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Written by Executive Jack Louws

Whatcom County Biennial Budget 2017-2018 Priorities and Guidelines

As County Executive, I have the responsibility to present a balanced budget to the County Council that includes prioritization of our most critical projects.

Operationally, County revenue is stable, even with the Canadian dollar decline, and expenses are well within budget. Over the last four years, due to our improving economy and our own fiscal restraint the general fund reserves have risen from $9M to approximately $16M. I will likely recommend in the upcoming biennial budget using some of the fund balance to address the capital infrastructure issues we face. As I noted in my annual remarks to Council, and as outlined in a previous editorial, other than resolving the capital challenges before us, I believe we will be able to prepare and adopt another biennial budget at the end of this year that serves our community well.

The budget priorities and guidelines outlined below were submitted to Council as a framework for developing a balanced and sustainable biennial budget for 2017-2018. Historically, and as a best practice, the County Administration has always built the budget in collaboration with the Council.

Here are the priorities that I have determined for the budget.

1. “Prioritize the critical infrastructure issues the County has through committing available funding to maintain and/or improve our existing facilities, and by not acquiring more.” An example would be to not acquire more parkland if it would require improvements in the future, such as restrooms and parking areas that would compete from the same funding source needed for infrastructure projects.
2. “Continue the commitment to fund Emergency Medical Services (EMS) through 2017-2018 at the current level of service. If an EMS levy should pass in 2016, prioritize the supplanted cash to capital infrastructure and public safety needs.” Included in the EMS levy is revenue to supplant the monies Whatcom County and City of Bellingham contribute from our general funds totaling $2.5 million per year. If the levy passes, Whatcom County will have an additional $1.4 million for discretionary use within the General Fund. I am committed to using this for resolution of our existing infrastructure problems and public safety needs, not for the augmentation or creation of new programs.
3. “Support the work of the Incarceration Prevention and Reduction Task Force, criminal justice professionals, Health Department and behavioral health providers in their efforts to reduce recidivism and incarceration.” This includes the likely addition to the existing “Triage Facility,” to provide for a “Crisis Triage Center” which includes two 16-bed units to establish a recovery stabilization facility to receive persons in mental health crisis and substance abuse withdrawal. This facility will be used by local law enforcement as a diversion option instead of our local jail.

4. “Continue the commitment for capital construction, including the Birch Bay Drive Pedestrian Berm, the county bridge program and Lake Whatcom stormwater improvements.” Our road and flood funds are dedicated for these specific purposes and do not compete with the needs of general government, so continuing the robust programming to maintain and upgrade this infrastructure is essential.

5. “Continue the commitment for the Water Action Plan and water resource programs (National Pollutant Discharge Elimination System (NPDES), Pollution Identification and Correction (PIC)).” It is important to continue these water quality programs in Whatcom County in a sustainable manner for long-term success.

6. “Continue investing in technologies to increase efficiencies, effectiveness and value to our citizens and employees, including the integrated land and infrastructure and criminal justice case management systems.” As I am continually saying, the cost of government is escalating in excess of expected revenue, therefore we need to become more efficient with the staff we currently have. Technology is the answer, giving our team the tools necessary to be as efficient as possible.

7. “Ensure budget transparency by enhancing project budget reporting to include more relevant information, and introducing program-based budgeting allowing for a better understanding of departmental mandates, goals and responsibilities.” Government accounting is complicated, and budgets do a poor job of telling the story of our goals and objectives. Our finance team is working to provide an enhanced visual narrative of the budget, and I’m looking forward to engaging the council in the coming years to refine this process.

The Council is reviewing these budget priorities, and is considering their priorities that they wish to have included in the budget. I anticipate that they will agree that the budget needs to be developed within the guidelines listed below, as budgets have traditionally been in the past.

Develop a budget that maintains a sustainable fund balance in the General Fund.

Currently the county has a Moody’s Aa2 rating. A larger fund balance, along with the ability to be sustainably sufficient to provide for the funding necessary to operate general government, will enable Whatcom County to preserve its favorable bond rating thus attracting lower bond interest rates. In addition, fund balances should allow sufficient reserves to:

* Fund operations without borrowing
* Cover emergencies

Use grant and restricted revenue first to pay for eligible expenditures.

Revenue supporting the General Fund has the least restrictions applied to its use. A major financial challenge for the county is balancing the unrestricted revenues and the cost of general government. Therefore it is essential that unrestricted revenue be used only to pay costs that are not eligible for other funding sources.

Set fees and charges to ensure recovery of the cost of the service where possible.

Review and invest in our operations to maximize effectiveness of investments in technology to reduce costs and increase productivity and efficiencies.

Review services and service levels and confirm that they address the current needs in the most cost effective and appropriate manner.

Maintain staffing at sustainable levels and negotiate contracts within reasonable cost of living adjustments.

With Council’s participation and input on the priorities and guidelines, together with the Administration, we will address our critical infrastructure needs and build a sustainable biennial budget for 2017-2018.

The development of the 2017-218 biennial budget will continue throughout the summer and fall with final action of approval anticipated in November. Please contact my office if you have any questions related to our budget priorities or guidelines.

Jack Louws, County Executive