

State of the County 2021
COUNCIL MEETING, APRIL 6

Good evening Whatcom County Council, County residents, County employees and other elected officials. This is my first address on the State of the County, and I am pleased to share that the State of the County is strong.

In January 2020, I started my term as Whatcom County Executive, ready to take up the challenges of our common interest and lead County employees and our citizens towards a better future. What a year 2020 was! I think we are all glad that it is over, and we expect a better 2021, with schools, businesses, and restaurants open and a return to some normalcy in our personal and professional lives. At the same time, I can assure you that many changes brought about in our daily routines by COVID-19 are here to stay. The pandemic dramatically accelerated many processes, catapulting the world about 10 years ahead in many respects.

We all remember the Super Bowl floods in Nooksack and Sumas in February 2020, and then the global pandemic followed immediately in March. A little over a year ago, I declared a local emergency to stand up Whatcom Unified Command, as schools, businesses, and offices were shut down. Then life came to a virtual standstill.

In the closing days of the year, we saw a major disaster averted, when the crude oil train derailed in Custer. A timely and well-executed response by local emergency responders saved the day. Their professionalism and courage are commendable.

Today optimism is in the air. We can start breathing a little easier as vaccines are being administered. Nearly one in three residents of our county have initiated the vaccination process and one in five have completed it. Restaurants and cafes are again serving customers, and schools are returning to in-person instruction. Our County departments are planning steps to open our offices and safely provide public access.

However, a word of caution is needed. We are not out of the woods yet. An ounce of prevention will go a long way toward achieving our goal of a healthy community and thriving economy.

I would like to offer my sincere thanks to County Council for shepherding County policy and supporting my Administration and County employees during this pandemic.

Faced with an unprecedented challenge, Whatcom County Government rallied, demonstrating its resourcefulness and resilience. Despite the obstacles, we succeeded in maintaining a good level of service for our citizens across many departments. We have accomplished many things on many fronts, and we are now focusing our attention on areas where progress has lagged. As you know my major focus

areas are: affordable housing, water for fish and farms, the Child and Family action plan, racial inequity, capital projects, and securing state and federal resources for County priorities.

Let me share some highlights of County operations in 2020. The detailed accomplishments of each department are enclosed for your reading as the full document of State of the County 2021 and will be posted on the County website.

COVID-19 Response, Health Department and Whatcom Unified Command

The County Administration and Council reacted quickly to the pandemic. This included restricting access to our facilities, creating work-at-home options for employees where possible, and instituting other safety precautions. Every department, every manager and every elected official did their best to ensure that we keep our employees safe. And it worked. We have seen only a small number of incidents related to our staff.

Whatcom County Sheriff's Emergency Management Department stood up Whatcom Unified Command and coordinated the COVID-19 response, learning and adapting as the pandemic unfolded. The Sheriff's deputies, EMS, firefighters and other first responders deserve recognition for their heroic service.

The County Health Department under the new leadership of Erika Lautenbach was immediately faced with the COVID-19 response. Staff was augmented and volunteers joined the effort to support Unified Command. Thirty-nine new staff members and 383 general volunteers helped with COVID-19 response.

Focused teams, including healthcare, business, education, and isolation/quarantine, were created with tailored expertise to help organizations navigate through the unprecedented situation. This extraordinary effort included 49 Case and Contact Investigators, who completed 5,529 case interviews and 8,708 contact interviews. Two fixed sites for testing and a mobile unit were put into operation.

An Employer Support Task Force brought employers, non-profits, and businesses together to problem-solve how to operate under Washington State's guidance for safe reopening. The ongoing campaign, Safer, Stronger, Together, continues to support local businesses now.

In addition, \$450,000 in rental and mortgage assistance was provided to over 150 households using CARES Act funding, and contracts totaling \$500,000 were executed with housing and behavioral health providers. A collaborative -- the Community Vaccination Center was created -- in partnership with private healthcare partners, a local pharmacy, BTC, and WCC. Launched on March 6, the clinic has administered more than 2000 doses and is ready to vaccinate 4,400 people each week. As of last week, 63,000 residents have received first dose and 38,000 have been fully vaccinated.

Information Technology

Whatcom County's Information Technology Department played a pivotal role in our response to COVID-19 in 2020 and it continues to provide a backbone for our operations in 2021. Without the timely

response from the IT department, the pandemic would have totally overwhelmed our ability to provide services, county operations and continuance of government in a coherent manner.

The IT department immediately sprang into action to implement remote access to the County government by deploying new digital technologies to maintain government services. It facilitated the remote work opportunities for our employees, transitioned County Council meetings to Zoom, and created physically distanced communications opportunities for all departments and our interaction with the public and partner organizations.

