

# **Pierce County**

## **2006 Budget In Brief**

*This document is a “brief” look at the adopted 2006 Pierce County budget. We hope it will enhance your understanding of how the County is organized, the services it provides, and the funding sources used to provide those services. Our purpose is to deliver to the citizens of Pierce County the very highest quality of services as efficiently and economically as possible, making every dollar count. Thank you for the opportunity to serve you and to be able to make Pierce County government the best it can be.*

### **County Executive**

John Ladenburg

### **County Council**

Shawn Bunney

Calvin Goings

Roger Bush

Timothy Farrell

Barbara Gelman

Dick Muri

Terry Lee



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**Pierce County**

**Washington**

For the Fiscal Year Beginning

**January 1, 2005**

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Pierce County, Washington for its annual budget for the fiscal year beginning January 1, 2005. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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## General Information

- ◇ Pierce County was established in 1852 and became a Home Rule County by a vote of the people in 1981. The County is governed by an elected County Executive and seven elected Council Members. The Prosecutor, Assessor-Treasurer, Auditor, Superior Court Judges, and District Court Judges are also elected by the people.
- ◇ The County is located on scenic Puget Sound and covers 1,794 square miles (1,676 square miles of land and 118 square miles of water). Altitudes in the County range from seal level in the Tacoma metropolitan area to 14,411 feet at the top of Mount Rainier.
- ◇ The average daily temperature in the winter is 40°F and in the summer it's 70°F. Average rainfall is 39.9 inches, 75% of which fall between October and March.
- ◇ Pierce County boasts of 10 hospitals, 15 public school districts, a large number of private schools, two vocational technical colleges, two community colleges, and six four-year colleges or universities.
- ◇ The third largest army post in the United States, Fort Lewis, is located in the County as are McChord Air Force Base, Madigan Army Medical Center, and Camp Murray National Guard post. All together these military installations contribute over 42,000 military and civilian jobs to the local economy.

## Transportation

Pierce County is served by Sea-Tac Airport, 16 miles to the north, and the Tacoma Narrows Airport, between Gig Harbor and the City of Tacoma. There are also three general aviation airports. Interstates 5 and 705 run through the County as do numerous state highways. Pierce Transit provides excellent bus service extending from the state capital, Olympia, to the City of Seattle. Sound Transit, the regional transit authority, recently completed a light rail line that connects downtown Tacoma to a major transit hub near the Tacoma Dome. Two transcontinental railroad systems connect the County with the rest of the nation as do 30 interstate trucking companies.

## Economic Conditions

Pierce County continues to benefit from the economic recovery that began in the third quarter of 2002. A rebounding airline industry, activity and expansion at the Port of Tacoma, investment in public infrastructure (museums, convention center, Foss Waterway development, and light rail construction), and the stabilizing influence of a large federal workforce at the local military bases have fueled expansion. Accordingly, Pierce County continues to play a vital role in the regional economy. In explaining some of the advantages enjoyed by Pierce County, the State of Washington labor market and economic analysis stated "In Pierce County, those advantages include (1) a major port with the potential for future expansion, (2) relatively low property costs in rural areas, (3) available and competitively-priced office and commercial space, and (4) its situation as the geographic anchor for the central Puget Sound". Some specific sectors are highlighted in the following paragraphs.

## Manufacturing

Products manufactured in Pierce County include aerospace parts, chemicals, machinery, hardware, food products, and electronics. Among the major manufacturers are Intel (1,300 jobs), Milgard Glass (1,126), Boeing (958), and Simpson Tacoma Kraft wood products (464). Renewed strength of computer sales bodes well for continued expansion at Intel and, as orders for the 777 jetliner increase, Boeing will add capacity at their Frederickson site.

# Pierce County Facts

## Port Facilities

In describing the Port of Tacoma, the Economic Development Board of Pierce County says, "The Port of Tacoma has become one of the fastest growing ports in the United States. It is strategically located ... and offers efficient connections to sea, rail, highway, and air transportation networks. It enjoys strong international ties with nations on the Pacific Rim and around the world." In 2004, the Port began its largest ever capital improvement program, investing \$194 million in projects to increase capacity and expedite cargo movement.

The Port is already the sixth busiest container port in North America, and one of the 25 busiest in the world, and it plays an important part in the local economy. This deep-water port covers 2,400 acres and offers a combination of facilities and services including 34 deepwater berths, two million square feet of warehouse and office space, and 131 acres of industrial yard. One economic impact study showed that more the 28,000 jobs in Pierce County are related to the Port activities.

## Service/Government

One of the largest components of the service sector is health care. The largest employers include Multicare Medical Center (3,748), the Franciscan Health System (3,521), and Good Samaritan Hospital (1,610). In addition, DaVita, the nation's second largest provider of dialysis services, employs 688 people.

