

State of Whatcom County 2022: Building Success through Partnership and Cooperation

Good evening, Council Members, my fellow Elected Officials, County Employees and members of the public. I am pleased to report that the state of our County is strong. This strength is rooted in three fundamentals – good financial health, an able and dedicated workforce, and sound policy decisions.

This has been possible because of the constructive partnerships and cooperation between the Council, other elected officials, and the Administration as well as City of Bellingham and all small cities and numerous community partners. I am personally grateful to all of you for your role in this. As President Kennedy once said, “Partnership is not a posture but a process—a continuous process that grows stronger each year as we devote ourselves to common tasks.” You will see this theme throughout my remarks this evening.

It is great to be here in Council chambers, speaking to you in person, seeing members of the public here participating in our democratic process in-person. Spring got off to a slow start, but I think we all sense that we are getting back to many of the things that make our community special. Ski to Sea returns later this month, senior centers are starting in-person lunches, Stommish Water Festival will be held at Lummi Nation, the Memorial Day Parade and Pride Parade in Bellingham are happening, and our County employees’ picnic is back on in August after two years of gap. Many other events and festivals we cherish are returning, allowing us to connect as a community.

This is true also of County operations. We have restored countywide in-person services, while keeping the online services and remote working options. The mental and physical health of our staff is a priority, and we are offering various programs for their wellbeing.

Reflecting on the past two years, I am pleased to report that your County Government continued to address many challenges and uncertainties, while responding to the continued pandemic crisis and devastating floods in the North County.

I would like to thank all the Council Members unequivocally as this has been possible only because the Council acted proactively on all the issues and cooperated with the Administration for making prudent decisions. Our County Administration team has been steadfast in their dedication to taking un-wavering actions during the past two years. More proof that working together we can achieve what we cannot do individually. I would also like to acknowledge and thank Mayor Seth Fleetwood, Bellingham City Council and the City Management Team for their cooperation on numerous actions benefiting all Whatcom County residents.

I would also like to offer sincere thanks to our State Legislators from the 40th and 42nd Districts for their hard work to bring State allocations to transportation, behavioral health, flood relief, Kendall Trail, and other projects. Such achievements had not been possible in several years of State Legislative sessions.

Let us examine some of the issues from the past couple of years for their impacts and future direction for our County Government.

Health impacts of the pandemic: When I spoke to you at this time last year, like many, I was hopeful that we had gotten through the worst of the pandemic. However, with the Delta and then Omicron waves, the number of COVID deaths increased from around 100 at this time last year to more than 300 today. Each one of those losses leaves a hole in our community, and many families and friends continue to grieve their loved ones.

Social impacts of the pandemic: While the pandemic is still there, we are experiencing different types of community health crises. The compounding impact of long-term social isolation because of Covid-19, the opioid epidemic, lack of mental health professionals, decades of underfunding of mental and behavioral health services, and political polarization are manifesting themselves in many ways. Crime rates are up significantly, as are overdoses and suicides. Calls to EMS are increasing faster than ever before. In spite of numerous actions of Whatcom County and City of Bellingham, still many families with children and individuals are experiencing homelessness. We all know that more needs to be done beyond the current shelters. These problems are not the result of local government policies, but the burden of addressing them disproportionately falls on us and our community partners, who are courageously stepping up to fill the gaps. Unfortunately, so much of our effort goes to treating the symptoms rather than addressing the contributing factors.

Economic impacts of the pandemic: The economic reverberations of the pandemic continue to be felt. While the CARES Act and American Rescue Plan Act quickly brought monetary help to local governments, small businesses and individuals, the supply chain problems, ever increasing housing prices, labor shortages and inflation are taking a heavy toll on our citizens' private lives and governments. This makes it difficult to calculate and plan future spending. While we have recent institutional knowledge of 2020 and 2008 economic downturns, operating in a high-inflation environment is lacking in the past few decades for individual families and the governments at all levels. We must acknowledge this uncertainty surrounding our current economic situation and plan accordingly.

The economic health of local small businesses is critical for the economic health of any community because they create the largest number of jobs and provide much-needed services in the community. The receding of Covid-19 is helping these businesses revive their niche markets and nurse their businesses back to pre-pandemic levels.