The IT department provided crucial support to the Auditor's office for the Presidential election, installing new servers, self-service kiosks, election security measures and cameras to live-stream the ballot counting process.

Whatcom County Emergency Medical Services

The Whatcom County Emergency Medical Services system was quick to respond to the increased demand for services. There were more than 25,000 responses in 2020. EMS kept first responders safe, and the EMS team leaders quickly mobilized to create response plans, safety guides and worst-case scenarios for system overload. EMS continues to support various components of the COVID response.

Human Resources Department

Our Human Resources Department was able to respond to the pandemic in a timely and equitable manner. Our HR team ramped up employee communications and staffed Emergency Operations with people from County departments, several city departments, and private companies. Recognizing the economic uncertainty and need for fiscal prudence, they implemented a hiring freeze and furloughs and reached agreements with all labor groups to forego cost of living increases. Thanks to these actions, we were able to avoid layoffs and keep our teams intact, which was very important to me.

Parks and Recreation Department

Our Parks and Recreation Department was able to keep our parks and trails open throughout the year. Although COVID-19 restrictions and closures impacted campgrounds, picnic shelters, historical museums, border crossings and events, the department overall saw an additional 341,000 visitors for a 22% increase in use over the same period as the previous year, and a year-end total of over 1,546,000 visitors. With the physical buildings closed, the Parks staff continued to maintain outreach to residents by newsletter, phone and online classes and activities.

Auditor, Assessor and Treasurer's offices

In 2020, the pandemic created some unique challenges for the Auditor, Assessor and Treasurer's offices. They were forced to develop new strategies to continue providing customer service while keeping our

staff and the public safe. The Auditor's office flawlessly handled record-breaking voter turnout – nearly 88%, processing 25,000 more ballots than the previous record.

All three offices were closed to walk-in customers, and scheduled appointments were required for the usual services in all these offices. In the Auditor's office, the number of recorded documents increased to 63,080 documents, up 47% from 2019; and electronic recording increased to 75%, enabling staff to record documents while working from home. This was made possible again by deploying new equipment and technology.

The Assessor's office implemented an electronic delivery option for business and personal property listings and notices, while the new Parcel Viewer GIS interactive map was launched for public use. The Assessor's office also completed the revaluation of all property in the county; physically inspecting one sixth of the properties.

The Treasurer's office continued to maintain access to public services with the deployment of new technology and an appointment scheduling system that kept employees and the public safe. The Treasurer also took the step to postpone the property tax deadline for the first half payments, which created some breathing room for people whose lives were disrupted by the impacts of the Stay Home order.

Law and Justice

Like the rest of Whatcom County Government, Whatcom County Superior Court and District Court endured significant challenges during the past year related to the impact of the COVID pandemic. The courts were able to keep their doors open and provide services and access to justice despite having to rapidly adapt to the realities presented by the spread of the disease.

The County Prosecutor's office and Public Defender's office also immediately adjusted to the new reality and worked with the judges to follow the State Supreme Court guidelines and the State Department of Health protocols.

At the same time, it is important to recognize that the functioning capacity of the courts has been severely constrained, causing a significant backlog of unresolved cases. This impacts our entire justice system and the people it serves. It will require a special effort and resources to overcome this backlog and return to a properly functioning justice system.

Finance and Administrative Services

The Finance Department along with Administrative Services teams of Facilities, HR and IT deserve accolades for a job well done. With their dedication to the work on hand, almost twice the number of annual contracts and transactions were accomplished without additional staff. Despite the uncharted territory of handling additional pandemic-related expenses, threats of a financial downturn, business

closures, and high unemployment, they had a plan, adapted that plan as needed and ended up being quite successful.

As of December 31st, 2020:

- The General Fund Cash balance at year-end was \$14,904,554, which is higher than the original projections for the 2020 budget.
- The COVID 19 Fund, which started in March 2020 with a \$4 million loan from the EDI fund, is now close to \$12 million.
- Property tax revenues came in at 99% of budget.
- Sales tax revenue were at 96.5% of budget.

Our Facilities team oversaw the construction and completion of the new Crisis Stabilization Center. This \$13 million project more than doubled the number of beds available for detox and mental health stabilization in our county. The center is well-designed and staffed with professionals who can get the patients stabilized and ready to enter a longer-term and less intensive care environment. It's already changing the lives of our community members for the better.

