

2025-2026 Mid-Biennium Budget Review

Discussion

PRESENTER: ALY PENNUCCI, DEPUTY EXECUTIVE & AS DIRECTOR

COMMITTEE OF THE WHOLE

JULY 8, 2025



Outline

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Building a bridge to an economically resilient future

Guiding Principles

- Budget are our values transformed into action
- Every budget decision has real-world impacts
- No flat across the board cuts - instead targeted service-based choices

Our guiding principles for this budget

Economic Resilience – building stability in fluctuating market conditions

Core Services – staying true to the role of a County government

Transparency – providing the public with a clear picture of where tax dollars are spent and services provided



The Challenge

Because

- The county budget funds essential services that protect our community, enhances wellbeing, strengthens economic security, and supports future planning

However

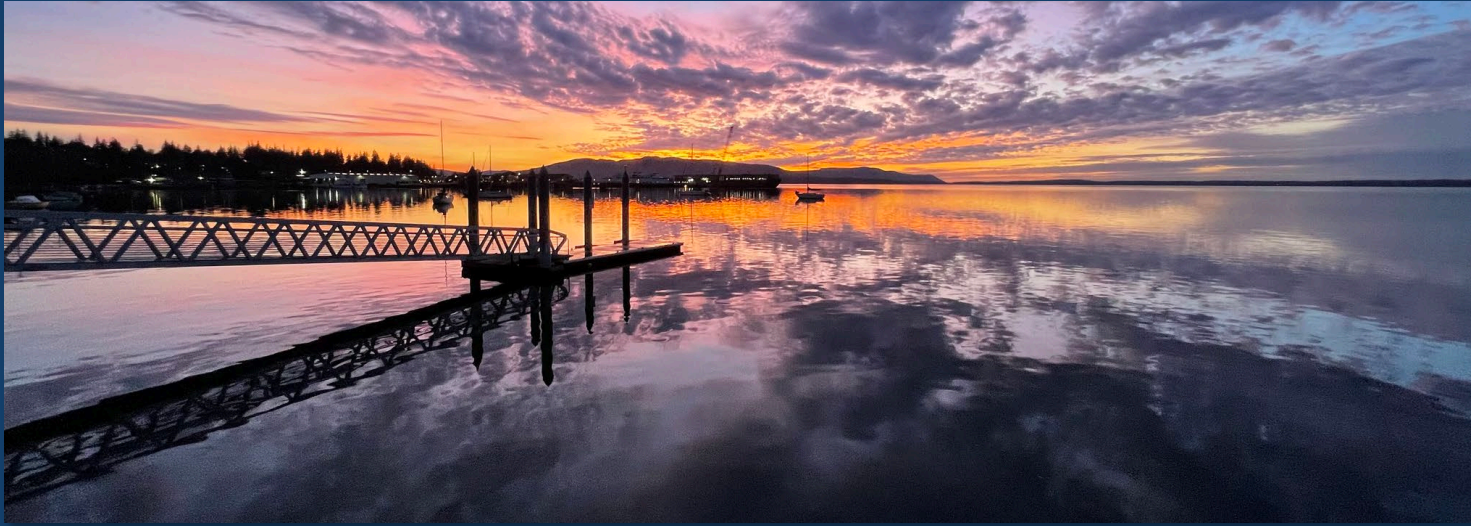
- Costs to provide these services are **outpacing** the County's annual revenue growth

Therefore

- We must take both short- and long-term actions to stabilize our budget and secure our ability to serve the community



2025-2026 MBR Process Overview



Our Shared Goals

Hold 2026 steady

(Maintain the size of
expense budget
compared to the
adopted budget)

- **Short-Term Priority**

Address cost increases for 2026 that we were not aware of, or did not have enough information to fully budget for when preparing the 2025-2026 Biennial Budget

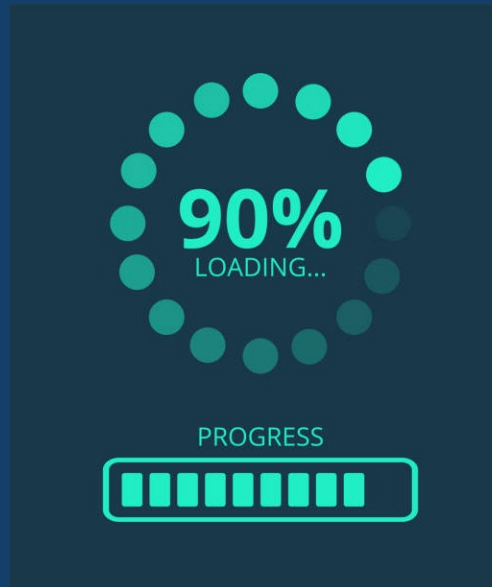
- **Long-Term Priority**

Address the structural imbalance between our revenues and expenses

Work to date

DEPARTMENT REQUIREMENTS

- Update Inventory of Services (IOS)
- Submit how they would implement low and high reductions
- Provide list of 2026 Budget Request



EXECUTIVE'S OFFICE/FINANCE

- Updated assumptions for countywide expenses and revenues compared to the 2026 Adopted budget
- Reviewing and compiling initial budget submissions from departments
- Identify how to absorb 2026 cost increases

Current Status

Still working with a few departments to complete the exercise. Once complete, we will review and compile submissions, and provide plain-language decision sheets for council and public review. Council will receive summaries and access to detailed spreadsheets

Budget Decision Sheets (Coming Soon!)