The housing market: The housing market has been on fire for the past two years with prices raised to new unaffordable levels. This creates unique challenges for our younger generation to find starter homes. Land use changes are needed to adjust to the new realities of the marketplace.

Devastating flood in North County: The November 2021 floods in North County reminded us that nature's fury is no match for human tools and preparedness. While I commend the collective efforts of all the mayors, Dept. of Emergency Management, Public Works, County Council and the Administration for the quick response and recovery efforts, we cannot lose sight of the fact that the devastation isn't over for many families even now, more than half a year after the flooding. They are continuing to live with the

impacts of this catastrophe. We are thankful to the Washington State Federal delegation and Governor Inslee for their prompt help for flood victims by deploying FEMA, SBA and other emergency supplies and services for the flood victims.

The floods caused over \$150 million damage in our County, which is the worst natural disaster since the formation of Whatcom County in the 1850's. In addition to devastation of homes and businesses, floods caused significant damage to public infrastructure for small cities and County roads. Our County staff and Public Works are continuing to address those impacts, adding to the already substantial workplan that was in place before the disaster struck. On top of that, our Public Works team is dedicating significant resources to flood hazard mitigation, with the goal of limiting if not eliminating future flood risks. As a result, our capacity to take on new projects is limited.

Each of these challenges is by itself difficult, and when considered together may seem insurmountable. However, I am confident in our ability to rise to the occasion. In my 2+ years serving as County Executive I have witnessed the power of our community's dedication and collaborative spirit. Nowhere has this been better exemplified than through our community-wide response to these challenges.

Workforce Challenges: As we enter the third year of the pandemic, the social and economic conditions are accelerating changes in our workforce demand and supply. We are clearly at a watershed moment, as a new paradigm is emerging "how work gets done". There is new worker activism and a new social and cultural shift is happening in the workforce now entering the market. The labor market has become tight, wages are increasing, qualified skilled employees are in short supply and wages are not the only incentive to attract new employees. We have almost 10% vacant positions in our county government.

We can expect new challenges for our financial health in the coming years because of inflation, uncertainty in the markets, supply chain problems and talk about downturn in our national economy.

As we realize our workforce challenges, we must right size our County organization to match the core functions expected from County Government. We must invest appropriately over the next several years to build a competitive workforce with the right skills and compensation.

Core Functions of County Government: We are taking the initial steps to start examining the County organization in the coming months. A retreat is organized for all department heads and elected officials next month to explore what are the "core functions" of our county government. This may lead to a further similar examination at department level. We must assess that our organization and workforce are right sized to meet the expectations of our citizens within the financial resources we have.

2023-24 Biennium Budget Preparations

Current Financial Outlook: Our current financial resources are sound as our General Fund balance is up by several million dollars, close to \$25 million. This is mostly due to the large one-time influx of federal grant revenues to continue to fight against COVID and its impacts. We have also seen a modest rebound in our local economy from the impacts of 2020 and the current collection of sales tax and property taxes is on or above the budget targets.

Our financial outlook is less secure as we look realistically at the possibility of an approaching recession. This is familiar territory. The good news is Whatcom County has a long history of administering fiscal discipline borne from our duty to the taxpayers of Whatcom County. This duty will continue to guide us as we approach the changing economic forecast with a purpose to effectively manage our resources, support our current workforce, make sound investments in our capital infrastructure, and look toward modest growth to our existing county-wide priorities that benefit the community by utilizing and leveraging dedicated fund sources. This effort will require thoughtful and measured decision making at a time we are faced with the need to act quickly to respond to emerging issues. With hard work, collaboration and discipline we can and will rise to this challenge. As we embark on the 2023-2024 biennium budget we will anticipate the changing economy and work with our departments to prepare a sustainable and fiscally responsible budget for County Council consideration.

Economic Development Improvement Fund Investments for local Infrastructure projects: During the past couple of years, the EDI Board has developed some new investment policies to allow for fund investments in the affordable housing sector. The second step is to set goals of making more low-interest loans and lowering the direct grant funds, asking higher investments from the applicants asking for EDI funds. This shall enhance the current \$10 million pool to a much higher level for a continued higher level of investment in local economic investments in our communities.