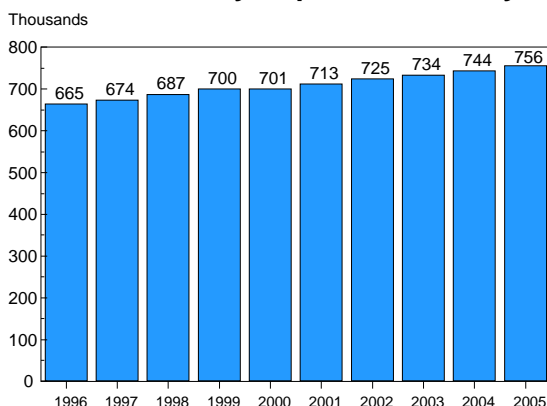
Fort Lewis Army Base and Madigan Army Medical Center occupy 86,000 acres in southwest Pierce County while the adjacent McChord Air Force Base sits on 5,000 acres. Together these facilities employ over 42,000 military and civilian personnel. Unlike many military installations across the country, Fort Lewis and McChord have expanded as people are transferred from closed facilities to the northwest. In addition, recent federal budgets have included significant pay raises for military members and money for major construction projects at both Fort Lewis and McChord.

Other government employment includes the local public school districts (12,467), the State of Washington (7857), the City of Tacoma (3,182), Pierce County (3,311), Washington State Higher Education (2,491) and the United States Postal Service (1,597).

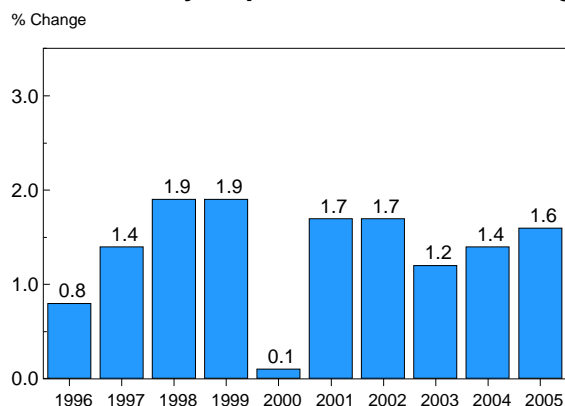
## Population

Pierce County is home to an estimated 755,900 people, making it the second largest county in the state. Its five largest cities are Tacoma (198,100), Lakewood (58,850), Puyallup (35,830), University Place (30,980), and Bonney Lake (14,370). As shown in the charts below, population growth has been steady, averaging about 1.5% per year over the last 10 years. The only notable exception was 2000 when the U.S. Census figures were used to establish the new population base.

**Pierce County Population History**



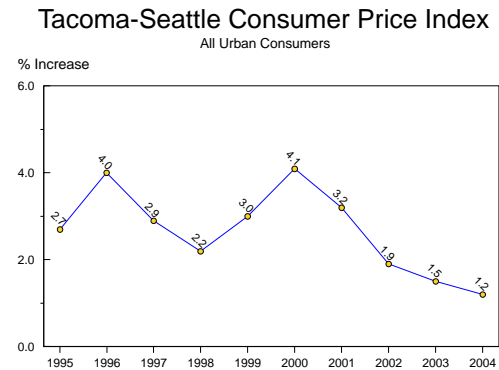
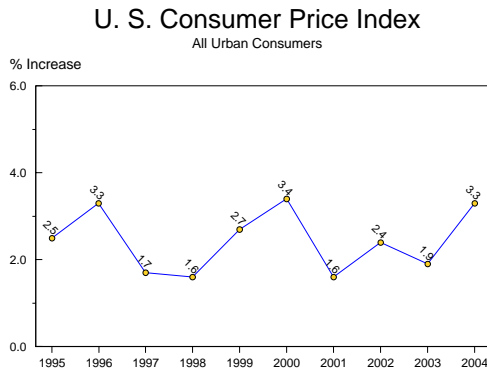
**Pierce County Population Percent Change**



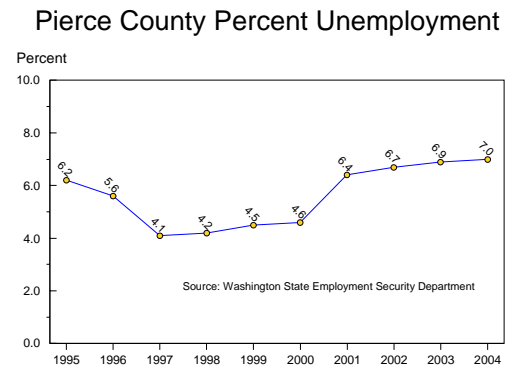
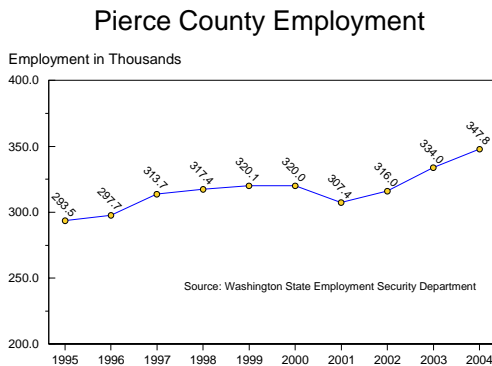
## Economic Indicators