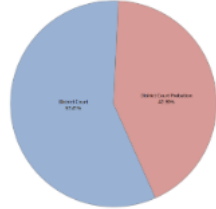
DISTRICT COURT

With two elected judges and one appointed commissioner, District Court processes Sheriff, State Patrol, Department of Fisheries, State Park and WWU traffic citations. It also handles criminal misdemeanor cases, small claims, civil claims, name changes, and protection orders. District Court also provides adult probation services for offenders charged with misdemeanors.

of FTE: 40

Court & Probation Administrator: Jake Wiebusch

2023-2024 Budget by Program



INVENTORY OF SERVICES

Programs & Services	2026 Expense Budget	Description	User	Mandated?
District Court	2,871,238	Process criminal and gross misdemeanor cases, jury coordination, hearing and trials, collection of fines/fees, processing criminal orders for protection and arrest warrants	Law enforcement, prosecutors, defendants, attorneys, victims, and the general public	Yes Titles 3, 9, 10, 26, 46, 69
Probation	15,000	Operation of probation services including monitoring, compliance with treatment programs, community service, etc.	District court judges, prosecutors	No

Current 2026 Expense Budget: \$6,634,725
Revenue Budget: (2,702,446)

Low Reduction Cut Target: 173,000
High Reduction Cut Target: 305,000

2026 BUDGET REQUESTS:

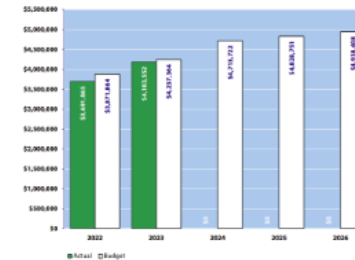
2026 PROPOSED REDUCTIONS

ASSESSOR

The County Assessor determines property values (real and personal), calculates levy rates, and certifies tax rolls to the Treasurer. The Assessor's Office maintains inventory, description, ownership, sales and mapping for all real property parcels in Whatcom County. This office also administers and provides information regarding tax exemptions.

of FTE: 32

Assessor: Rebecca Xczar



INVENTORY OF SERVICES

Programs & Services	2026 Expense Budget	Description	User	Mandated?
Property Valuation	\$4,938,408	Assessor inspects and values new construction, businesses, and private property.	Taxing Districts, property owners	Yes WAC 458-14-066, RCW 84.40, RCW 84.48, RCW 36.21, RCW 84.40.040, WAC 458-12-342, WAC 458-12-343
Property Database		Maintain accurate records of property details, taxing areas, land use, and property values.	General public, developers, real estate industry	
Tax Roll Preparation		Prepare the official list for property tax billing, collection, and distribution for the Treasurer.	Treasurer	
Valuation Defense		Respond to requests for sales information and appeals of valuation	Property owners, Board of Equalization	

Current 2026 Expense Budget: \$4,938,408
Revenue Budget: (6,000)

Low Reduction Cut Target: 135,000
High Reduction Cut Target: 238,000

2026 BUDGET REQUESTS:

Reduction Scenarios & 2026 Cost Increases (Problem to solve)

Fund	Low Reduction Scenario	High Reduction Scenario	Preliminary 2026 Adjustments (estimates)*
1000: General Fund	3,040,000	5,298,000	4,900,000
1240: Countywide Emerg Med Sr Fd	20,000	36,000	16,000
1350:Whatcom County Jail Fund	464,000	818,000	680,000
1900: County Road Fund	570,000	1,006,000	340,000
1908: Flood Control Zone District Fd	-	-	
5500: Administrative Services Fund	-	-	440,000
5900: Equipment Rental & RevolvingFd	108,000	190,000	20,000
All Other Funds	581,000	961,000	265,000
Grand Total	4,783,000	8,309,000	6,661,000

*Initial estimates; this number will be adjusted as we refine the analysis and complete the initial budget exercise



Next Steps

Date	Step
Mid-to-late July	<ul style="list-style-type: none">• Executive and Finance provide feedback to departments on budget adjustments to prepare for the Mid-biennium Review• Executive shares initial department budget submissions with Council
Mid-to-late Aug	<ul style="list-style-type: none">• Department's submit budget adjustments to Finance
August	<ul style="list-style-type: none">• Executive reviews budget adjustments and prepares initial recommendation
September	<ul style="list-style-type: none">• Executive to host an open house where people can learn about the County budget and get their questions answered face-to-face• Executive presents initial recommendations to Council, gets input, modifies as necessary. This includes sharing all requests received
Week of October 13 th or 20 th	<ul style="list-style-type: none">• Executive transmits proposed Mid-biennium budget adjustments to Council

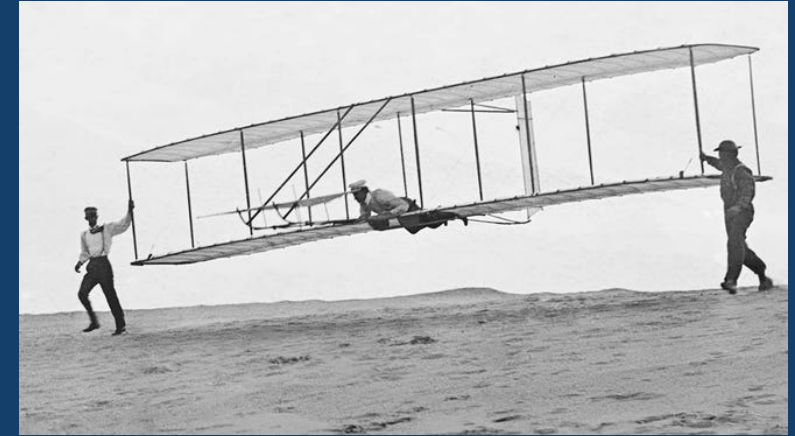


Big Picture

This is more than a budget adjustment, it's a test flight.

We are building the budget process for 2027-2028

We all have a vital role in making this a smooth trip.



Our guiding principles for this budget

Economic Resilience – building stability in fluctuating market conditions

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