

# About Whatcom County

This section provides a variety of information about our area and gives an overview of Whatcom County government structure, services and policies.



*Whatcom County, Washington*



## Whatcom County History

Long before it was discovered by Europeans, Whatcom County was home to Northwest Coast Indians: the Lummi, Nooksack, Samish and Semiahmoo. The area was claimed by the Spanish in 1775 and later by Russia, England, and the United States. Bellingham was named by Captain George Vancouver of the British Navy during his expedition into the waters of Puget Sound in 1792.

Fur trappers and traders were the first non-Indian residents to settle the area. Hudson's Bay Company set up shop in 1825. In the early 1850's, after the San Francisco fire, building materials were in heavy demand and lumber in California was scarce. Dense stands of Douglas fir brought California miners Henry Roeder and Russell Peabody to Bellingham Bay. An impressive, strategically located waterfall referred to by the Lummi Indians as "What-Coom," meaning "noisy, rumbling water," provided Roeder and Peabody an ideal lumber mill site and a name for the area's first permanent town, Whatcom. In 1854, rapid settlement prompted the territorial legislature to create the County of Whatcom, which at that time also encompassed all of present-day San Juan, Skagit and Island Counties.

Whatcom County experienced several dramatic economic ups and downs in its early years. When coal was discovered in 1853, another bay town, Sehome, sprang up by the mine shafts and Bellingham Bay Coal Company became the area's largest employer. Gold fever made a brief, though dramatic imprint on the county. In the summer of 1858, the Fraser River gold rush brought over 75,000 people through Whatcom County.



*A sunrise over Lake Whatcom.*

In 1873 Roeder and Peabody's lumber mill burned down. Five years later, after a number of cave-ins, fires and floods, the mine closed too. But speculators vying to host the Northern Pacific Railroad's west coast terminal brought the communities on Bellingham Bay renewed prosperity. Educational opportunities grew as well. Northwest Normal School, the predecessor to present day Western Washington University was established in Lynden in 1886. The northwest's first high school was built in Whatcom County in 1890. The county's boom ended in 1893. Unyielding mountains resulted in the loss of the transcontinental railroad terminal to Tacoma, Washington, and a national depression further pushed the local economy into hard times. Population on Bellingham Bay dropped to under 50.

Resilient as ever, by the turn of the twentieth century, Whatcom County was once again growing. New lumber and shingle mills, salmon canneries, shipyards, and agriculture brought new stability to the area. By 1903, all of the county's bayside towns, Whatcom, Sehome, New Whatcom and Fairhaven had consolidated into the present day county seat of Bellingham.

## About the Area

### Topography

Whatcom County is the northernmost county in the state of Washington. Whatcom County contains 2,119 square miles that border on British Columbia, Canada to the north, Okanogan County to the east, Skagit County to the south and the Strait of Georgia to the west. Much of the county is mountainous and part of National Forest and National Parks.

Fifty miles east of Bellingham lies the highest peak in the North Cascade mountain range, Mount Baker (10,778 feet), an ice-clad volcano.



Providing the state's longest ski season, the volume of snow and ice on Mount Baker is greater than that of all the other Cascade Mountain volcanoes combined, except Mount Rainier.

A deep-water port, Bellingham's Squalicum Harbor is the second largest harbor in Puget Sound.

Bellingham is located 90 miles north of Seattle and 23 miles south of the Canadian border. A trip to Point Roberts, the county's most northerly city, requires a crossing through Canada.



*Above: Peach Arch State Park, Blaine, Washington. Inscribed "Children of a Common Mother," the Peace Arch is a 67 foot jointly maintained structure on the US/Canadian Border. It was built in 1920 to commemorate the signing of two historic treaties between Great Britain and the United States that provided for the establishment of the world's longest undefended border.*

*Left: A view of Mount Shuksan (9,720 feet) from the Mount Baker Ski Area.*

*Below: Marina at Squalicum Harbor.*



About the Area continued

**Climate**

**Temperature Range**

|                      |                  |
|----------------------|------------------|
| Winter               | 30 to 50 degrees |
| Spring               | 40 to 67 degrees |
| Summer               | 48 to 75 degrees |
| Fall                 | 40 to 59 degrees |
| Annual Precipitation | 36 inches        |
| Annual Snowfall      | 8.60 inches      |

**Population (2008 estimated)**

|   |                   |
|---|-------------------|
| Whatcom County                          | 191,000           |
| Bellingham                              | 75,750            |
| Blaine                                  | 4,665             |
| Everson                                 | 2,170             |
| Ferndale                                | 10,800            |
| Lynden                                  | 11,350            |
| Nooksack                                | 1,090             |
| Sumas                                   | 1,264             |
| Population Density                      | 90.11 per sq mile |
| Median age                              | 35.45 years old   |
| Median household income (2007)          | \$53,572          |
| Median housing cost                     | \$280,000         |
| Avg mo. apartment rent (2 bdrm, unfurn) | \$654             |

**Cost of Living Index (Standard)**

|                             |         |
|-----------------------------|---------|
| Housing                     | 125.00% |
| Transportation              | 106.00% |
| Utilities                   | 109.00% |
| Service/Misc.               | 123.00% |
| Goods/Services              | 114.00% |
| Grocery Items               | 112.00% |
| Total Index vs U.S. average | 114.5%  |

**Reported Index Crimes (2007)**

|                     |     |
|---------------------|-----|
| Arson               | 55  |
| Robberies           | 81  |
| Rapes               | 87  |
| Homicides           | 2   |
| Aggravated Assaults | 269 |

|                      |       |
|----------------------|-------|
| Motor Vehicle Thefts | 436   |
| Burglary             | 1,498 |
| Theft                | 6,232 |

**Health Care**

|                            |         |
|----------------------------|---------|
| Hospitals                  | 1       |
| Physicians                 | 270     |
| Citizen to Physician Ratio | 555.6/1 |