I'd like to say a few words about CARES Act Funds and how we used them for the benefit of our community. First of all, the most significant achievement we attained was the high level of cooperation and collaboration between the County Administration, all seven cities of the county and the Regional Economic Partnership at the Port of Bellingham. All the efforts to manage and mitigate the impacts of this pandemic would not have been possible without this full cooperation across these jurisdictions. We owe a debt of gratitude to all the mayors. Each of them recognized the 'need of the time' and worked collaboratively to "do the right thing" for our community.

We pooled all the CARES ACT funding and planned together to deploy the funds for various programs through joint consultations. We received approximately \$26 million in CARES Act allocations for the County and all cities. The money was distributed as follows:

- Over \$10 million spent on Public Health Emergency Response (WCHD and WUC staffing, contact tracing, testing, Isolation/Quarantine, and current vaccination efforts)
- Almost \$12 million spent on Community programs as following:
 - Approximately \$5 million for small business support helping 420 businesses and providing financial support for the "Think Local First" campaign
 - \$2.6 million in rural school district support for technology, PPE, and other equipment
 - \$1 million to support over 30 local childcare facilities.
 - \$1 million for social services (behavioral health/human services),
 - \$650,000 in food security to support food banks in Bellingham, Blaine, Foothills, Salvation Army, Ferndale, Project Hope and Council on Aging with the acquisition of new equipment and refrigerated delivery trucks.
 - \$500,000 in housing assistance with direct support for rent and mortgage payments

- \$600,000 in homeless shelter for support toward Base Camp and temporary shelter at Bellingham High School
- Over \$500,000 for purchase of tiny homes for unsheltered people in our county

Whatcom County Health Department is currently using the remaining \$2.9 million of CARES Act funds for vaccination and COVID-19 testing efforts.

Whatcom County Council passed the 2021-22 Biennium budget with approximately 9% cuts from the 2020 budget. As we continue to see better than anticipated revenues and will have a significant injection of federal aid, I expect there will be reasons to revisit some of the austerity measures which were taken when drafting the budget.

In 2021, Whatcom County has received approximately \$17 million directly from the US Treasury for rental assistance, and we are working with our Housing agencies, including Opportunity Council to deploy these funds till 2024. Whatcom County agencies were also awarded \$8.5 million from the Washington State Housing Trust Fund for four affordable housing projects to build 170 homes:

- Lhaq'temish Foundation (Eagle Haven),
- Housing Authority of the City of Bellingham (Samish Commons Senior),
- Mercy Housing Northwest (Barkley Family Housing),
- Kulshan Community Land Trust (Telegraph Townhomes).

Just two weeks ago, the Whatcom County Council approved an ordinance under HB 1590 to fund affordable housing and behavioral health services. Together with the City of Bellingham's portion, this initiative will provide \$5,000,000 annually to be deployed in support of affordable housing in our community. This is the first time that all small cities will be able to bring forward affordable housing projects to leverage funds from State and Federal agencies.

We are in discussions with all mayors to expand Economic Development Investment funding to support infrastructure for private housing developments that would include a certain percentage for affordable housing. We are also working with the Regional Economic Partnership and mayors to reform the Comprehensive Economic Development Strategy (CEDS) List and review the EDI application process and policies for future projects.

American Rescue Plan Act for 2021 and Beyond

Everyone is talking about the American Rescue Act funds being allocated to Whatcom County and each of the city governments. It is expected the combined total of \$150 million is expected to be deployed to all Whatcom County governments, tribes, schools, WTA, childcare, and other entities. We are waiting for guidance from Treasury and anticipating close to \$45 million allocated to Whatcom County government over the next 3 years. We will use the lessons learned during this pandemic to deploy these funds in such a way as to have the greatest positive impact on our community.

Updates on other Executive Initiatives:

My administration will continue to work on the priorities laid out at the start of my term in January 2020. These include:

Water Settlement

We have continued dialogue with the Department of Ecology, Lummi Nation, Nooksack Tribe, Agriculture Water Board, and other caucuses from the Planning Unit to bring out the ideas for solving our water issues. I published a White Paper to guide future discussions. We are awaiting a decision from the Washington state legislature on the proposal presented by the Department of Ecology to move further on this subject.

Affordable Housing and Economic Development

Affordable housing is much more than just the housing crisis. It is intertwined with economic development and the future tax base for all local governments. Many local companies are finding it difficult to expand and hire new employees because of exorbitant housing costs. Also, potential new companies are weighing the cost of housing as a serious factor when deciding whether to set up business in Whatcom County. With all the industrial land we have available in Whatcom County, new companies are finding it difficult to find *ready-to-build* commercial industrial land, which is hampering our economic development efforts.

