

Whatcom County Council Special Committee of the Whole

**COUNTY COURTHOUSE
311 Grand Avenue, Ste #105
Bellingham, WA 98225-4038
(360) 778-5010**



Committee Minutes - Draft Minutes

Tuesday, September 16, 2025

9 AM

Hybrid Meeting - Council Chambers

**HYBRID MEETING - ADJOURNS BY 9:55 A.M. (PARTICIPATE IN-PERSON, SEE
REMOTE JOIN INSTRUCTIONS AT www.whatcomcounty.us/joinvirtualcouncil, OR
CALL 360-778-5010)**

COUNCILMEMBERS

Barry Buchanan
Tyler Byrd
Todd Donovan
Ben Elenbaas
Kaylee Galloway
Jon Scanlon
Mark Stremmler

CLERK OF THE COUNCIL

Cathy Halka, AICP, CMC

Call To Order

Council Chair Kaylee Galloway called the meeting to order at 9:03 a.m. in a hybrid meeting.

Roll Call

Present: 6 - Barry Buchanan, Todd Donovan, Ben Elenbaas, Kaylee Galloway, Jon Scanlon, and Mark Stremmer

Absent: 1 - Tyler Byrd

Announcements**Committee Discussion**

1. [AB2025-509](#) 2025-2026 Mid-Biennium Budget Review

Aly Pennucci, Deputy Executive, shared preliminary recommendations from the Executive's Office regarding the mid-biennium budget process. She noted that the discussion would be ongoing over the coming weeks.

Pennucci outlined guiding principles for the budget process, which include building stability, focusing on core and community priority services, and providing transparency. The cost of providing services is outpacing revenues, so the county is looking for both short-term and long-term solutions to stabilize the budget.

Pennucci stated that the county is experiencing a structural budget deficit across funds and provided examples of projected fund balances for the General Fund and Road Fund if there is no intervention.

Pennucci noted that budget challenges are common across many jurisdictions. Some of the challenges are a result of inflation, which is reducing the value of revenues. The county's use of banked capacity in 2024 helped but did not solve the problem.

Galloway asked for an explanation of the state cap on one percent.

Pennucci said that Washington State has a 1 percent cap on how much a local jurisdiction can raise property taxes each year. This limit applies to the county's collections as a whole; an individual taxpayer's rate is determined by the assessed value of their property. One percent annual growth does not keep up with the cost increases for the county.

Pennucci summarized the mid-biennium budget review process. She said the goal was to address cost increases for 2026 that were not budgeted

through reductions and new revenues, and address the structural imbalance between revenue and expenses. As part of the budget process, The Executive's Office collected budget information from each department and asked departments to update their service inventories to identify discretionary and mandatory spending.

Donovan asked if budget information is now available for all departments.

Pennucci said that the budget information for all departments is now complete and available online. Community members were also invited to participate in an Open House early in September to learn about the budget.

She then provided some takeaways from the budget evaluation process, including that there are few areas of county spending that can be easily cut or reduced. She said that some cuts also cost more over time, such as deferred maintenance, mental health cuts, and loss of long-time employees. Pennucci said that changes made during this mid-biennium review will not fix everything; ongoing action will be required.

Pennucci outlined a number of upcoming unbudgeted mandatory expense increases, including 2026 cost of living adjustments, which are currently unknown.

Donovan asked for clarification about the unbudgeted expenses.

Pennucci clarified that there is additional information available outlining which items are recommended, not recommended, or still under consideration by the Executive's Office. She asked that councilmembers review the recommendations and provide input on priorities.

Pennucci said that the Executive's policy approach for the budget cycle is to use one-time savings, reduce expenses, apply restricted funds toward core services, consider using a portion of funds in the Community Priorities Fund for one-time 2026 expenses, consider implementing a new Public Safety sales tax, use banked capacity in the EMS levy, and reduce other expenses. Longer term, the Executive's approach includes implementing a new public safety tax, lobbying funding from the state for unfunded mandates, increasing some fees to achieve full cost recovery, potentially seeding high priority County facility priorities with funds from the Community Priorities Fund, considering other potential revenue options such as a ferry district, and continuing to look for efficiencies.

Pennucci said the Executive is currently considering cutting at least 13

vacant full-time employee (FTE) positions and freezing 9 FTE positions. This is not a preferred approach, but it is a way to achieve some one-time savings without impacting today's level of service.

Pennucci said that departments submitted roughly \$10 million in funding requests. Of those requests, \$839,000 are still under review; \$6.6 million are recommended.

Donovan asked whether reductions in Health and Community Services (WCHCS) impact the General Fund.

Pennucci explained WCHCS' ongoing budget discussions and impacts. She then provided an overview of some of the different policy levers the Executive's Office is considering to improve the structural imbalance in the county budget, which include reallocation of some Community Priorities Funds in 2026 and implementation of the public safety tax.

Donovan asked for more information about the public safety tax and how it would be implemented.

Kayla Schott-Bresler, Deputy Executive, said that the Washington State legislature provided authority for a new sales tax of one-tenth of one percent to help counties meet new unfunded mandates such as the new public defense caseload standards. The revenue from the public safety tax could help the county absorb increased costs for public defense, jail services, etc. Training and compliance would be required for the Sheriff's Office if the county implements the tax.

Elenbaas asked if the tax can be put in place by the county or if it requires a vote by the public.

Schott-Bresler said that implementation of the tax is a councilmanic decision. She added that cities can also implement the tax, and it can be stacked across jurisdictions.

Scanlon asked about the impact of cuts to spending and freezes on positions. He asked if it would be possible to identify long-term impacts of mid-biennium adjustments.

Pennucci stated that long-term projections can be made, and additional budget tools such as fiscal notes are being developed.

Scanlon asked for clarification regarding the potential freezing of Sheriff's

Office positions.

Pennucci clarified that the positions under consideration are not solely located in Corrections.

Scanlon asked whether reductions are being considered at the Prosecuting Attorney's Office.

Pennucci stated that the Executive's Office is not currently recommending reducing any currently filled positions in the Prosecuting Attorney's Office.

Scanlon asked that the public review the budget documents and provide feedback to help guide budget decisions this fall.

Pennucci summarized next steps, which include continued discussion with Council.

Donovan stated that he has questions about the EMS Fund.

Galloway stated that she and Schott-Bresler are working to acquire information about the EMS Fund.

Pennucci stated that they are working to improve the availability and transparency of budget information. She asked councilmembers to send her questions and provide feedback on the Executive's recommendations.

Galloway stated that she hopes to involve the public in discussions about the budget and communicate about the decisions ahead.

This agenda item was DISCUSSED.

Items Added by Revision

There were no agenda items added by revision.

Other Business

There was no other business.

Adjournment

The meeting adjourned at 9:54 a.m.

ATTEST:

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WA

Cathy Halka, Council Clerk

Kaylee Galloway, Council Chair

Meeting Minutes prepared by Jenna Gernand