One more improvement has been made to make EDI capital investments part of the biennium budget process. All cities and other eligible organizations can make their capital requests prior to the budget process. The EDI Board shall indicate the funds availability to allow more organized advance planning for their projects. EDI Board shall also keep a reserve fund for any economic development projects outside of the budget process to allow for contingencies of new projects in our County. This was a unanimous welcome step by all City mayors and Board members.

The EDI board received and approved the requests for over \$12 million investment in loans and grants for various local infrastructure projects from cities. This has created an additional investment from all cities for a total of \$26 million into local capital spending in the next 12-18 months.

American Rescue Plan Act Fund investments: We are continuing to develop the programs to invest ARPA funds that are focused on some of our communities' highest needs, including investments into child care and affordable housing.

Court Case backlog: The initial investments from the American Rescue Plan Act have been used to clear the Court Case backlog because of the court shutdown from the pandemic. I have learned that many other counties in our State have taken similar steps. In the past few months we have been able to increase the number of attorneys both in the Prosecutor's and Defenders' offices and we have hired a Court Commissioner. My recent discussion with our Court management and Prosecuting Attorney have revealed that we may need an additional Superior Court judge position, which would require approval by the legislature. We will be sharing more information with Council in coming weeks and months.

Affordable Housing Investments: County Council approved the initial investment in the Forest and Laurel Street project for construction of 140 low-income apartments with a childcare facility.

The Council will also be considering investments to long-term affordable housing options. In coordination with the City of Bellingham we are working towards securing 143 units to prevent displacement of current residents in existing affordable units. We are also working to expand the County's affordable housing work into the small cities. This includes acquiring a property in Ferndale that will be developed with long-term affordable units. The County is also looking to invest funds to refurbish the Everson Meadow low-income apartments in the near future.

Child and Family initiative: The Child and Family Task Force has completed their report and the Council will be considering a request for approval of a \$2 million ARPA investment to help stabilize child care businesses and increase family access to high-quality child care. This investment, along with \$1 million from the City of Bellingham, will leverage other dollars to try and meet immediate childcare needs through a multi-pronged approach. The next step will be to develop a notice of funding opportunity to be able to provide ARPA funds for this purpose.

A Child and Family Task Force and Opportunity Council study about childcare needs is completed and we have sent a request for approval of \$2 million for capital investments in childcare slots and childcare workforce development. This investment is supported by the business community along with parents in our County.

Establishing new Capital Facilities Fund: As you know the county needs a new plan for continued investments in our Capital Facilities. There has been a gap in such investments for more than a decade. There has been substantial spending on repairs and maintenance of existing facilities, but no new facilities. We cannot kick the can down the road anymore. Therefore, as suggested last year, I will be including a proposal in the next biennium budget to create a Capital Facilities Fund with savings from Federal Cares Act Fund allocations and General Fund surplus. We must devise a mechanism to allocate a certain portion of annual General Funds for this purpose.

Capital Projects in the near future (2022-2027): Just as a quick reminder for the Council, there are several Capital Facilities needs requiring solutions in the very near term. This has been a result of delays in investments for different reasons in the past decade or more. Now we are at critical juncture to take decisive action and not kick the can to future councils and County administrations.

Our immediate need is to fund the following Capital projects in the short term of the next 5-7 years:

- Replacement of Criminal Justice and Safety facility (\$100 million plus)
- Sheriff's office (\$15 million)
- Lummi Island Ferry replacement (\$53 million, with \$16 - \$20 million local match)
- Office space at Northwest Annex (\$20 million)
- Replace (really old!) What-Comm building (\$12 million).

The County needs to have a long-term investment plan for our facilities to ensure that our employees have facilities that meet their and our community needs.

Alternate Response Initiative: I commend the Council for their support of the decision to start the Alternate Response Team in collaboration with the City of Bellingham. Whatcom County is one of the early adopters of LEAD and GRACE programs and stepping forward to build a fully resourced Alternate Response Team countywide. I agree that both the County and City realize that the initial cost may be high but in the long run this is will be a huge money saver and provide a response to people with behavioral health issues, improving the wellbeing of our community.