The following indicators are key elements in the evaluation of current economic conditions and are useful when developing projections or economic forecasts:

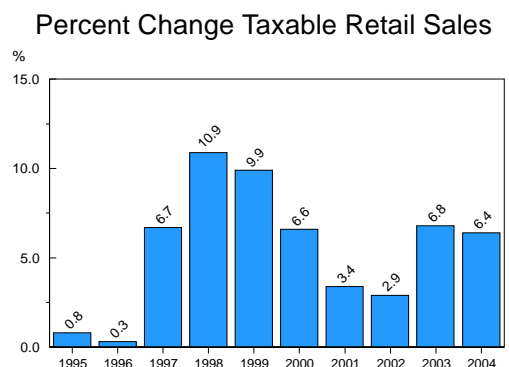
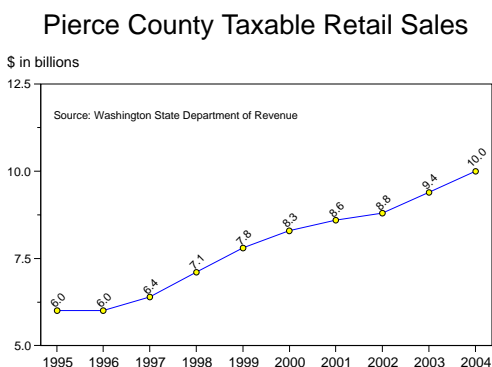
- ◇ **Inflation:** Inflation as measured by the Seattle-Tacoma-Everett Consumer Price Index for all urban consumers decreased from 1.5% in 2003 to 1.2% in 2004. During the same period, the U. S. average (CPI-U) increased from 1.9% in 2003 to 3.3%.



- ◇ **Employment:** Total employment increased to 347,800, while the rate of unemployment increased to 7.0%. Pierce County unemployment is higher than the statewide average of 6.2% and the U.S. average of 5.4%.



- ◇ **Taxable Retail Sales:** Taxable retail sales continued strong in 2004, increasing 6.4% compared to 2003. Based on current forecasts, we expect sales growth to continue in 2005 and 2006, albeit at a more moderate pace.