**Economy/Employment**

|                          |      |
|--------------------------|------|
| Unemployment Rate (2008) | 5.5% |
|--------------------------|------|

**Top Ten Employers**

|                               |       |
|-------------------------------|-------|
| St. Joseph Hospital           | 2,376 |
| Western Washington University | 2,186 |
| Matrix Service Inc.           | 1,430 |
| Bellingham School District    | 1,338 |
| Haggen, Inc.                  | 965   |
| Whatcom County                | 930   |
| City of Bellingham            | 852   |
| BP (Cherry Point Refinery)    | 805   |
| Lummi Indian Business Council | 800   |
| Sodexo Services               | 700   |

**Taxation**

There is no state income tax in Washington State.

|                 |             |
|-----------------|-------------|
| State Sales Tax | 6.5%        |
| Local Sales Tax | 1.9 to 2%   |
| Total Sales Tax | 8.4 to 8.5% |

**Higher Education**

**Whatcom Community College** - Part of the state's community college system, serving an average of 6,750 students per quarter.

**Bellingham Technical College** - One of five technical colleges in Washington State, serving approximately 4,300 students.

**Western Washington University** - One of six state-funded, four-year institutions in Washington State, serving over 12,000 students.

## Whatcom County Government



*Photograph by Tore Ofness*

*The  
Whatcom  
County  
Courthouse,  
311 Grand  
Avenue,  
Bellingham,  
Washington.*

### Home Rule Governs Whatcom County

**T**here are thirty-nine counties in Washington. By virtue of its “Home Rule Charter” adopted in 1978, Whatcom County is one of only six counties in the state that have a “county constitution.” This constitution or “charter” gives control of county affairs to the people of the county rather than the state legislature.

As a charter county, there are two primary factors that distinguish us from non-charter counties. First, there is a separation between legislative and administrative functions. This is

accomplished through an elected nonpartisan seven-member, part-time county council (legislative) and a full-time elected county executive (administrative). The second factor is the right of initiative and referendum provided to county citizens by the charter. The county charter defines duties and responsibilities of the branches, elected officials and departments.

You can obtain a copy of the Whatcom County Home Rule Charter from the Whatcom County Executive’s Office or the Whatcom County Council Office.

## Strategic Planning

The Whatcom County Charter, Section 1.51 requires that the executive and legislative branches “engage in long-term strategic planning to establish organizational structure, priorities and performance measurement.” In Whatcom County, “strategic planning” is an ongoing process. Strategic planning goals include the following policies:

- Conduct the public’s business in a customer-focused, user-friendly, helpful and effective manner.
- Be accountable and efficient in the services provided to citizens.
- Improve public awareness and understanding of the roles and services of county government.
- Identify and fund essential and other appropriate county government services.
- Support a work environment that values productive employees and encourages progressive personnel practices and employee skill development.
- Work in partnership with cities, tribes, special districts, other governmental entities, agencies, citizens, businesses and other stake holders to jointly facilitate the most effective and efficient governance and means of delivering services.

Previous strategic planning sessions have produced the following vision and mission statements.

### Whatcom County’s Vision Statement

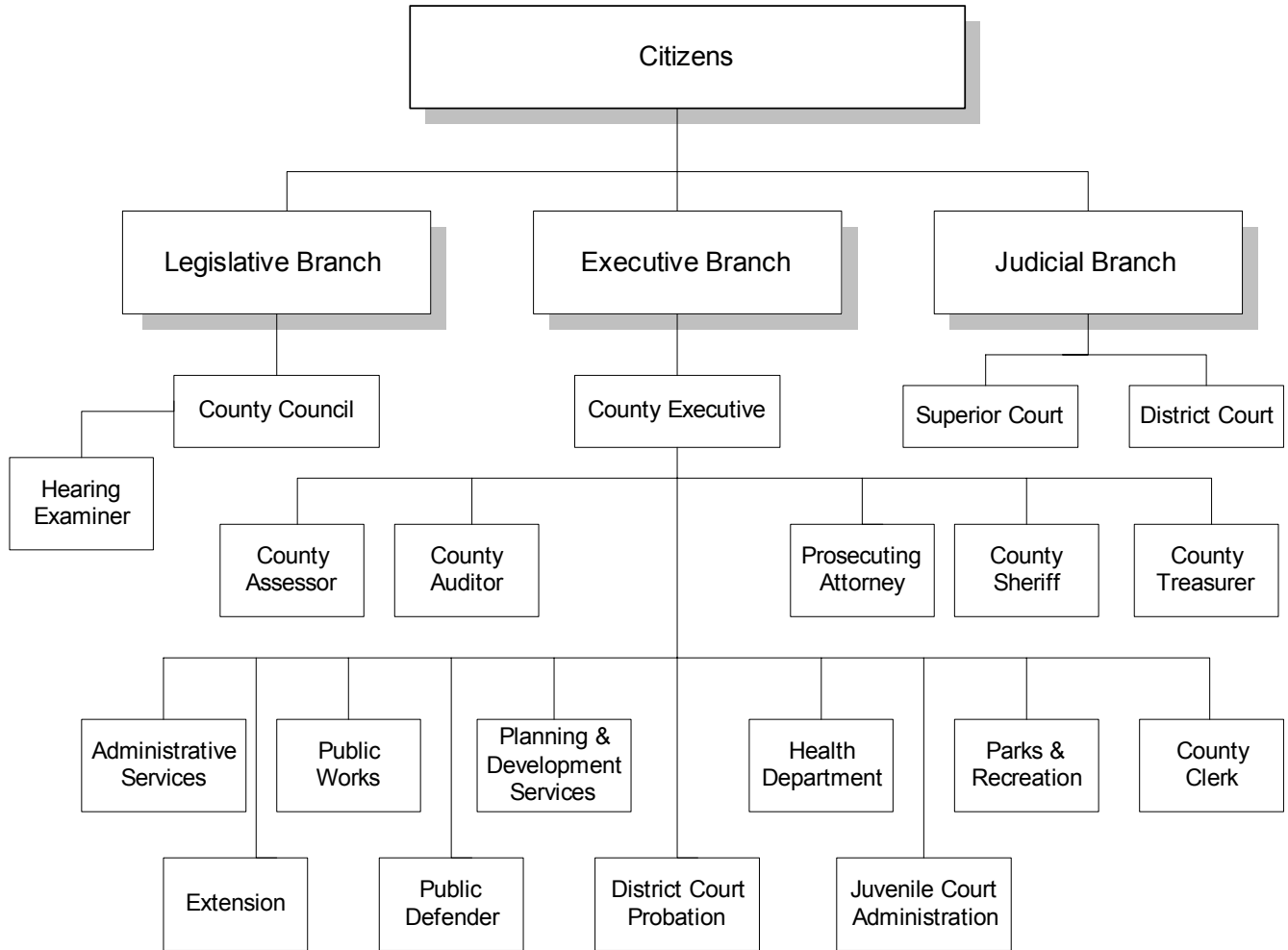
*Whatcom County is envisioned as a place where people are able to enjoy an abundant, safe and healthy life. It is a place rich in natural beauty and renewable resources that provide plentiful recreation, life style and economic opportunities. A vibrant economy and diverse community resources provide family wage jobs, affordable housing and exceptional social and educational opportunities. Public services are responsive, transportation is convenient, regulations are user-friendly and justice is prompt and fair. It is a community where citizens and their government work together to preserve the rights of the individual while protecting the essential natural environment in which they live.*

