

CLEARANCES	Initial	Date	Date Received in Council Office	Agenda Date	Assigned to:
Originator:			<b>RECEIVED</b>  DEC - 8 2009  WHATCOM COUNTY COUNCIL	11/10/09	Intro
Division Head:				11/24/09	Finance Committee; Council
Dept. Head:					
Prosecutor:	<i>[Signature]</i>	12/8/09			
Purchasing/Budget:	<i>[Signature]</i>	12/8/09			
Executive:	<i>[Signature]</i>	12/8/09			

**TITLE OF DOCUMENT:** 2010 Supplemental Budget Request #3

**ATTACHMENTS:** Ordinance, Memoranda & Budget Modification Requests

SEPA review required? ( ) Yes ( X ) NO      Should Clerk schedule a hearing? ( ) Yes ( X ) NO  
 SEPA review completed? ( ) Yes ( X ) NO      Requested Date:

**SUMMARY STATEMENT OR LEGAL NOTICE LANGUAGE:** (If this item is an ordinance or requires a public hearing, you must provide the language for use in the required public notice. Be specific and cite RCW or WCC as appropriate. Be clear in explaining the intent of the action.)

**Supplemental #3 requests funding from the General Fund:**

- (1) To record increase in General Fund property tax revenues from Conservation Futures Fund source of \$543,000.
- (2) To record residual equity transfer in from the Administrative Services Fund of \$500,000.
- (3) To record transfer in of \$153,210 from the Mental Health/Chemical Dependency Fund to fund Behavioral Unit in District Court Probation.
- (4) To appropriate \$250,000 of additional funding to Superior Court.
- (5) To appropriate \$30,000 in County Council for UGA legal services.
- (6) To record transfer in of \$52,000 from Conservation Futures Fund for PDR services in Planning and Development.
- (7) To record expenditure reductions in Planning and Development Services of \$400,000.
- (8) To appropriate \$65,500 in Planning and Development Services to fund WRIA Grant amendment #6.
- (9) To appropriate \$38,088 in the Sheriffs Office to fund Sex offender registration program.
- (10) To record 1% reduction in expenditures funded by General Fund undedicated revenues in all General Fund departments except Council, District Court, District Court Probation and Superior Court/Clerk (\$353,007).

Continued on next page

**COMMITTEE ACTION:**

**COUNCIL ACTION:**

11/10/2009: Introduced  
 11/24/2009: Substitute accepted and Amended  
 5-2 Nelson & Brenner opposed  
 Ord. 2009-074  
 Note: On 12/21/2009 Executive Pete Kremen vetoed this ordinance - see attached memo

**Related County Contract #:**

**Related File Numbers:**

**Ordinance or Resolution Number:**  
 Ord. 2009-074

**2010 Supplemental Budget Ordinance No. 3 Agenda Bill continued:**

***From the Mental Health/Chemical Dependency Fund:***

- (11) To record revenue and expenditure adjustments in the 2010 budget in Adult Drug Court, Revenue reductions total \$20,608 and expenditure reductions total \$39,622.***
- (12) To appropriate \$214,409 in Superior Court to fund Family Treatment Court.***

***From the Conservation Futures Fund:***

- (13) To record reduction in property tax revenues of \$543,000.***

***From the Administrative Services Fund:***

- (14) To appropriate \$500,000 to fund residual equity transfer out to the General Fund.***

SPONSORED BY: Finance  
 PROPOSED BY: Executive  
 INTRODUCTION DATE: 11/10/09

ORDINANCE NO. 2009-074

**AMENDMENT NO. 3 OF THE 2010 BUDGET**

**WHEREAS**, the 2009-2010 budget was adopted November 25, 2008; and,

**WHEREAS**, changing circumstances require modifications to the approved 2009-2010 budget; and,

**WHEREAS**, the modifications to the budget have been assembled here for deliberation by the Whatcom County Council.

**NOW, THEREFORE, BE IT ORDAINED** by the Whatcom County Council that the 2009-2010 Whatcom County Budget Ordinance #2008-053 is hereby amended by adding the following additional amounts to the budgets included therein:

	Expenditures	Revenues	Net Effect
<b>General Fund</b>			
Non-Departmental	-	(1,043,000)	(1,043,000)
District Court Probation	-	(153,210)	(153,210)
Superior Court	250,000	-	250,000
County Council	30,000	-	30,000
Planning & Development Services	(357,315)	(126,999)	(484,314)
Sheriff	(74,018)	(71,801)	(145,819)
Juvenile Court Administration	(37,855)	-	(37,855)
Prosecuting Attorney	(41,500)	-	(41,500)
Public Defender	(35,755)	-	(35,755)
Assessor	(11,670)	-	(11,670)
Auditor	(11,670)	-	(11,670)
Treasurer	(11,670)	-	(11,670)
Health Department	(29,360)	-	(29,360)
Parks Department	(27,766)	-	(27,766)
County Executive	(6,179)	-	(6,179)
Hearing Examiner	(1,750)	-	(1,750)
Extension	(2,911)	-	(2,911)
<b>Total General Fund</b>	<u>(369,419)</u>	<u>(1,395,010)</u>	<u>(1,764,429)</u>
<b>Mental Health/Chemical Dependency Fund</b>	<u>174,787</u>	<u>(79,392)</u>	<u>95,395</u>
<b>Conservation Futures Fund</b>	<u>-</u>	<u>543,000</u>	<u>543,000</u>
<b>Administrative Services Fund</b>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
<b>Total Add'l Supplemental</b>	<u>305,368</u>	<u>(931,402)</u>	<u>(626,034)</u>

In addition, Exhibit B to the 2009-2010 Budget Ordinance entitled "Authorized Positions" should be amended to provide for the following FTEs:

Add 1 FTE Clerk position and .7 FTE Case Manager position in the Mental Health/Chemical Dependency Fund for the Family Treatment Court program.