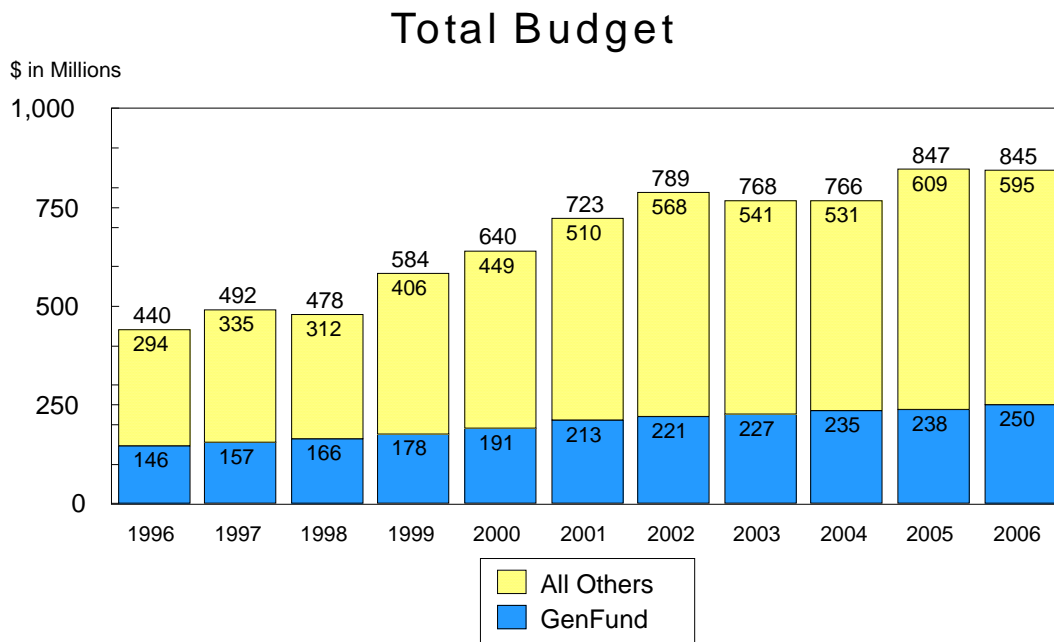


# Pierce County Facts

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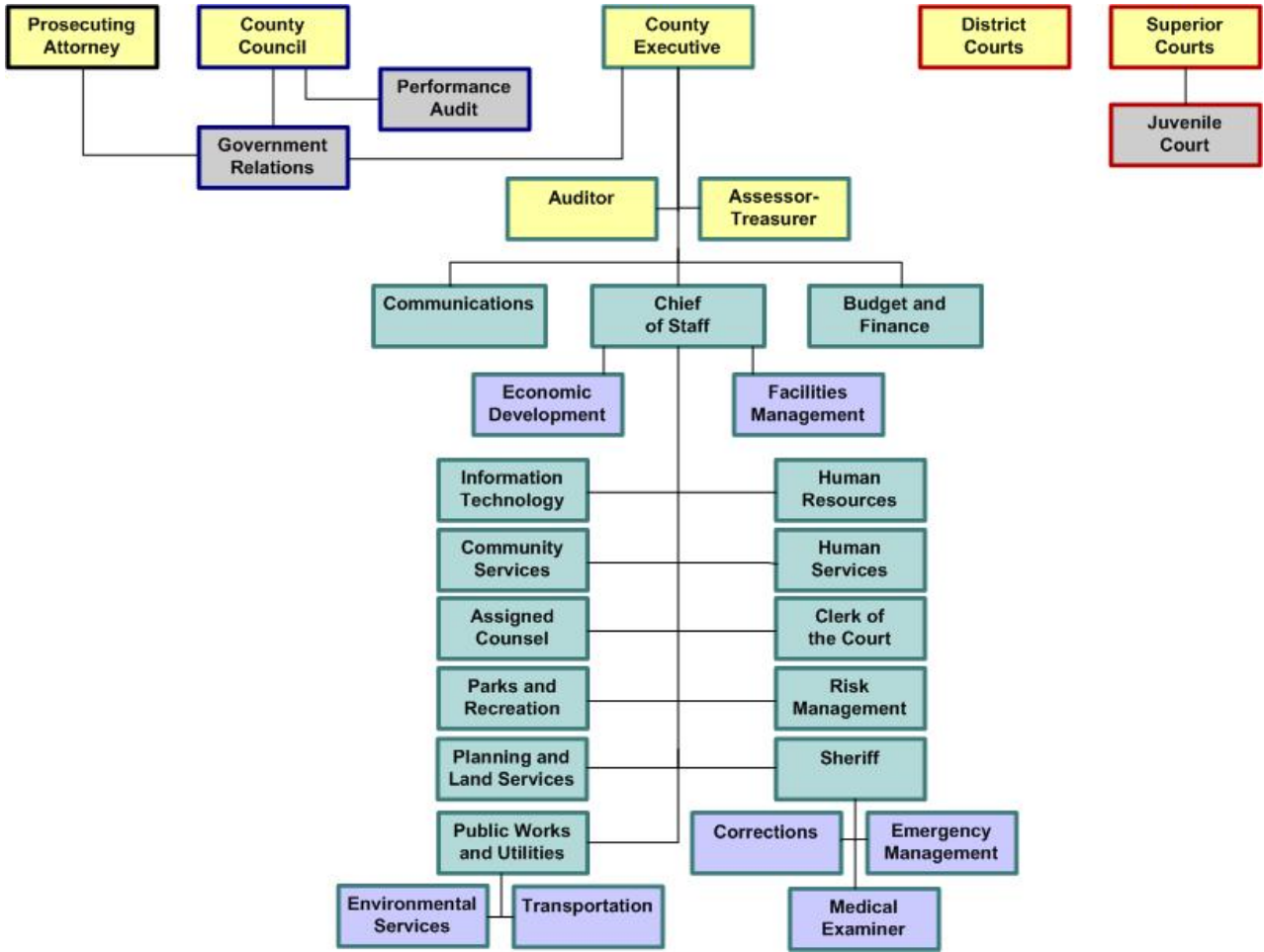
## Budget History

Pierce County's budget history over the past ten years for both the General Fund and the Total County are shown in this accompanying table. While the General Fund pattern shows a gradual upward trend, the Total Budget varies considerable from year to year, usually due to the level of major construction activity, the issuance of bonds (or bond refunding), and the initiation of major new service responsibilities.





