



MAYOR'S OFFICE
Kelli Linville, Mayor
City Hall, 210 Lottie Street
Bellingham, WA 98225
Telephone (360) 778-8100
Fax (360) 778-8101

TO: Bellingham City Council and the Bellingham Community

FROM: Mayor Kelli Linville

DATE: October 8, 2012

RE: Preliminary 2013 and 2014 Budgets

Overview

I present to you my preliminary 2013 and 2014 budgets. These budgets reflect how we, as a City, provide the best services possible in a challenging fiscal environment. We will continue over the next year to clarify the priorities and services that City government is uniquely positioned to provide. The decisions and directions outlined in the preliminary 2013 and 2014 budgets were not made in a vacuum. These budget decisions were informed by the Council-adopted Legacies and Strategic Commitments, Adopted Financial Guidelines, and recommendations of the Capital Facilities Task Force (In the: [Council Legacies and Other Guidelines Section](#)) and the guiding principles the Department Heads and I crafted within the first months of my administration. The guiding principles are to:

1. Provide essential community services
2. Pay as we go
3. Practice due diligence
4. Meet targeted financial reserves
5. Follow the rules or change them
6. Align resources to achieve City goals
7. Fix it first
8. Show pride in our work
9. Value our employees
10. Make choices based on info and data
11. Require transparency & accountability

I was given clear direction from Council in crafting the budget. First, Council adopted a biennial budget goal. I strongly encouraged this direction and have provided a preliminary 2014 Budget as well.

Further, Council provided direction to balance our City General Fund budget, having no more than a \$400,000 deficit in 2013 and a zero deficit in 2014. I am pleased to meet that request by presenting a 2013 General Fund budget consisting of \$67 million in revenues and \$67.4 million of expenses. The resulting \$393,000 deficit is completely balanced in my 2014 General Fund budget of \$68.3 million in revenues and expenses.

We reached these targets through dedication and teamwork, and I am proud of City staff and the Department Head team for the hard work they have invested to reach the Council's and City's goals.

I also tasked Department Heads to prioritize their work plans by what was required by (1) federal or state law, (2) Bellingham Municipal Code, and (3) current practice. Federal or state law cannot be changed by the City. Municipal Code can be changed and in order to adopt the proposed budget I am presenting to you today, some City ordinances will be presented to Council for modification. Current practice activities have greater flexibility in how we deliver City services. In most cases, these activities aren't required by law. This prioritization allowed staff to better direct limited resources, both financial and staff, to the most essential areas. The proposed preliminary budget reflects this prioritization.

I would like to thank staff, the Finance Director, the Department Heads, and the Budget Manager for their efforts in making the preliminary budgets possible. Their dedication and commitment is greatly appreciated. Finally, I'd like to thank the City Council for providing clear guidelines for developing the budgets. I look forward to continuing to work with you in the coming weeks as we adopt the 2013 budget and review the 2014 budget recommendations.

2013 Highlights

I am proposing several initiatives in the 2013 budget that will allow us to accomplish significant service goals. I made a commitment to prioritizing the most immediate needs of the City. I propose:

- Maintaining sufficient workforce levels
- Updating the existing Comprehensive Plan
- Submitting a waterfront development plan
- Funding environmental clean-up liabilities
- Updating our aging critical information technology needs
- Funding a capital facility maintenance plan
- Implementing a unified Lake Whatcom Management plan

2014 Highlights

The Council direction to adopt a biennial budget is a considerable opportunity for our City. It will allow staff the flexibility of having a full year to adopt measures that have potentially far-reaching impacts on the budget and City services. For example, having all City employees on the same health insurance plan would save the City a significant amount of money, while still ensuring access to high quality, affordable health care. Additionally, I am directing staff to research and put forward proposals that will adjust the amount of City subsidy currently going to programs or facilities such as the cemetery, pool, daycare program, parking, and other areas. These efforts could save City resources while still maintaining services. Finally, on-going work on the comprehensive plan update, a Council-identified priority, will help spur economic growth by providing regulatory certainty to the business community and advancing the vision for our City.

I will continue to work with staff, Council, and the public over the course of 2013 to structure a balanced 2014 budget, a policy decision adopted by Council that I strongly supported.

Conclusion

I have remained true to the Council's Legacies and Strategic Commitments, Adopted Financial Guidelines, and recommendations of the Capital Facilities Task Force, and to the guiding principles adopted by my administration. These are reflected in my proposed 2013 and 2014 budgets. I look forward to continuing this work with staff, Council, and the community in the coming weeks.

Sincerely,

A handwritten signature in blue ink that reads "Kelli Linville". The signature is fluid and cursive, with the first name "Kelli" written in a larger, more prominent script than the last name "Linville".

Mayor Kelli Linville