**ADOPTED** this 24th day of November, 2009.

ATTEST:

WHATCOM COUNTY COUNCIL  
WHATCOM COUNTY, WASHINGTON

\_\_\_\_\_  
Dana Brown-Davis, Council Clerk

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Seth Fleetwood, Chair of the Council

APPROVED AS TO FORM:

(  ) Approved (  ) Denied

\_\_\_\_\_  
Karen A. Davis  
Civil Deputy Prosecutor

\_\_\_\_\_  
Pete Kremen, County Executive  
Date: 12/21/09

**WHATCOM COUNTY  
EXECUTIVE'S OFFICE**

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



**Pete Kremen**  
County Executive

**MEMORANDUM**

**TO:** Seth Fleetwood, Chair  
Whatcom County Council

**FROM:** Pete Kremen, County Executive

**DATE:** December 21, 2009

**SUBJECT:** Veto of Amendment No. 3 of the 2010 Budget

On Tuesday, November 24, the Council passed Amendment No. 3 of the 2010 Budget in the form of Ordinance 2009-074. In accordance with Whatcom County Code, Section 2.30, the following memorandum contains my objections and reasons for vetoing Ordinance 2009-074.

Our government is facing some of the most difficult financial times in the past 75 years. We have witnessed an unprecedented national economic recession. We have lost millions of dollars in annual revenue throughout many county accounts. In response to these financial challenges I have been implementing a Budget Stabilization Plan which will help to bring our annual expenditures in line with our revenues over the next 12-15 months.

These are very serious times that require serious and deliberate actions to protect the investments and services of the taxpayers of Whatcom County. Our budget must reflect the weightiness of these tough economic times and offer a predictable expenditure plan that lives within our revenues. This challenge is by no means insurmountable. By being careful and focusing on offering a sustainable level of expenditures we will continue to meet the core demands of our residents and position ourselves to meet these demands in the future.

One of our most important tasks, as the elected leadership of Whatcom County, is to help create the certainty and security our residents and employees need to guide them through these difficult times. Several elements of Budget Amendment No. 3 raise concerns that may exacerbate the impact of the economic downturn on our budget in 2010 and beyond.

- The Council added \$250,000 to the Superior Court/Clerk Budget. That process and decision undermine our efforts to carefully look to all parts of the budget for savings and reductions. Decisions such as this penalize and demoralize the rest of the departments and offices in our organization that have been working diligently to find efficiencies and reduce costs throughout our Government. Clearly, this decision requires reconsideration. The message conveyed by this allocation is essentially to reward a department (Superior Court) that traditionally overspends its annual budget and needs to be supplemented at the end of every year. In 2008 the supplemented amount was \$165,000. This year's projected shortfall is \$117,000. Additionally in 2006, in response to the Court's claimed staffing crisis, 5.5 FTEs were added. Authorized staffing has steadily increased for Superior Court from 33 FTEs in 2003 to 43.5 FTEs in 2009 -- a 32% increase. The Court has only recently begun to take steps to reign in spending. My office will work closely with the Court to help them carry out their core functions in an efficient and cost-effective manner.
- The Amended Budget adds \$30,000 for additional legal services to the Council budget. I believe this decision to pay for outside legal counsel needs further deliberation and active consultation with my office as well as the Prosecutor.
- Your Budget Amendment reduces each Executive Branch Department office by approximately 1%. This reduction comes on top of my Budget Stabilization Plan which already is projected to reduce expenditures by millions of dollars through furloughs and attrition in all Departments. The Council specifically excluded the Council Office Budget and the Courts from this 1% reduction. I believe my office and the public needs to be more involved in a decision that effectively carves out only one branch of our government for targeted budget cuts. It's disappointing that so far during this economic downturn the Council has mostly excluded themselves from the equitable reductions I have sought to implement across all branches and departments. Additionally, since 2007 the Council has approved ongoing expenditures in excess of \$2.3 million above recommended budget levels, significantly exacerbating our current deficit.

As we move forward, we must focus our limited resources on core services that provide the greatest value to our residents. To that end, I will be proposing a Budget Modification that transfers \$70,000 in wage and benefits in 2010 from a vacant court position. This amount can be used to support high-priority Superior Court Services.

Further, rather than a 1% reduction as adopted by the Council, I will be proposing that all departments, except Superior Court, implement only an additional ½ of 1% reduction from undedicated resources assigned to all departments. This will be in addition to the attrition and furlough targets that each department is working toward through 2010.

While we are focused on the immediate concern of attaining a balanced budget, many residents and employees are facing much greater personal challenges brought on by the economic recession. They will rely on their elected leaders to not only deliver services and help improve economic opportunity, but also to provide stability and a clear vision for the future. I look forward to continuing to work with the Council in 2010 to ensure that the services outlined in the budget are sustainable and prioritized to meet our County's greatest needs.

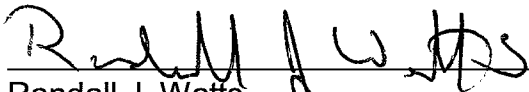


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Pete Kremen  
County Executive

Date: 12/21/09

Approved as to form:



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Randall J. Watts  
Chief Civil Deputy Prosecuting Attorney

Date: 12/22/09