# Organizational Overview



**2006 COUNTY COUNCIL**

Shawn Bunney	District 1
Calvin Goings	District 2
Roger Bush	District 3
Timothy Farrell	District 4
Barbara Gelman	District 5
Dick Muri	District 6
Terry Lee	District 7

**2006 DISTRICT COURT JUDGES**

James R. Heller.....	Presiding Judge
Karla E. Buttorff	
Franklin L. Dacca	
Judy Rae Jasprica	
David M. Kenworthy	
Pat O'Malley	
Jack F. Nevin	
Margaret Vail Ross	

**2006 SUPERIOR COURT JUDGES**

Stehanie Arend .....	Presiding Judge
Sergio Armijo	
Rosanne Buckner	
Bryan Chushcoff	
Ronald Culpepper	
Frank E. Cuthbertson	
Thomas J. Felnagle	
Frederick W. Fleming	
Beverly G. Grant	
John R. Hickman	
Vicki L. Hogan	
Thomas P. Larkin	
Linda CJ Lee	
John A. McCarthy	
Kathryn J. Nelson	
James Orlando	
Susan K. Serko	
D. Gary Steiner	
Katherine M. Stolz	
Brian Tollefson	
Kitty-Ann van Doorninck	
Lisa Worswick	

The Council is the policy setting body of the County and has all the powers of the County which are not otherwise reserved to the People, the Executive, and general law. The Council members are nominated and elected by the voters of seven districts in Pierce County. Legislative authority is exercised by the adoption and enactment of ordinances or resolutions.

The executive branch is comprised of the Executive and all executive departments established by the Charter or by ordinance. Executive departments include two elected positions (Assessor-Treasurer and Auditor) with the other department directors recommended by the Executive and approved by the Council.

According to the charter, all executive departments are subject to the personnel, budgeting, expenditure and any other policies of general application established by the Executive. Control of County finances is under the authority of the Executive and is delegated to the Department of Budget and Finance.

# Mission and Goals

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## Mission, Goals and Performance Measures

In 1993, the County began a process to redefine or clarify the mission and goals for Pierce County government. Based on input from department directors and employee focus groups, the Mission Statement and Goals were developed. Subsequent development resulted in a hierarchical pyramid which contains the following elements:

- 
- I. ***The Mission Statement***  
*"Pierce County government, in partnership with the citizens, will enhance the livability of our community through responsive services which address our current and future needs."*
- 

- II. **Executive Goals** (listed at the bottom of this page) guide the County in the development of appropriate policies and procedures, and form the basis of each year's Budget and Performance Measures.
- III. **Performance Measures** are developed for each departmental budget. These measures are specific and quantifiable statements of what major items will be accomplished in this fiscal year and are listed in each department's section of the 2006 Budget Document.



## Executive Goals

- A – Plan and implement necessary transportation system improvements to meet existing and future requirements.
- B – Promote economic development and diversification.
- C – Enhance public safety through crime prevention, apprehension, prosecution and judicial resolution.
- D – Strengthen community programs that provide recreational, health, and social services.
- E – Work cooperatively with other governmental units in the County to address issues of mutual concern.
- F – Enhance the effectiveness of the development review process and related code enforcement efforts.
- G – Encourage a more positive image for Pierce County Government through an enhanced communications program.
- H – Improve the cost efficiency of County services.
- I – Promote a balanced response to environmental matters dealing with site clean-up issues, water concerns, and endangered species act requirements.
- J – Build a more effective work force through an emphasis on diversity, training, incentives, recognition, and innovation.
- K – Implement infrastructure improvements in County buildings which will address employee safety, morale, workspace needs, and environmental issues.
- L – Improve the quality or effectiveness of, or citizen access to, County services.

# Budget Highlights

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The Pierce County Budget for fiscal 2006 is constrained by the revenue limitations confronting county government (especially the General fund), and the need to make priority decisions in order to preserve our most vital services. Even with our fiscal limitations, the County remains committed to effectively addressing the challenges and opportunities before us. These include public safety staffing, the operation of the New Jail, judicial system workload, effective land use planning, regulation, and permitting, new habitat preservation responsibilities, our transportation network, flooding concerns, and intergovernmental cooperation. It is our belief that this budget addresses these issues, and provides for cost-effective public services. The budget also reflects a great majority of the Council priorities expressed in its recent budget resolution.

This is the fifth budget year that the County's General Fund has been impacted by the crippling effects of I-747 (1% property tax growth limitation). This has caused great difficulty for local entities in the State of Washington. This initiative has made it impossible for us to meet all the budget requests from our department directors, or to fully meet our public service obligations.

The proposed 2006 Pierce County Budget totals \$845,178,502, which is actually \$2.4 million below the 2005 budget (0.3%). The General Fund budget, however, will reflect a 4.8% increase, which will permit us to enhance several priority services.

