



MEMORANDUM

TO: Whatcom County Council
FROM: Satpal Sidhu, Whatcom County Executive
RE: Continued Investment in Community – Mid-Biennium Adjustment
DATE: October 31, 2023

The County Administration is pleased to present our recommended mid-biennium budget adjustment for your consideration.

Background

The County Council adopted a financially sustainable 2023-2024 biennial budget that included meaningful new investments in childcare, housing and homeless services, criminal justice and crisis response, flood response and recovery, and the Racial Equity Commission. Today, County employees are working hard to deliver on those commitments and community investments. As we approach the end of year, we anticipate a healthy General Fund balance of more than \$24M going into 2024, thanks in part to continued growth in sales tax revenue and higher than anticipated interest income.

However, when contemplating adjustments to the 2024 budget, we continue to be guided by financial discipline and sound fiscal stewardship. While higher revenues present new opportunities, several considerations lend to a cautious approach to new spending:

- **Declining federal investment.** Federal fiscal support through the American Rescue Plan Act is winding down and must be fully allocated by the end of 2024.
- **Upcoming General Fund obligations.** ARPA-funded criminal justice positions will shift to the General Fund starting in 2025 to maintain levels of service, creating an additional and ongoing burden on the General Fund into the future.
- **Bonding capacity needs.** Maintaining a healthy and stable fund balance will benefit the County's position for bonding ahead of anticipated large capital projects, providing significant savings over the long term.
- **Macroeconomic uncertainty.** The Federal Reserve continues to push for slower growth, and further sharp increases in sale tax revenues should not be anticipated.

Additional Service Requests (ASRs)

The Administration received 270 ASRs, which is an unprecedented number for a mid-biennium adjustment. We believe that this inundation of requests should be viewed as a positive development, demonstrating the ambitions of County offices and departments to provide services to our constituents.

Meeting the community's evolving expectations for County services sometimes requires expansion of staff to deliver these services. The Administration carefully reviewed new position requests and, considering the potential long-term financial impacts, recommended approval for less than half of these requests. We expect some of these requests which were not approved to be part of our regular biennium budget discussions next year.

Public Works. As a reflection of our commitment to state and federal agencies as well as the tribes to improve fish passage on County roads, Public Works will add two fish passage specialists. A new grant manager will support progress on our Climate Action Plan goals as well as River & Flood projects.

Parks & Recreation. Over the last five years, annual visitation to County parks and trails has increased by over half a million visitors. The four new recommended positions in our Parks team will allow for improved planning and management of our extensive parklands and trails as well as an increased focus on multimodal planning.

WCHCS. Grants will fund three new positions at Health & Community Services: a new opioid program specialist in our Health & Community Services will assist with our response to the fentanyl crisis; an emergency preparedness and resilience position; and, a supervisor to support several Foundational Public Health Services programs. The department will also add a new child and family program specialist to support the implementation of the Healthy Children's Fund.

Information Technology. The Justice Project Needs Assessment resulted in recommendations to improve data collection and analysis in our criminal justice system, which is why we recommend a new Criminal Justice Data position in IT. We are also recommending the addition of a records assistant to help our Public Records Officer manage an ever-increasing number of public disclosure requests.

Assessor. We have seen a sharp increase in valuation appeals as well as adjustments to senior exemptions, creating a significant additional workload for the Assessor's Office. We recommend approving an ASR for a new clerk position to meet these administrative needs.

PDS. The responsibilities of Planning & Development Services related to shoreline management, land use and growth management have grown significantly. We support the addition of a communication program specialist at PDS to help inform the public's expectations and also educate applicants on the how to take advantage of the new technologies being implemented to improve the process and applicant experience.

Facilities. Over the next five years Whatcom County intends to address deferred facility needs – redevelopment of the Northwest Annex, construction of 23-hour crisis relief center, and potential construction of a criminal justice and behavioral care center. We recommend adding a

new Facilities maintenance position along with the continuation of a special projects manager previously approved for 2023 to help handle this increasing workload.

Criminal Justice. We received a significant number of new General Fund FTE requests from the Prosecutor, Public Defender and Sheriff, with a total cost exceeding \$4 million annually. With the exception of a request for a new lieutenant position in Corrections, we do not believe that this is the appropriate time to add the requested positions. With regard to Corrections Deputies, we currently have a number of unfilled positions, and given our plans to build a new criminal justice center and consolidate corrections staff at one location, we believe that this request can be held until more information is available about future staffing needs.

Similarly, the Prosecutor and Public Defender both added a significant number of positions in recent years using ARPA. We would like to give some time for critical policy discussion and understanding of how the previous expansion impacted case resolution prior to recommending any further expansion. We also believe that an expansion of the size and scope requested would be more appropriate for a biennial budget request as opposed to mid-biennium, which typically do not present significant departures from the agreed budget.

At the same time, we want to recognize the timeliness and need for additional support for the Whatcom County Drug Task Force. However, prior to recommending new spending from the General Fund, we would like to see greater participation from the City of Bellingham, the small cities and our tribal partners. We also believe that alternative funding sources may be identified to support this effort and hope to revisit this issue after the start of the new year.

Water Rights Adjudication and the Courts. We anticipate the addition of one superior court judge together with additional support staff to process water rights adjudication in the Nooksack Basin. The Administrative Office of the Court would provide the funding for this expansion, which also includes setting up a new courtroom for this process.

Medical Examiner. Today Whatcom County is the only county in the state to fully contract out medical examination services. For the purpose of improving management and retention of qualified staff, we propose integrating the Medical Examiner's Office into our organization and have the staff become County employees. This transition will cost an additional \$311,000 per year. The increase represents the County's benefit package and the transition of 2 part time investigator positions to full time for more consistent employee retention and 24-hour scheduling. Bringing the Medical Examiner into our organization would also enable the County to pursue significant grant funding opportunities to support the purchase of equipment needed for death investigations.

Climate Resiliency. We propose the establishment of a new Climate Action Fund, which will create a dedicated resource for match funding for state Climate Commitment Act funding and upcoming federal funding opportunities.

Please see [the full list of ASRs](#) for more information on department's wishes and the Administration's proposed mid-biennium budget adjustment. Any questions can be addressed to Deputy Executive Tyler Schroeder (Tschroed@co.whatcom.wa.us).