Affordable housing is a nationwide issue, as average wages have not kept up with average house prices. Half a million dollars for an average 3-bedroom home is not affordable or sustainable. My administration is working with all mayors to use EDI funds, 1406 Funds and, in the near future the 1590 fund, to support efforts to increase the inventory of affordable housing in our county.

I would like to emphasize that money alone is not a good answer to the affordable housing problem. We must reform our land use policies, increase the buildable lands, create countywide coherent land use policy, and reform the permitting systems to incentivize the new construction. I am proposing to develop a wetlands mitigation bank to alleviate many issues for new construction. I will be bringing a resolution to this effect to the County Council and seek your support for this initiative.

Child and Family Action Plan

This much needed community initiative was proposed by the Council in the 2021-22 biennium budget approval process. We all know that the first 1,000 days in the life of a newborn child are the most critical for better outcomes in later life. This action plan is being implemented as the Council recently appointed the Child and Family Task Force to establish the new structures and processes to elevate the well-being of all children and families as a county priority.

Racial Equity

A year ago, there were protests in the streets all across America, including right here in Whatcom County. The killings of people of color, some caught vividly on film, provoked outrage and disgust. In the wake of those events, a community listening series on racial inequity was organized by Bellingham Mayor Fleetwood and my office. One of the key takeaways of those discussions was the need for an organized process to promote diversity, equity, and inclusion. Formal discussions have already started to develop a countywide organization under the name of Racial Equity Commission or “Equity, Diversity, and Inclusion Commission” that could examine how we can make our community free from embedded prejudices and inequities and suggest steps local governments could take to rid ourselves of this legacy.

I appreciate that the County Council accepted my budget request to fund this effort over the next two years. After extensive collaborative work with concerned community members and the City of Bellingham, we now have a roadmap for the development of the commission, which will be a community-led process. I anticipate bringing an interlocal agreement forward for Council’s approval in the very near future.

Border Communities

Before I conclude, I would like to recognize the special sacrifices made by some of our community members. I want to commend the residents of Point Roberts for the resilience and patience they have shown during the Covid-19 pandemic. This unique community is going through tough challenges because of the closure of the Canadian Border and travel restrictions. I will continue to push our representatives at the federal level to find reasonable solutions to allow the border to open sooner rather than later for Point Roberts residents.

The border closure has caused untold hardship to many families both in Whatcom County and British Columbia. Canadian business investments, new enterprises and shoppers are an important part of Whatcom County’s economy. Even though commercial traffic has remained open, many small businesses in Sumas, Blaine and Lynden have been significantly impacted financially and socially during this year-long border closure. We hope the border restrictions may be relaxed this summer as more and more people receive vaccination in the coming months on both sides of the border. In particular, it would be wonderful if we could celebrate the Peace Arch Centennial in September with open arms and an open border!

My report would be incomplete without a message of gratitude to staff. I’d like to thank our engaged staff for their ongoing enthusiasm, intelligence and support through my first year as County Executive. I knew as a County Council member that the staff at Whatcom County were good – but now I know that more than ever, as I have learned what they do and have experienced the depth and breadth of their knowledge, which is invaluable to me. Our combined ability to work across offices and departments and problem solve and support each other has been vital. We learned a lot of lessons and we learned that we are truly a team with the culture that we are all in this together.

We are also blessed to have in our County many people who volunteer to be on boards and commissions that provide direct advice and assistance to us in County government. I applaud their public service; and it has been vital to me this first year as it will be on an ongoing basis to work with many, many citizens, engaged with local tribes, small city mayors, Mayor Fleetwood and all our external agency partners in the important work of achieving great things for our citizens.

Let me end as I began, with a note of optimism. I have found, in this first year of learning that the job is not without challenges and frustrations, but I remain positive about our collective future. I have learned a lot and spoken to countless groups, citizens and leaders this year and I will continue to do so. In connection with this, it is more important than ever to be a team, with County Council on the legislative side, to bring projects and plans to fruition and to move forward on our longer-term initiatives. We have a ferry to build, bridges to construct, policies to refresh and code changes to initiate. When I see agencies come together to solve an issue that impacts the lives of the underserved in our communities, I'm hopeful.

I am also hopeful that in the coming months we will see infection rates decline and vaccination rates increase to the point that we can welcome the public back into County offices and provide more in-person services, as soon as it is prudent to do so. We will win the battle against COVID, and we will also make significant progress on other fronts – housing affordability, community health, a more inclusive society and a more prosperous county. I will continue to focus on our goals for 2021 and beyond and am fully committed to that end with your support.

That concludes my report for this year. Thank you for this opportunity to speak with you and our citizens. Please know that anyone who wishes to contact me on any topic can always do so by contacting my office or sending me an email. Good evening.