In terms of overall approach to the budget, the following assumptions, considerations, and priorities guided our deliberations and recommendations:

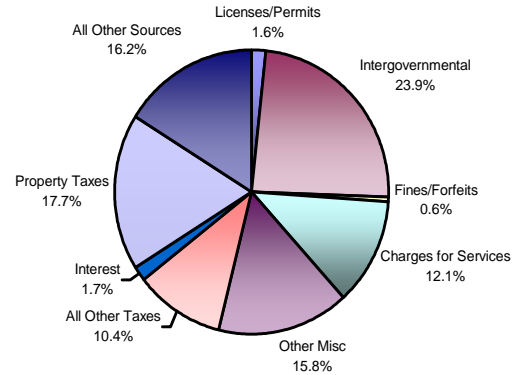
- ◇ First, existing challenges involving general criminal activity, domestic violence, meth labs and other drug activity will continue to place great pressure on public safety and justice services. We still have one of the lowest ratios of law enforcement officers to population, and conversely one of the highest crime rates in the state.
- ◇ Second, we will continue to emphasize **pro-active prevention programs**. This budget funds many alternatives to incarceration programs including: Breaking the Cycle, Drug Court, Alternative to Detention programs for juveniles, adult probation, day reporting, work crew, and increased county contributions for the Youth Assessment Center and the Family Justice Center. These programs decrease criminal activity and reduce future jail costs.
- ◇ Third, we have substantially completed the staff and budget implications resulting from the termination of the **Sheriff's Lakewood contract**. All affected staff have been absorbed by transfers to Lakewood, filling Sheriff Department vacancies, new contracts, or new positions included in our 2006 budget.
- ◇ Fourth, we will continue to allocate resources to **P.A.L.S.** in order to eliminate the permit backlog, and allow us to meet our review timelines in 2006.
- ◇ Fifth, our **capital facility program** includes major improvements for parks and recreation facilities, our transportation infrastructure, the surface water management system, sewer utilities, and major remodeling at the County-City and Corporate Express Buildings.

# Budget Highlights

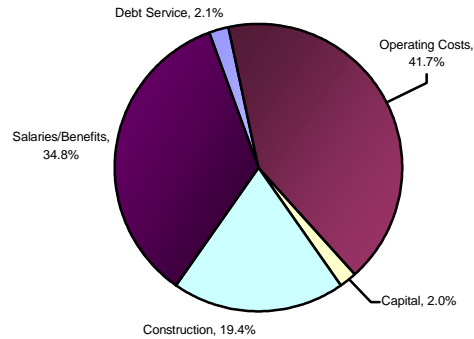
## Total Pierce County Revenue & Expenditure Overview

In total, the County's budget will be 0.3% less the 2005 level. Almost 24% of the County's funding comes from Intergovernmental Revenues. Property and Other Taxes equals over 28% of the total revenues. Service Charges, Fines/Forfeits, and Licenses/Permits provide another 14%. The 16% in All Other Sources category is primarily made up of the use of prior fund balance. The almost 16% for Other Miscellaneous includes the sale of fixed assets and transfers from operating funds to construction and debt service funds for those purposes. Interest revenues are just under 2%. The revenues for Internal Service Funds have been excluded from the totals used to calculate the percentages shown on the pie chart.

**2006 Total County Revenues Summarized by Source**

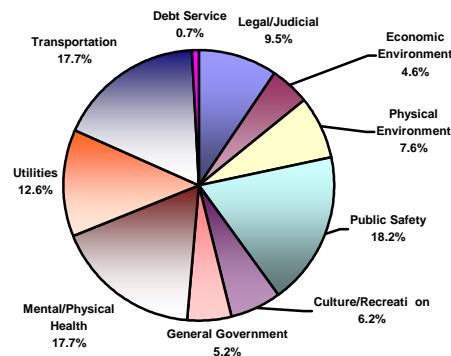


**2006 Total County Expenditures Summarized by Object Classification**



Almost 35% of the County's total budget line-item is allocated to personnel costs. All other operating costs consume approximately 42%. The remaining 23% is for capital construction and debt service.

**2006 Total County Expenditures Summarized by Function**



The Public Safety and Legal/Judicial Services combined accounts for almost 28% of the total County expenditures, with the Mental and Physical Health system absorbing almost 18%. Almost 38% of the total expenditures is invested in the support of Transportation, Utilities, and the Physical Environment and just over 6% is related to Culture and Recreation. Just under 5% is expended for Economic Environment activity and just over 5% supports general government functions and debt service. The revenues for Internal Service Funds have been excluded from the totals used to calculate the percentages shown on the pie chart.

As the name implies, this is the fund that receives undesignated revenues which can be budgeted for any appropriate County purpose. This fund finances the majority of the traditional services associated with County government. Most of the budget deliberations center around this fund since it provides the most flexibility in terms of resource allocation alternatives.