Tribal Relations Initiative: During the past two years we have been engaged with Lummi Nation and the Nooksack Tribal Governments on several issues to improve our government-to-government working relations. We have had several positive outcomes like sharing pandemic health resources during the pandemic, and engaging in the Nooksack basin water discussions. Now we are in the process of creating regular communication by County Executive attending the Tribal Council Meeting several times a year and developing a stable team of officials on both sides for project-level cooperation. We are in discussion on the Slater Road Project with flood mitigation measures, economic development steps for Cherry Point industrial area and other projects of common interest.

County Justice and Safety Facility initiative: Council Member Buchanan has been leading the charge with the Stakeholder Advisory Committee and the Incarceration and Prevention Task Force team to complete the “needs assessment” for the replacement of the Criminal Justice and Safety facility. The County Prosecutor and Sheriff’s offices are fully engaged in this process to complete the report for presentation to the Council in the Fall 2022.

Whatcom Racial Equity Commission initiative: This project team sponsored jointly by Whatcom County and City of Bellingham under the auspices of Chuckanut Health Foundation has been engaged with community members from all parts of our County. There are members from Whatcom County Council and Administration, City of Bellingham Council and Administration, Port of Bellingham and several citizens dedicated to developing the framework for the commission for approval by the County Council and Bellingham City Council before the end of this year.

Nooksack Basin water discussions: As we all know the Dept. of Ecology is slated to file the formal water adjudication in the Whatcom County Superior Court in June 2023. Whatcom County is working with State Supreme Court to establish an office with a judicial officer and a team of court staff to manage this process over several years in the future. The State Dept. of Ecology is organizing several town hall and informational meetings to answer any questions or concerns citizens may have about the adjudication process proceedings. Whatcom County WRIA 1 Management Board has been working with our consultants Maia Ballon and Jay Manning from Cascade Solutions to bring about the cooperative solution discussion on the water issues for our region. We are making slow progress and all the parties are engaged in the discussions.

When I started as Whatcom County Executive in January 2020, I laid out three principles for my administration.

- We have more in common than what divides us
- Consensus does not mean we have to agree on everything; consensus is about whether we can live with the solutions proposed
- I love Whatcom.

I plan to continue following the same principles in the coming years.

My remarks would not be complete without expressing my gratitude to the employees of Whatcom County. It is an honor to serve in this role and witness your tremendous efforts on behalf of our county. I look forward to our continued partnership.

I have included further departmental achievements in the written document submitted to the Council, which will be available to the public on our website. I am very proud of all the Department Heads for their work and dedication to serving our residents. I am thankful to all Elected Officials for their cooperation during the past two years and look forward to working with them in the future.

Thank you! And I will be happy to answer any questions from the Council.

Presented May 24, 2022, County Council Meeting

County Departmental achievements in the past two years

Health Department and COVID-19 Response

While COVID is still with us, we have moved beyond the emergency response phase. Getting to this point hasn't been easy. Our Health Department, together with the Department of Emergency Management, and countless partners and volunteers, moved mountains to build community resilience against the virus. During peak periods, our Health Department answered up to 3,300 calls per week on testing, vaccines, other COVID questions, as well as other health department business. Community-wide vaccination efforts have led to the administration of nearly 400,000 doses to residents of Whatcom County. This was the result of a collaborative partnership with PeaceHealth, our community health clinics, BTC and Whatcom Community College, private practitioners and our Health Department staff. Let's not forget that the Lummi and Nooksack health clinics also provided vaccines to the community. As a County, we have achieved the 4th highest overall COVID vaccination rate in Washington State. That's remarkable, and I credit our Health Department's thoughtful communication and trust-building efforts which allowed us to accomplish this feat. Just last week we learned that one of our youth outreach campaigns received national recognition.

At the same time, the Health Department made significant achievements in other areas. In collaboration with the City of Bellingham and local partners, 130 shelter beds were added to the community over the winter season. And when severe weather came in December and February, an overnight warming shelter was stood up to keep our most vulnerable safe. Throughout the year, using federal funds, the Health Department partnered with the Opportunity Council to distribute more than \$17 million in rental assistance to help keep families in their homes and off the streets.