### Whatcom County’s Mission Statement

*Whatcom County government will promote, enrich and enhance the freedoms, opportunities, health and safety of its citizens. We will provide essential and desirable public services in a cost effective and accountable manner. We will conduct the public’s business and treat all members of our diverse community in a courteous and professional manner. We will provide vision, leadership and responsiveness while addressing community issues and conducting the business of the people. We will encourage community involvement in public issues while protecting the rights of the individual and encouraging respect for diversity. We will serve as an active catalyst for individuals and other entities to participate in achieving a positive future for Whatcom County.*

# Whatcom County Government

## Organizational Structure



## Whatcom County Government Departments

**C**ounty government provides an enormous variety of services to its citizens. There are nineteen county departments that provide or support the delivery of these services. Lists of department services are located in Volume 2, at the end of each department's section. The following is a brief description of county departments.

### **Administrative Services**

Administrative Services is an internal service department that provides a variety of support services, such as maintenance and custodial service, accounting, payroll, employee benefits, and information systems support to county departments and agencies. Divisions of Administrative Services are Administration, Facilities Management, Finance, Human Resources, and Information Technology.

### **Assessor**

An elected official, the County Assessor determines property values (real and personal), calculates levy rates and certifies tax rolls to the Treasurer. The Assessor's Office maintains inventory, description, ownership, sales and mapping for all real property parcels in Whatcom County. This office also administers and provides information regarding tax exemptions, such as senior citizen/disabled persons, open space, forest land, et cetera.

### **Auditor**

An elected official, the County Auditor provides voter registration, conducts elections, records land documents, issues marriage licenses, motor vehicle and vessel licenses. This office also performs an internal audit function for the organization.

### **County Clerk**

The County Clerk serves as the clerk for Superior Court administering the office, systems, and accounts for records, custody, delivery of records, and exhibits for this court of record for the State of Washington. The Superior Court handles cases involving adult felonies, all juvenile offenses, divorce, child custody, support matters, probate, guardianships, adoptions, property claims in excess of \$50,000, paternity actions, mental incompetency, and abused or neglected children. The County Clerk may also supervise court-related specialty programs.

### **County Council**

The legislative branch of Whatcom County government, the County Council comprises seven elected part-time council members. The council meets regularly on every other Tuesday evening and enacts ordinances and resolutions, sets the county budgets, creates policies and hears appeals. Check the library, newspaper, county website ([www.co.whatcom.wa.us](http://www.co.whatcom.wa.us)) or the council office for schedules and agendas.

### **District Court**

With two elected judges and one appointed commissioner, District Court processes Sheriff, State Patrol, some City of Bellingham, Department of Fisheries, State Park and WWU traffic citations. It also handles small claims, civil claims, name changes and protection orders (as referred by Superior Court).

### **District Court Probation**

This department provides adult probation services for offenders charged with misdemeanors in the District Court and some municipal courts that contract with the county. This office does not

## Whatcom County Government Departments continued

supervise offenders convicted of felonies in the Superior Court (these are handled by the state probation office).

**Executive**

An elected official, the County Executive manages the day-to-day functions of administrative departments. The Executive is responsible for quarterly and annual revenue estimation and tracking, recommends the county's budget to the County Council, and monitors all departments' expenditures to ensure budget compliance. The Executive appoints members to boards and commissions, responds to citizen concerns, complaints and requests, and represents the county at local, regional, state and federal levels. The Executive is also responsible for managing all "non-departmental" services that the county provides.

**Extension**

In cooperation with Whatcom County, this department is an extension of Washington State University. It provides information and education in the following areas (as well as others): agriculture and natural resources, food safety, community resources, pesticides, farm building and facilities plans, parenting, budgeting and money management, bee safety, nutrition and home horticulture.

**Health Department**

The Health Department provides a variety of services to the public: restaurant permits and inspections, food worker health permits, investigation of food-borne illness, solid waste and sewage permits, water quality reviews, animal to human disease investigations, communicable disease screening, treatment,

investigation, immunizations, vital records (birth and death certificates, etc.), personal health services, services to the developmentally disabled and their families, mental health treatment coordination, chemical dependency treatment coordination, and substance abuse prevention.