## Revenues

A summary of the 2006 revenues, with a comparison to the current year, is shown in the table below:

<b>GENERAL FUND REVENUE SUMMARY</b>				
	<b>2006 Budget</b>	<b>2005 Budget</b>	<b>Absolute Change</b>	<b>Percent Change</b>
Property Taxes	\$ 101,374,480	\$ 96,934,280	\$ 4,440,200	4.6 %
Sales Taxes	50,740,000	47,415,000	3,325,000	7.0
Other Taxes	2,187,150	2,189,070	(1,920)	(0.1)
Licenses and Permits	8,964,520	7,642,430	1,322,090	17.3
Intergovernmental Revenue	27,405,110	29,256,692	(1,851,582)	(6.3)
Charges for Services	34,059,360	33,395,427	663,933	2.0
Fines and Forfeitures	4,943,950	4,735,000	208,950	4.4
Interest Revenue	10,611,350	8,390,070	2,221,280	26.5
Other Miscellaneous Revenue	3,892,680	4,058,887	(166,207)	(4.1)
<b>Subtotal Revenues</b>	<b>\$ 244,178,600</b>	<b>\$ 234,016,856</b>	<b>\$ 10,161,744</b>	<b>4.3 %</b>
Fund Balance	5,631,693	4,408,500	1,223,193	27.7
<b>Total Available Resources</b>	<b>\$ 249,810,293</b>	<b>\$ 238,425,356</b>	<b>\$ 11,384,937</b>	<b>4.8 %</b>

Our revenue projections are based largely upon the following assumptions:

- ◇ The local economy will grow at a moderate pace in 2006. The State and Pierce County are successfully emerging from the recent recession.
- ◇ Inflation will be approximately 2-3% next year, thus giving a modest boost to Sales Taxes, Intergovernmental Revenues, and Charges for Services.
- ◇ Interest rates will rise only slightly from their current levels, but the 2005 rate hikes will result in a large increase in investment revenues in 2006.
- ◇ We will continue to receive city contract revenues for several major services (principally police services, jail, roads maintenance, and court services).
- ◇ Only modest fee increases are proposed for P.A.L.S., and the Parks and Recreation department.

Based upon the above assumptions, and an in-depth review of our revenue patterns, we are projecting an increase in General Fund revenues of 4.3% in 2006 (excluding use of fund balance).

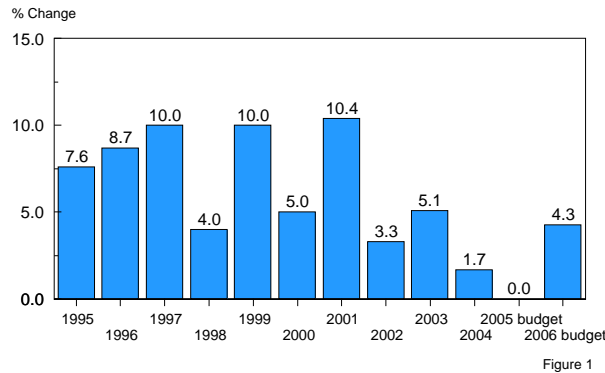
Comparative revenue increase figures for the last decade are shown in Figure 1. The increase of 4.3% in 2006 is in line with post I-747 revenue growth after 2001, with the exception of 2005 which is negatively impacted by the termination of the Lakewood police contract. In reviewing the recent figures versus 1995-2001 please keep in mind that:

- ◇ The end of the Sheriff's Lakewood contract (\$12,000,000) by itself equates to a 5% drop in General Fund revenues.
- ◇ Initiative 747 continues to erode our real financial base. The negative impact grows exponentially each year.
- ◇ In several of the 1995-2001 years there was a major new revenue source (e.g., state criminal justice funds, criminal justice sales tax, jail/juvenile sales tax, and the law levy transfer to the General Fund). No major new revenue source is reflected in the 2006 budget.

# General Fund

- ◇ During most years there are mid-year events which give rise to revenue increases, but which almost always are accompanied by at least a corresponding increase in related expenses (e.g., new grants, storm reimbursements, special elections). This could well happen again as fiscal 2006 unfolds; thus pushing the final percent increase above the originally budgeted 4.3% figure.

**Percent Change in General Fund Revenues**



As you can gather from our earlier comments, I-747 casts a major shadow over our finances. This initiative limits the growth in taxes from existing property to only 1% per year (in place of the previously available 6%). Such a limitation, which is well below the level of inflation, imposes severe fiscal constraints on the County. The inevitable result is that service cutbacks and staff reductions become unavoidable. The annual revenue loss for the first five years affected by this initiative is shown in the next table. The exact revenue loss over the next several years is difficult to precisely determine, but will likely reflect the same progression (close to \$5 million per year increase in the loss level).

<b>General Fund I-747 Annual Loss</b>	
2002	\$ 3,482,800
2003	7,325,500
2004	10,903,900
2005	14,801,800
2006	20,071,000 est.
<b>Total</b>	<b>\$ 56,585,000</b>

These are very significant revenue losses, with the **annual amount in just fiscal 2006 equal to 8.1% of our General Fund budget**. The cumulative 5 year loss is equal to the construction costs of the New Jail. The Road levy is also affected by I-747, with the 2006 loss estimated at \$6,700,000 (\$5.4 million for the Road Fund and \$1.3 million law levy in the General Fund).

