



STATE OF THE COUNTY

April 5, 2016

Good evening, members of Council, county employees and citizens. It's my pleasure to be before you again to talk about the state of our county. I'd like to briefly review our accomplishments; then look at our challenges and opportunities for the future.

FIRST, OUR ACCOMPLISHMENTS IN THE LAST YEAR:

For the first time in many years, all labor agreements are settled through the end of this year. We are now preparing for bargaining sessions with labor groups for successor agreements. Human Resources reports that net employee turnover was 8.7% in 2015, reflecting the stable movement of our workforce, and key leadership roles have been filled.

The Health Department recently received national accreditation status from the Public Health Accreditation Board. We are one of only three counties in Washington State that has achieved accreditation. The work undertaken during the extensive process has resulted in increased efficiencies in departmental operations and significant improvements to services and programs. I congratulate this great team of professionals on this well-deserved national recognition.

One of the major achievements related, in part, to the health department is the Mental Health Court, now commencing its second year. There are 23 people in the program with the goal of reaching 35 by the end of 2016. A reduction in jail stays has been accomplished by several of the participants. One individual, in the year prior to mental health court, spent 194 days in jail – in 2015, he spent only five days in jail. Participants challenged by barriers to housing because of their history of criminal and mental instability are stabilizing; others with a record of poor treatment compliance are now engaged in ongoing services. The Health Department is continuing to work on improving the programmatic elements of the court.

The Sun House renovation project we commenced last year is close to completion. This was a concerted effort between Facilities, Health and community members, financed by the County and large donations from the Rotary Club Foundation and the Chuckanut Health Foundation. The Sun House provides critical residential re-entry services to people suffering from severe mental illness who are transitioning from the County jail, the Behavioral Health Triage center, other psychiatric inpatient treatment units, or the streets of our communities.

Other areas of achievement in 2015 include our continued investment in technology. This has helped with productivity and efficiencies in serving our County citizens. Such as:

- The new telecommunications system has been installed and we continue to enhance the new website.
- A new system was installed in the Auditor's office which enables streamlined processes for recording land records and marriage license applications.
- The Assessor Treasurer system infrastructure has been completely upgraded, and the Assessor has made it a high priority to enhance our GIS land records capabilities to facilitate integration into the Land Records Management software initiative.
- Evening council meetings are now being live streamed over the County's YouTube channel, WhatcomCountyGov. Additionally, the last three years of evening Council meetings are available to view.
- Superior Court can now remotely access the main jail courtroom to conduct in-custody hearings from the 5th floor courtrooms. This saves both judicial officer time and staff time.

2015/16 PROJECTS AND PROGRAMS THAT ARE UNDERWAY:

Throughout the organization other projects and programs are advancing.

INFORMATION TECHNOLOGY

A number of significant technology projects are slated for the next two years, including new stormwater asset management software in Public Works; replacement of our permit system in Planning and Development Services; and modernizing case management systems for the Prosecuting Attorney's Office, Juvenile Court and District Court Probation.

DISTRICT COURT AND DISTRICT COURT PROBATION

District Court has been given the resources necessary to implement a number of new services enhancing public access. These enhancements include a “phone call court hearing reminder program” for defendants, credit and debit cards acceptance at the front counter, and staffing to stay open during the lunch hour. In addition, the Court has expanded the use of community service as a method for defendants to pay off court ordered fines and fees.

The Probation Department of District Court is in the process of customizing a computerized case management database that will eventually replace the current program they have used for the last 25 years, allowing for more efficient and accurate collection of supervision information. In addition, the program will allow the department to deliver improved remote supervision services to municipal courts and defendants in the county. Finally, implementation of Mental Health Court has enlarged the scope of Probation’s Behavioral Health Unit.

PARKS DEPARTMENT

The Parks Department is currently planning for the future design and use of the Lake Whatcom re-conveyance lands. This department has a comprehensive schedule of capital improvement projects for consideration to maintain the quality of our parks in the future.

PLANNING AND DEVELOPMENT SERVICES

The Whatcom County Comprehensive Plan amendments are on track for finalization by June 30, 2016 as required by the Growth Management Act. The Critical Areas Ordinance update is also proceeding within the time frame for a June 2016 adoption deadline. A new Code Enforcement Ordinance is being drafted for review by Council that consolidates land use, critical areas (excluding shorelines) and life safety codes.

Our priority to establish LEAN processes takes the form this year of improvement of the commercial permit process. This initiative involves Public Works, Health and Planning and Development Services departments assessing all aspects of commercial permitting. Also, the Natural Resources staff is reaching out to stakeholders to seek ideas on how to improve their work flow.

PUBLIC WORKS

Our Public Works Department will once again be on an aggressive maintenance program directed at preserving the condition of our County's road system. Crews will chip seal some 80 miles of pavement, service many of our 160 bridges, and manage numerous drainage issues. Delivering this work brings operational challenges such as integrating new stormwater quality practices into our basic maintenance services. I am especially proud to report that our crews are working diligently to assure compliance with state stormwater permit requirements.

Of particular interest for 2016 will be commencing the berm and pedestrian facility along Birch Bay Drive. This facility will restore a long section of beach to its natural condition, protect road and community infrastructure from recurring storm damage, and enhance the safety of walkers and bicyclists along the beach front. This project has been over 20 years in the making and is possible largely because of the dedication of the Birch Bay community.