**Juvenile Court Administration**

Through the Juvenile Court, Detention Center and a number of special programs, this department provides services to assist young offenders with personal and/or environmental problems which get them into trouble with law. The Juvenile Detention Facility is located on the 6th floor of the courthouse. (Visiting hours are limited. Call for schedule.)

**Parks and Recreation**

Whatcom County Parks and Recreation operates eight senior centers, seven developed parks, a rifle range, an outdoor recreation program, and serves as a tourist information center.

**Planning and Development Services**

Composed of three divisions and Administration, including Building Services (processes and issues building and development permits, plan reviews, performs life/safety inspections; includes Fire Marshal's Office), Natural Resources (reviews permits for compliance with county code and development standards, staff are tasked with protection of shorelines, critical areas, and watersheds), Planning (includes Current Planning which processes immediate project development proposals, Long Range Planning addresses comprehensive plans, growth management, rezones and code amendments), and Administration (includes Code Enforcement and GIS functions).

## Whatcom County Government Departments continued

### **Prosecuting Attorney**

An elected official, the Prosecuting Attorney prosecutes criminal acts within the county, provides legal advice and legal services to county officials and staff, and represents and defends the county. The Prosecuting Attorney's Office also provides assistance to victims of crime, sexual abuse and domestic violence.

### **Public Defender**

The Public Defender's Office provides constitutionally mandated indigent legal defense for: felony, misdemeanor and probation violation charges against adults and juveniles in Whatcom County Superior and District Courts; parents in juvenile dependency matters; involuntary mental and alcohol commitments.

### **Public Works Department**

The largest of Whatcom County departments, Public Works' primary objective is to maintain the integrity of the Whatcom County road system in an efficient, cost effective manner that provides safe travel for the public. In addition, Public Works provides year-round ferry service to Lummi Island, flood control, solid waste management, noxious weed control, natural resource and stormwater management for the county.

### **Sheriff**

An elected official, the County Sheriff is responsible for law enforcement in the unincorporated areas of Whatcom County. The sheriff also has several countywide responsibilities (serving both the cities and unincorporated areas), including operating the county jail and coordinating professional and volunteer search & rescue efforts.

The Sheriff's Emergency Management Division provides community education in disaster mitigation and preparedness, and plans for and coordinates disaster response and recovery efforts.

### **Superior Court**

Whatcom County's three Superior Court judges and three full time and two part time court commissioners hear all cases involving: adult felonies, all juvenile offenses, divorce, child custody, support matters, probate, guardianships, adoptions, property claims in excess of \$50,000, paternity actions, mental incompetency, and abused or neglected children. The Superior Court Administrator oversees judicial operations and may also supervise related specialty programs.

### **Treasurer**

An elected official, the County Treasurer collects taxes, reports, invests and manages all monies and debt for Whatcom County and all other junior and special purpose districts. This office provides banking services to the organization; forecloses on property for delinquent taxes; maintains an inventory of county-owned property; conducts property sales.

## Creating the County Budget

The Home Rule Charter sets out the requirements for the presentation, adoption and the control of Whatcom County's budget (Article 6 - Financial Administration). Pursuant to Article 6.05 - Budget Cycle, Whatcom County elected to prepare a biennial budget. Whatcom County has elected to adopt its biennial budget as two one-year appropriations. According to section 6.10 - Presentation and Adoption of Budgets, "At least seventy-five (75) days prior to the end of each budget cycle, the County Executive shall present to the County Council a complete budget and budget message, proposed current expense and capital budget appropriation ordinances, and proposed tax and revenue ordinances necessary to raise sufficient revenues to balance the budget; and at least thirty (30) days prior to the end of the budget cycle, the Council shall adopt appropriation, tax and revenue ordinances for the next budget cycle."

Charter section 6.30 - Contents of Budget states, "The expenditures included in the budget for the ensuing budget cycle shall not exceed the estimated revenues (including unrestricted fund balance)." The county charter also outlines requirements for control, consideration and adoption of the budget. Specific requirements are located in sections 6.20 through 6.73.

In June of even years, the County Council convenes a "budget retreat" where members formulate objectives for the coming biennium. With input from the County Executive's Office, staff and department managers, the council creates written "budget development guidelines."

These guidelines are an essential part of the administration's "budget instructions," released to all departments at the end of June.

In August and early September, the Executive's Office and administrative financial staff meet with department directors. Each department's budget request, as well as requests for additional resources or funding, are reviewed and prioritized.

The Executive's Office and financial staff then develop a proposed budget. As required by the county charter, the administration delivers copies of an "Executive's Recommended Budget" to all members of the County Council and the County Auditor in mid-October. The County Council's finance committee holds hearings and work sessions to discuss the Executive's proposed budget with the administration and department directors.

In November, the committee evaluates the budget and makes recommendations and revisions, then forwards these to the full council for a public hearing. The council adopts a final budget through passage of an ordinance. This ordinance establishes both appropriation limits and permanent staffing levels for the upcoming biennium. The administration publishes the completed budget document in February of odd numbered years.

Creating the County Budget continued

**Capital Planning**

The Washington State Growth Management Act requires Whatcom County’s Comprehensive Plan to include a “capital facilities plan element.” Whatcom County Planning and Development Services, with input from the administration, prepares the Six-Year Capital Improvement Program (CIP). This document is updated biannually, and reviewed and adopted by the County Council. The condensed copy of the CIP, as well as the definition of capital facilities, is included in the Capital Planning section of this budget.

The CIP includes capital improvements and construction projects which are anticipated to be funded over the next six years. Separate capital facilities project funds are established to account for specific financing sources created or set aside to fund major capital projects. The primary operating impact for major capital projects is debt service payments for bonds or other types of debt issued to fund the improvement. When other operating impacts, such as personnel and facilities costs, can reasonably be estimated, that information is also presented.

