PROPERTY TAX LEVY**
28 **(AB2009-412)**

29 See above.
30

31 **4. ORDINANCE AUTHORIZING THE LEVY OF TAXES FOR COUNTY**
32 **CONSERVATION FUTURES PURPOSES FOR 2010 (AB2009-413)**

33 See above.
34

35 **5. ORDINANCE LIMITING THE 2010 GENERAL FUND PROPERTY TAX LEVY**
36 **(AB2009-414)**

37 See above.
38

39 **6. ORDINANCE AUTHORIZING THE LEVY OF TAXES FOR COUNTY AND STATE**
40 **PURPOSES IN WHATCOM COUNTY FOR THE YEAR 2010 (AB2009-415)**

41 See above.
42

43 **7. ORDINANCE AUTHORIZING THE LEVY OF TAXES FOR COUNTY ROAD**
44 **PURPOSES FOR 2010 (AB2009-416)**

45 See above.
46
47
48
49
50
51
52
53

1
2
3
4
5
6
7
1
1
1
1
1
1
16
17
18

ADJOURN

The meeting adjourned at 5:10 p.m.

Please contact the Council Office to obtain an
official, signed copy:
360-676-6690 or council@co.whatcom.wa.us

Dana Brown-Davis, Council Clerk

Seth Fleetwood, Council Chair