Earlier this year, the Health Department moved quickly to bring the GRACE and LEAD teams on board. Preliminary data show that these programs are working, as the number of jail bookings and jail days for GRACE and LEAD participants decreased following their program completions. We also have data to show that these programs save money on emergency medical services, as the programs help to break long-standing cycles of crisis. The next step is launch of the alternative response team or ART in the Bellingham area and the co-responder model in partnership with the Sheriff's Office with county-wide reach. These will be rolled out over the course of the coming year.

Law and Justice

Even as we develop a more nuanced approach to our first responder model, we should not lose sight of the vital role of law enforcement. I thank Sheriff Elfo and all the deputies of the Whatcom County Sheriff's Office for their tireless efforts to keep our communities safe. The incident in February in which two deputies, Deputy Thompson and Deputy Rathbun, were shot underscores not only the courage and commitment of our deputies but also what the stakes are for all members of law enforcement who carry the responsibility and burden of upholding public safety.

The Sheriff's Office has achieved some significant accomplishments this year, including arrests and successful convictions for two "cold" cases from 2014 and 2017, and successful investigations of two separate murder cases from earlier this year. The Gang and Drug Task Force worked numerous cases with

other local and federal law enforcement resulting in the seizure of large quantities of deadly fentanyl and other drugs.

With the support of County Council, a body camera program has been implemented for all uniformed patrol personnel. Sheriff Elfo reports that the program has proven invaluable in preserving digital evidence for use in criminal cases and in resolving complaints.

The Division of Emergency Management was able to secure state and federal approval of the Whatcom County Comprehensive Emergency Management Natural Mitigation Plan, which provides for the protection of lives, property and the environment to prepare for, mitigate, respond to, and recover from natural and manmade emergencies and disasters. This approval ensures continued eligibility for emergency management grant funding.

Our criminal justice system is working determinedly to address the court backlog that accumulated over the past several years. With support from County Council, the Public Defender, Prosecutor, Superior Court and District Court have all increased their capacity and are making progress toward more timely delivery of justice. As Superior Court Judge Robert Olson writes: "None of our efforts would have been successful without the cooperation and support we have received throughout County government and the community... We look forward with a renewed spirit to finally setting aside all of the barriers that have made it difficult for citizens to access justice in our courts."

I want to again congratulate Judge Angela Anderson on her historic appointment to District Court. At her initiative, a new Family Justice Court has been launched to focus on high-risk domestic violence offenders. This court is designed to reduce incarceration as well as increase compliance with court orders through increased focus on the needs of the defendant as well as close monitoring of a defendant's compliance by a judicial officer.

With the return of jury trials, the Prosecutor's Office has had a very busy schedule, including several high-profile and complex cases which were recently successfully prosecuted. This has been accomplished with the help of four new staff, including a Victim Witness Coordinator, all supported by funding through the American Rescue Plan Act.

Prosecutor Richey is working closely with our IT team to adopt and integrate a new electronic case management system, which will streamline and improve quality control. The deployment of the new system is expected over the course of the summer.

Emergency Medical Services

Our Emergency Medical Services Administration has been able to secure community-wide agreement on the implementation of a new Paramedic Unit to be positioned in Lynden later this year. This unit will provide a quicker response to the North Whatcom region while reducing out-of-service times for other Paramedic Units. This is a timely upgrade to the system as EMS call volume is rapidly increasing in all regions of the county.

In the coming months, you will be presented with the EMS Levy Planning Committee's six-year strategic plan with recommendations for the continued support of our Advanced Life Support (ALS) system as well as better support for Basic Life Support (BLS) systems through the renewal of the countywide EMS levy.

Parks and Recreation

Last year another record was set for our beautiful County parks and trails with nearly 1.7 million visitations in 2021. After a two-year break, camping has reopened at Lighthouse Marine Park on Point Roberts, and it is once again a popular destination for our neighbors to the north.

I had the opportunity to visit the new restroom and shower facility at the Red Mountain Campground at Silver Lake Park. In my conversations with campers, it was clear that this improvement is very much appreciated and well used.