**Biennial Budget Timeline**

Whatcom County’s biennial budget is prepared in even years, according to the following schedule:

|                                     |   |
|-------------------------------------|---|
| June, 2008 .....                    | Budget Planning (Retreat)               |
| June 30 .....                       | Release of Budget Instructions          |
| August 7 .....                      | Dept budget requests due                |
| Mid-August thru Mid-September ..... |   |
| .....                               | Dept Heads meet with Executive’s Office |
| October 17 .....                    | Executive’s Budget delivered to Council |
| Oct 17 thru Nov 12 .....            | Council Finance Committee Hearings      |
| November 25 .....                   | Council adopts budget                   |
| February 28, 2009 .....             | Final Budget Document Publication       |
| October 21, 2009 .....              | Mid-biennium Review                     |

**Budget Document Serves Several Purposes**

The budget document provides a summary of the financial plan for county operations for the biennium beginning January 1, 2009 and ending December 31, 2010. This document shows revenue sources and how they will be spent. It also contains goals, objectives, and performance or activity measures of departments and programs. Additionally, the budget document serves as a reference guide for the county’s financial policies, fund structure, organizational structure and contains a directory of county services.

**Amending the Budget During the Biennium**

Appropriation and staffing levels can be amended during the course of the biennium through the “supplemental budget” process. This is a mechanism that provides careful review by the Executive’s office and County Council, allowing additional funds or staffing needs to be addressed as new or unanticipated circumstances arise.

The Executive’s office and Administrative Services Finance Division review the department supplemental budget requests and, where possible, work with department heads to find alternate solutions that do not require increased appropriation. On a monthly basis or as necessary, the administration prepares a supplemental budget ordinance and forwards it to the County Council for consideration.

Because staffing levels are specifically authorized in the annual budget ordinance, proposed changes to the county’s “authorized positions” require supplemental budget ordinance amendment. If adopted by the council, budget appropriation (and/or staffing) are amended accordingly.

## Creating the County Budget continued

Half way through the biennium, the administration will review the previous year's expenses and revenues, and develop supplemental budget recommendations to the County Council.

### Project Budgets

Whatcom County implemented project budgeting in 2006. Project budgets are limited to capital appropriations. Project budgets may be adopted by project phase or for the entire project. Once adopted, project budgets continue until the project is complete, abandoned, or until no expenditures have been made for three years.

### Continuing Appropriations into Next Year

Because Whatcom County adopts its biennial budget as two one-year appropriations, budget authority lapses at the end of each year. Some circumstances may make it necessary to carry over appropriations into the new year (such as contracts in progress and project budgets). Continued appropriation is accomplished through departmental request and administrative approval. Departments have until mid-January to request continuation of the prior year's appropriation on certain expenditures. The Executive reviews and makes a determination on qualifying requests.

### Reporting Quarterly Financial Information

An important management tool, quarterly financial reports are provided to the County Council by administration on February 15, May 15, August 15 and November 15. These reports provide comparative data, amended projections and other vital financial information for all general fund activity.

Quarterly financial reports are available to the public at the offices of the County Executive and the County Council and on the Whatcom County website at [www.co.whatcom.wa.us](http://www.co.whatcom.wa.us).

## Financial Management Policies

The overall goal of the county's financial management policies is to establish and maintain effective management of its financial resources. Formal policy statements and major objectives provide the foundation for achieving this goal. Accordingly, this section outlines the policies used in guiding the preparation and management of the county's overall budget and the major objectives to be accomplished. In addition, the rationale which led to the establishment of the fiscal policy statements is also identified (in italics).

### Biennial Budget Preparation

A complete biennial budget will be prepared for all funds and capital budget expended by the county. The biennial budget process will include a mid-biennium review and modification.

*Home Rule Charter Section 6.30 provides that "the budget shall include all funds, revenues and reserves; shall be divided into categories, projects, and objects of expense." Home Rule Charter Section 6.05 provides for a biennial budget cycle with a mid-biennium review. Biennial budgeting provides an opportunity to streamline government services by providing for better long range and strategic planning, long-term program planning and development, and more efficient use of staff time in increasing budget efficiency.*

### Budget Document

The budget will be prepared in such a manner as to facilitate its understanding by citizens and elected officials.

*One of the stated purposes of the budget is to present a picture of the county government operations and intentions for the biennium to the citizens of Whatcom County. Presenting a budget document that is understandable to the citizens furthers the goal of effectively communicating local government finance issues to both elected officials and to the public.*

### Budget Copies

Copies of the proposed budget will be made available to citizens and elected officials from the time the budget message is delivered.

*Home Rule Charter Section 6.50 provides that "Copies of the budget and budget message shall be delivered to the County Auditor and each council member. The budget message and supporting tables shall be furnished to any interested person upon request for a reasonable fee as established by ordinance and shall be available for public inspection from the time the budget message is delivered." Providing the public with copies of the proposed budget enables citizens to become better informed on the issues facing the council and the administration during the budget hearings.*

### Service Levels

Budgetary emphasis will focus on providing those basic county services which provide the maximum level of services, to the most citizens, in the most cost effective manner, with due consideration being given to all costs — economic, fiscal and social.

*Adherence to this basic philosophy provides the citizens of Whatcom County assurance that its government and elected officials are responsive to the basic needs of the citizens and that its government is operated in an economical and efficient manner.*

### Capital, Plant and Equipment Maintenance or Replacement

The budget will provide for adequate maintenance of capital, plant, and equipment and for their orderly replacement.

*All governments experience prosperous times as well as periods of economic decline. In periods of economic decline, proper maintenance and replacement of capital, plant, and equipment is generally postponed or eliminated as a first means of balancing the budget. Recognition of*

## Financial Management Policies continued

*the need for adequate maintenance and replacement of capital, plant, and equipment, regardless of the economic conditions, will assist in maintaining the government's equipment and infrastructure in good operating condition.*

### Budgetary Practices

The county will avoid budgetary practices that balance current expenditures at the expense of meeting future years' expenses.