We are in the full implementation phase of the Lake Whatcom Management Plan adopted by the Council in 2015, and I'm pleased with the work being completed. I compliment the staff in making this plan a reality. I'm committed to continuing our pledge of funding in the next years as we work to maintain and improve the water quality in the lake. To that end, new stormwater facilities will be constructed in Geneva's Cedar Hills neighborhood and in the Agate Bay area of Lake Whatcom. These projects have garnered over \$1.6M of financial support from our state partners, which has allowed us to expand them beyond what could be done with local funding alone.

Also on the topic of water, Public Works along with other County Departments and local water resource partners, will deliver the Coordinated Water System Plan update to Council for public hearing and approval. This is a multi-year effort to align the future needs of our 300 or so municipal water systems.

SHERIFF'S OFFICE

To reduce risks and liabilities associated with overcrowding and unreliable infrastructure, measures were implemented to reduce and maintain a lower jail population. Available space has been prioritized to meet the County's statutory responsibilities. Cities and tribes are using both our County jail and other jails to keep jail capacity within reasonable limits.

The Sheriff's office is now fully staffed. Deputies were trained on behavioral health de-escalation, crisis intervention, and active shooter response. All Sheriff's Office policies/procedures are being reviewed, updated and converted to an electronic and searchable format.

Preparation for the multi-state/multi-national "Cascadia Rising" exercise (June 7-10th), simulating a catastrophic earthquake and tsunami, is underway. The exercise will train and test government in coordinated approaches to major disasters; the continuity of government operations; and coordination with critical segments of the private sector.

FUTURE CHALLENGES INCLUDE:

Whatcom County has three critical funding challenges before us:

- The funding needed for a new jail including the capital funding necessary to keep our existing jail safe and operational until a replacement is complete;
- The Emergency Medical Services fund reserves are very low requiring a voter-approved property tax increase to support the service, or the County will need to backfill the shortfall with General Fund revenue; and
- We are faced with the reality of the deteriorating Courthouse exterior that has been neglected for too many years exponentially adding to the cost of the required repairs.

Couple these three challenges with the renovations at the Civic, State, and Girard buildings, a new Sheriff's Office, and the desire for a new or expanded mental health triage center-- we need \$175M dollars to accomplish the capital projects and approximately \$1.4M per year to keep EMS operating at the current level of service.

For resolution of the Jail and EMS challenges, voter approval is necessary. Without voter support, we need to protect our cash reserves to pay for the operation and maintenance of our existing jail, and for the ongoing obligation of supporting EMS. Therefore, it is imperative to engage the community for their support in resolving these issues so that we may move confidently forward with our plans to resolve the other infrastructure challenges and opportunities before us.

The jail presents the biggest infrastructure and fiscal challenge, therefore the business decision I would make is to solve it first. I ask the council to consider the following:

- Support the work of the Incarceration Prevention Task Force, our Health Care providers and our Criminal Justice professionals including the Judges, Sheriff,

Prosecutor and Public Defenders in their efforts to reduce recidivism and incarceration. Their work will pay dividends in the future, by postponing or eliminating the need for future jail expansion.

- Re-commit to the location of the new jail, validating the \$7.4M expense we have incurred studying, buying, designing and permitting for the new jail on the LaBounty Rd. site in Ferndale;
- Re-commit to building a right-sized jail commensurate with the financial contribution of our potential partners. Work with me, the Sheriff, and our partner jurisdictions to renegotiate an equitable capital cost distribution and operations agreement. We can moderately reduce the number of jail beds to a mutually accepted size with our partner jurisdictions;
- Commit to a maintenance plan for the courthouse exterior, postponing the inevitable replacement until after a new jail is complete;
- Postpone the EMS Levy opportunity until new jail funding is fully resolved. The EMS proposal that will be made available for your consideration is well-designed and professionally prepared by many members of our community, and I am very thankful for their work. Their work product will stand the test of time, and will be easily validated and updated when the time is appropriate to ask for voter support of it. I am committed to fully funding EMS at its current level of service until we solve the jail issue;
- Place the .02% sales tax increase proposal for the new jail on the ballot in 2016 for voter consideration.

The race against cost escalation over time is our constant companion. Our \$175M challenge of today will be well over \$200M in the year 2020 based on historical cost increases if we do not act. Waiting until fall of 2017 to present voters the opportunity to support the jail will cost us up to \$10M in cost escalation, \$10M in additional interest payments, and potentially many more millions in repairs of our existing facility. This is exponentially more than what it will take us to support the ongoing EMS system for an additional \$1.4M per year in the short term.

I am committed to moving these issues forward for resolution, and I'm asking for the Council's concurrence of my plan of action by passing the resolution authorizing the ballot measure for this year. The need for the project and its cost will not magically lessen nor disappear, our responsibility to solve it will not wane, and the decision to act will never be universally accepted. Regardless, you have the support of this action by

the majority of the mayors in the County and the County Administration, and I encourage you to seize the opportunity to lead our community in solving it.

FINANCIAL STATUS:

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. It is likely I will recommend using some of the fund balance to address the jail infrastructure repair issues we face in the next biennial budget.

Other than the direction and resolution of 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.

SUMMARY:

In summary, we have made progress on some very large initiatives. That work will continue. We have some very serious business to attend to in the next years that our community expects us, as leaders, to accomplish. Working together, we can make it happen. Our superb staff is busy and engaged, along with committed community members on all of our boards and commissions. I appreciate the council's commitment and direction as we work together to build an excellent quality of life for everyone in Whatcom County.

Thank you for allowing me to present the State of the County to you this evening.

Jack Louws,
County Executive

Presented to Council at their regular evening meeting, April 5, 2016