I want to take this opportunity to publicly thank Parks Director Michael McFarlane for his many years of service to the County. I wish him well in his coming retirement. He may be leaving us, but we will always have his legacy of thoughtful preservation of Whatcom County parklands.

Public Works

As I alluded to earlier, our Public Works Department is not only working to conduct regular maintenance and operations but is also addressing the significant flood-related damage to our public infrastructure. While the federal disaster declaration provides us access to funds, we must still navigate other constraints, such as staff capacity, engineering capacity and availability of contractors. On top of that is another layer: our redoubled efforts to identify and implement flood prevention strategies.

Our Public Works leadership has been very intentional in prioritizing projects and focusing on those that will have the greatest public benefit while also looking for opportunities to expand capacity. I hope for your support and understanding as we communicate with the public and establish realistic and practical expectations.

The replacement and modernization of the Lummi Island ferry system is likely to be the single largest investment project in our County history, and our Public Works team has been working hard to line up a suite of funding sources to make that happen. Our plans anticipate the construction of a hybrid vessel which will eventually become fully electric, eliminating the largest single source of carbon emissions in County operations. I am thankful to all of our federal delegation and state delegation for signing a letter in support of our RAISE grant application, which may be able to cover a substantial portion of the costs.

Planning and Development Services

One of our most exciting and long-anticipated technology updates this year is taking place in Planning and Development Services, which is implementing the new EnerGov electronic permit tracking software system. This platform is designed not only to increase efficiency and communication but also to maximize productivity and departmental collaboration from desk to field. I have had many conversations with the various groups who are frequent clients of PDS, and they are excited to see this new system up and running.

Auditor

The Auditor's Office is now fully opened for in-person services. In 2021, the office successfully conducted three elections and will have the same number again this year. A new ballot drop box was installed in Barkley Village and has been very well received by voters in that area.

In another sign that life is returning to normal, the Auditor reports that marriage license applications are up! At the same time, supply chain challenges have recently caused delays with the issuance of aluminum license plates for automotive vehicles.

For anyone who is not acquainted with the range of services provided by the Auditor's Office, I would encourage you to read the annual report posted on the Auditor's webpage.

Assessor

Appraisers from the Assessor's Office continue to work hard in the office and in the field to ensure accurate appraisals. Every year 1/6th of the properties in the county are inspected, and the remaining 5/6th are statistically revalued. The current annual inspection area for revaluation in 2022 is Cycle Area 1. You can view all of the areas and schedule on the Assessor's webpage. If you see them visiting your neighborhood, please give them a wave and a smile!

Administrative Services:

Human Resources

Our Human Resources team is among the unsung heroes of the past couple of years. With every pivot and adjustment, and there have been many, HR worked quietly in the background to make this flexibility possible, whether that's recruiting and hiring of 20 additional criminal justice positions, or bringing the GRACE and LEAD programs in-house, or ensuring the Health Department has staff for contract tracing and helping folks get vaccines.

Finance

Our Finance team also deserves high praise. Last year we earned another clean audit report from state auditors! Brad Bennett leads a smart and dedicated team that quietly works in the background, making sure we follow best practices. I want to recognize how much effort it took to coordinate with so many different organizations and individuals to finalize the necessary documentation and handle the hundreds of contracts for final disbursement of CARES Act funds. The team's coordination and teamwork were exemplary, and everyone in County leadership should be proud of these achievements.

Information Technology

I would be remiss if I did not recognize our excellent IT leadership team and staff, who pivoted so quickly to allow remote meetings, remote work, remote court hearings, hybrid meetings like tonight, live election

channels on YouTube, a new case management system for the Public Defender, and so much more, all while successfully addressing ever evolving cybersecurity threats.

Facilities

I want to congratulate and thank the Facilities Department for completing the Civic Center renovation project ahead of schedule and under budget by approximately \$400,000. That building is now much improved as a workspace, and it is also more energy efficient.

With Council's support, we now have funding in place for the architectural and engineering design services for phase 1 of the Northwest Annex redevelopment project. We have been very deliberate in the planning and design of this project, which will address some of the County's long unattended needs.

Our Facilities team is also making good progress in preparing for the development of the Way Station at our State Street property, which will serve homeless individuals in need of hygiene and health services.