*Budgetary practices such as postponing capital expenditures, accruing future years' revenue, or rolling over short-term debt are budgetary practices which can solve short-term financial problems, however, they can create much larger financial problems for future administrations and councils. Avoidance of these budgetary practices will assure citizens that current problems are not simply being delayed to a future year.*

### One-time Revenues

The county will give highest priority in the use of one-time revenues to the funding of capital assets or other onetime expenditures.

*Utilizing one-time revenues to fund ongoing expenditures results in incurring annual expenditure obligations which may be unfunded in future years. Using one-time revenues to fund capital assets or other nonrecurring expenditures better enables future administrations and councils to cope with the financial problems when these revenue sources are discontinued, since these types of expenditures can more easily be eliminated.*

### Budgetary Control System

The county will maintain a budgetary control system to help adhere to the established budget.

*The budget passed by the council establishes the legal spending limits for the county. A budgetary control system is essential in order to ensure legal compliance with the county's budget.*

### Appropriation Authority

The county will exercise budgetary control (maximum spending authority) through county council approval of appropriation authority for each appropriated budget unit. See budget ordinance and its attached list of authorized positions.

*Exercising budgetary control for each budget unit satisfies the Home Rule Charter Section 6.41 - Budget Control. It also assists the council in monitoring current year operations and acts as an early warning mechanism when departments deviate in any substantive way from the original budget.*

### Quarterly Financial Reports

Reports comparing actual revenues and expenditures to budgeted amounts will be prepared within six weeks following the end of each quarterly period during the fiscal year. If in the Council's opinion, the fee revenue is falling short of budget projections, the Council may ask the County Executive to bring forward budget adjustments to address potential shortfalls.

*The county's budget is ineffective without a system to regularly monitor actual spending and revenue collections with those anticipated at the beginning of the year. Quarterly reports comparing actual revenues and expenditures to budget amounts provide the mechanism for the council and the administration to regularly monitor compliance with the adopted budget. This also satisfies the Home Rule Charter Section 6.41 - Budget Control.*

### Position Control

Authorized personnel positions cannot be increased during the year except by approval of the county council. Temporary positions may be assigned additional hours subject to the availability of funds and the consent of the county executive, but shall not be considered a

## Financial Management Policies continued

permanent change in authorized levels. The monies allocated to salaries and wages, personnel benefits and capital outlay can be transferred only with prior approval of the county executive.

*Pursuant to the Home Rule Charter Section 6.60 - Consideration and Adoption of the Budget.*

### Position Vacancies

Appropriation authority for any budgeted personnel position that becomes vacant during the year shall continue unless the council by motion identifies the position as one in need of review. No appropriated funds may be expended for regular staffing except for those positions specifically identified in the budget ordinance.

*Pursuant to Home Rule Charter Sections 6.41 - Budget Control and 6.60 - Consideration & Adoption of the Budget.*

### Transfers Between Funds

Except as provided in the adopted budget, monies shall not be transferred between funds without county council approval.

*This is pursuant to the Home Rule Charter Sections 6.41 - Budget Control and 6.60 - Consideration and Adoption of the Budget.*

### Rainy Day Reserve Fund

\$1,000,000 of the adopted Undesignated Ending Fund Balance shall be maintained in a Rainy Day Reserve Account, and such monies shall only be appropriated upon a two-thirds affirmative vote of the entire County Council. In administering this Rainy Day Reserve Fund:

- The County Treasurer shall be empowered to use the Rainy Day Reserve Fund to manage the cash flow needs of all county funds by making short-term loans (less than six months) without interest, and without the need to get council/executive permissions.

- Longer term loans (more than six months) can be made to other funds, but only with council approval.
- Any investment income earned as a result of the Rainy Day Reserve Fund shall be credited to general fund general revenues.

*This is pursuant to the Home Rule Charter Sections 6.41 - Budget Control and 6.60 - Consideration and Adoption of the Budget.*

### Maintaining a Minimum Fund Balance

The Executive will only propose budgets, or budget revisions, that result in an ending fund balance of at least 10% of the projected General Fund's budgeted expenditures.

The administration may utilize fund balance in excess of this limitation to:

- a) Fund one-time capital purchases and one-time program expenditures.
- b) Make provision for supplemental budgets.
- c) Maintain prior-year service levels in the proposed new budget.

### Restricted Funds

It shall be the policy of Whatcom County that all restricted and dedicated money shall be expended first in support of the operations of the fund. Any money remaining unspent shall be considered unused general fund subsidies previously provided to the fund and available for transfer back to undesignated general fund equity accounts. If it can be conclusively established that any portion of the remaining money resulted from unexpended dedicated amounts, then such amounts shall be placed in a reserved equity account and only expended for activities allowed under the law for the activity so involved.

## Financial Management Policies continued

*This is pursuant to the Home Rule Charter Sections 6.41 - Budget Control and 6.60 - Consideration and Adoption of the Budget.*

### State Surcharges on Fines

It shall be the policy of Whatcom County to levy the state's surcharge on all fines, in addition to all the fines set by District Court, rather than deducting the surcharge from the county's share of such fines.

*This is pursuant to the RCW 46.63.110(3).*

### Senior Services Programs

Any monies appropriated for senior services programs within the Parks and Recreation Fund budget may not be transferred to any other activity or program.

*This is pursuant to the Home Rule Charter Sections 6.41 - Budget Control and 6.60 - Consideration and Adoption of the Budget.*

### Veteran's Relief Fund

The administrators of the Veteran's Relief Fund shall be allotted no more than 8.33% of the total non-capital appropriations each month during the year. Any unencumbered appropriation authority of less than the 8.33% allotment may be carried forward and expended in subsequent months.

*This is pursuant to the Home Rule Charter Sections 6.41 - Budget Control and 6.60 - Consideration and Adoption of the Budget.*

### Bids on Construction Work

Except as the County Council may specifically authorize by exception, all construction work funded for which the estimated cost is over \$25,000 shall be bid out to private contractors.

*This is pursuant to the Whatcom County Code Chapter 3.08, and applicable state laws.*

### Continuing Appropriations

Whatcom County shall close its books and allow no further county fund transactions on the previous year, 20 days after the end of the fiscal year. Following that deadline, outstanding obligations of \$500 or more may be paid through continuing appropriation in the following fiscal year, if approved by the County Executive. All unexpended continuing appropriation authority carried over from the previous fiscal year shall lapse by the following December 31.

*This is pursuant to the Whatcom County Code, Chapter 3.02.050 Budgeting - Continuing Appropriations.*

### Ferry Funding

User fees for the Lummi Island ferry shall be annually evaluated and set to recover 55% of projected annual costs of ferry operation.

### Health Department Administrative Costs

Within the Health Department, no transfer or allocation of administrative costs from administrative programs to other program areas shall occur without review and approval of the County Council.

## Basis of Accounting and Budgeting

**B**asis of accounting and budgeting refers to revenues and expenditures, related assets and liabilities that are recognized in the accounts and reported in the financial statements.

Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All county funds, except *proprietary* funds (internal and enterprise funds), are budgeted and accounted for during the year on the modified accrual basis of accounting in accordance with Washington State statute and generally accepted accounting principles.

Proprietary funds are accounted for on a normal accrual basis, in accordance with Washington State statute for mandated budget and accounting reporting systems. Proprietary funds use a modified accrual system for budget tracking purposes. The governmental funds are presented in the financial statements on this same basis.

Under the modified accrual basis, revenues are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period. Major revenues that are determined to be susceptible to accrual include intergovernmental revenues and interest. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include ad valorem taxes, licenses, permits and fines and forfeitures.

Expenditures are recognized in the accounting period in which a fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, which are recognized when due. Encumbrances are recognized during the year, but outstanding encumbrances at the end of the year do not constitute expenditures and are either charged to an appropriation in the following year or the contractual commitment is cancelled.

## Whatcom County Fund Structure

**A**s a means of tracking and accounting for money, the operations of the county are divided into *funds*. The easiest way for most people to think about funds is to compare them to bank accounts. Money comes into a fund from a variety of sources and is then used to provide services to the public. Within funds are departments (i.e., Administrative Services, Public Works Department) and within departments are *cost centers*.

Each of these accounting units facilitates the tracking of costs and effectiveness of services provided to the public. Within cost centers are accounts or line-items. These are the basic units of measurement in the budget and make it possible to determine costs of specific programs. The budget document does not provide a line-item level of financial detail. Instead, it groups like items in an easy-to-read summary form. Line item detail is available in the county's computerized financial software system (JD Edwards).

As with a personal bank account, funds have to take in at least as much money as they spend and by law, the budget for funds must be balanced. What this means is that a governmental unit cannot plan to spend more than it will take in. Whatcom County's largest fund is the "General Fund." Most county services are accounted for in this fund and it is where most revenues are received.

Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The following are the county's fund types and definitions.

### General Fund

Also known as "Current Expense," the General Fund is used to account for resources of Whatcom County which are not required to be accounted for in other funds. Both revenues and expenditures are budgeted in compliance with procedures established in Article 6 of the Whatcom County Home Rule Charter and the Whatcom County Code. The modified accrual basis of accounting is applied.

### Special Revenue Funds

Special Revenue Funds are established in Whatcom County pursuant to state statutes or local ordinances in order to segregate resources which are designated to be used for specified purposes. Both revenues and expenditures are budgeted in compliance with procedures established in Article 6 of the Whatcom County Home Rule Charter. The modified accrual basis of accounting is applied. Following is a list of all special revenue funds included in this budget:

#### County Road

A fund to finance the design, construction, and maintenance of county roads.

#### Election Reserve

A fund to finance elections and election equipment.

#### Solid Waste Management

A fund to account for the provision of solid waste services to the residents of Whatcom County.

#### Veterans' Relief

A fund to finance emergency financial assistance to veterans and their survivors.

## Whatcom County Fund Structure continued

**Whatcom County Jail**

A fund created to collect one-tenth of one percent sales and use tax for the purpose of funding detention facility operations, maintenance, and capital projects.

**REET Electronic Technology**

A fund used to develop, implement, and maintain an electronic processing and reporting system for real estate excise tax (REET) affidavits.

**Countywide Emergency Medical Services**

A fund created to collect one-tenth of one percent sales and use tax for the purpose of funding emergency medical services and criminal justice.

**Whatcom County Trial Court Improvement**

A fund established to collect funding from the state to fund improvements to superior and district court staffing, programs, facilities, or services.

**Whatcom County Convention Center**

A fund used to promote tourism and overnight visits.

**Victim Witness Assistance**

A fund established to administer victim witness programs. The fund is financed by court ordered fines on domestic assault cases.

**Community Development**

A fund to finance and account for delayed payment loans to low and moderate-income single-family homeowners. The fund was originally established through a Federal Community Development Block Grant.

**County Drug Fund**

Money from asset seizures in drug cases is placed into this fund by court order and is used to fight the battle against drugs in Whatcom County.

**Auditor's Operation and Maintenance**

A fund created with a state-mandated surcharge on all instruments recorded by the County Auditor. Expenditures from this fund shall be used for installation and maintenance of an improved system for copying, reserving, and indexing documents recorded in the county.

**Emergency Management**

A fund created to carry out federal and state mandated programs to prepare the community (emergency services' systems and the public) to respond to emergency disasters beyond the capacity of regular emergency services.

**Flood Control Zone District**

A fund created to implement and oversee the river improvement program and flood hazard management program for the county.

**Lynden/Everson Sub Zone**

A fund created as a division of the countywide flood control fund to address flood management in the Lynden/Everson area.

**Sumas/Nooksack/Everson Sub Zone**

A fund created as a division of the countywide flood control fund to address flood management in the Sumas/Nooksack/Everson area.

**Acme/Van Zandt Sub Zone**

A fund created as a division of the countywide flood control fund to address flood management in the Acme/Van Zandt area.

## Whatcom County Fund Structure continued

### **Samish Watershed Sub Zone**

A fund created as a division of the countywide flood control fund to maintain and regulate the Lake Samish outlet control structure.

### **Point Roberts Transportation Benefit District**

A fund created to address the transportation needs of the Point Roberts area.

### **Conservation Futures**

Monies from this fund come from a real property tax levy applied to all taxable real property within Whatcom County. This fund may be used to acquire rights and interests in open space land, farm and agriculture land, and timber land with the goal of conserving property for public use or enjoyment.

### **County Road Improvement District #1**

A fund financed by special assessments to account for maintenance and operation of the Birch Bay Lighting District.

### **County Road Improvement District #2**

A fund financed by special assessments to account for operation and maintenance of the Cliffside Drive Lighting District.

### **County Road Improvement District #7**

Assessment fund to account for operation and maintenance of the Emerald Lake Lighting District.

### **Low Income Housing Projects**

A fund created to collect an additional recording fee (per document) that provides funding for local low income housing projects.

### **Homeless Housing**

A fund created to collect an additional recording fee (per document) that provides funding for the county's homeless housing plan. Also accounts for homeless housing projects funded by state grants.

### **Stormwater Fund**

Newly established to explore the option of creating a stormwater utility and to implement National Pollution Discharge Elimination System (NPDES II) requirements. The fund is currently being funded by transfers from the Flood Control Zone District.

### **Chemical Dependency/Mental Health Fund**

A fund created to account for one-tenth of one percent sales tax for the purpose of providing new or expanded chemical dependency or mental health treatment services and for the operation of new or expanded therapeutic court programs.

### **LEOFF I Healthcare Fund**

A fund created to account for post-retirement healthcare benefits for law enforcement retirees qualifying under the LEOFF I retirement system.

## Whatcom County Fund Structure continued

### Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and payment of, general long-term debt principal, assessment debt, interest and related costs. The county appropriates current year expenditures and anticipated revenue. The modified accrual basis of accounting is applied.

#### **1997 Limited Tax G.O. & Refunding Bond**

A fund to account for the redemption of bonds that were issued to pay off an interfund loan for the courthouse remodel and refinance the majority of the 1991 bond issue.

#### **1998 Limited Tax G.O. Bond Fund**

A fund to account for the redemption of bonds that were issued to pay off an interfund loan used to purchase the civic center building.

#### **2003 Limited Tax G.O. & Refunding Bond**

A fund to account for the redemption of bonds that were issued to refinance the majority of the outstanding bonds from the 1993 bond issue.

### Capital Projects Funds

Capital Projects Funds are established in Whatcom County to account for financial resources to be used for the acquisition or construction of major capital facilities. Both revenues and expenditures are budgeted in compliance with procedures established in RCW 36.40. The modified accrual basis of accounting is applied.

#### **Real Estate Excise Tax I (REET I)**

A fund to account for the .25 percent excise tax on the sale of real property in the unincorporated portion of Whatcom County. Proceeds of the tax may only be used to fund capital projects pursuant to the county's approved capital improvement plan.

#### **Real Estate Excise Tax II (REET II)**

A fund to account for an additional .25 percent excise tax on the sale of real property in the unincorporated portion of Whatcom County. Proceeds of this fund are restricted to public works projects including planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

#### **County Parks Improvement Fund**

A fund established to account for voter approved levies for repair, replacement, improvements, and maintenance of existing facilities and equipment for parks, recreation equipment, and senior centers.

#### **Public Utilities Improvement Fund**

A fund to account for a .09 percent sales or use tax to be used to finance public facilities serving economic development purposes. This is not an additional tax; it is deducted from the amount of tax otherwise required to be collected by the state department of revenue.

## Whatcom County Fund Structure continued

### Enterprise Funds

#### Ferry System

A fund established to account for the Lummi Island Ferry Operations.

### Internal Service Funds

Internal Service Funds are established to account for the financing of goods or services provided by one department to other departments of Whatcom County, or to other governments on a cost reimbursement basis. The accrual basis of accounting is used in the following funds.

#### Equipment Rental and Revolving

A fund to finance the maintenance and operation of vehicles and equipment used by the Public Works Department and other departments. This fund also maintains an inventory of road construction materials for the county.

#### Administrative Services Fund

A fund to provide county departments and activities with internal administrative services, such as accounting, human resources, building maintenance, courthouse security, and information technology.

### Other Funds

In addition to the funds listed above, the Whatcom County Comprehensive Annual Financial Report contains financial information for several Agency Funds. Junior taxing districts, assets, and liabilities are accounted for in these Agency Funds (e.g. Water Districts, Fire Districts, etc.). The Agency Funds are not appropriated by the Whatcom County Council and therefore are not included in this document. There are also inactive funds with immaterial fund balances and in the process of being closed; these funds are not presented in this document.

### Fund Closures

During the 2009-2010 biennium, Whatcom County will be closing the following inactive funds:

- Lake Management District No. 1 (replaced by Samish Watershed SubZone)
- County Road Improvement District Guaranty
- C.R.I.D. #9 General Debt (paid off)
- L.R.I.D. #10 General Debt (paid off)
- 1977 Fair GO Bond (paid off)
- 1978 Ltd Tax GO Bond (paid off)
- Sewer Improvement District 1
- R.I.D. #5
- R.I.D. #6
- 1983 Sewer Construction Fund
- C.E.R.B. Fund
- Whatcom County Supplemental Retirement Fund