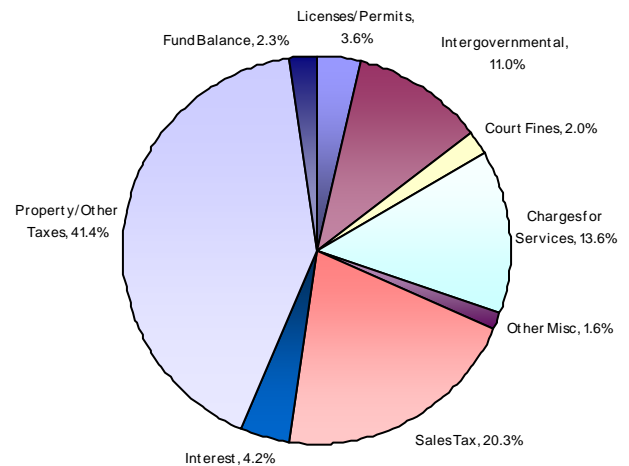
This initiative is causing an inexorable erosion in our financial foundation and will likely lead to significant long term reductions in public safety, the justice system, road maintenance, health services, and other vital county programs.

## Revenue Sources

Following is a detailed discussion regarding the changes in each major category of revenue:

- ◇ **Property Tax** revenue collections are projected to increase by 4.6% in 2006. This increase is based upon two factors. The first is the 1% available under I-747. The second, and most important factor, is the tax growth related to new construction and improvements.
- ◇ **Sales Tax** revenues are projected to increase by 7.0% in 2006. This is based upon the actual revenue patterns for 2005 Y-T-D, coupled with projections for moderate growth in the next 12-16 months.
- ◇ **Other Taxes** will be essentially unchanged from 2005 (gambling taxes down, with timber and real estate administrative taxes up).
- ◇ **Licenses and Permits** are projected to grow by 17.3% in 2006 due to the new animal license fees which will now be collected by the County. We are also assuming that the current high level of construction permit activity will continue into next year.
- ◇ **Intergovernmental Revenues** reflect a sharp decline. This is due to projected declines in grant revenues, including the one -time H.A.V.A. grant received in 2005.
- ◇ **Charges for Services** are estimated to be above the 2005 budget by 2.0%. This change is actually composed of many increases or decreases in specific revenue sources, the most significant being:
  - large increases in recording fees and indirect cost charges to other funds; with other increases due to the full year impact of the recent state-enacted court fees.
  - large decreases for election cost reimbursement due to fewer elections currently scheduled for 2006, and the fact that the state does not reimburse for even-year election costs.
- ◇ **Fines and Forfeits** are projected to be above the 2005 Budget by 4.4%, as the state once again will be able to suspend licenses for non-payment of traffic fines.
- ◇ **Interest Revenues** are projected to generate a large increase in 2006, due to recent interest rate hikes, and modest rate increases projected in the next few months.
- ◇ **Miscellaneous Revenues** will decrease by 4.1% in 2006, which largely reflects a decline in contributions, charges to other funds, and asset sales.
- ◇ **Prior Fund Balance** use was budgeted at \$4,408,500 in 2005 for primarily one-time Building Remodel expenses, and the Lakewood Transition process. In 2006 we have budgeted \$5,631,693, of which \$4.5 million is for Building Remodel expenses in the County-City building. The remaining amount is for Council one-time allocations to various projects.

**2005 General Fund Revenues**



# General Fund

## Expenditures

The projected Revenue growth of 4.3% will be sufficient to continue most programs and staff at the 2005 levels, and to fund additions in priority areas as discussed below.

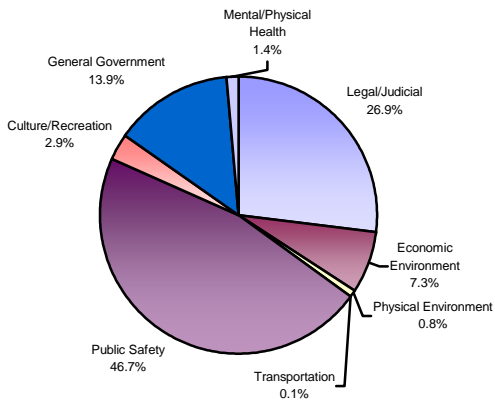
The next series of Expenditure tables summarize the 2006 General Fund Expenditure Budget, and compare it with the 2005 budget.

GENERAL FUND EXPENDITURES BY FUNCTION				
	2006 Budget	2005 Budget	Absolute Change	Percent Change
General Government	\$ 34,676,050	\$ 34,450,810	\$ 225,240	0.7 %
Public Safety	116,513,545	112,574,936	3,938,609	3.5
Physical Environment	2,108,840	1,482,770	626,070	42.2
Legal & Judicial	67,219,930	61,979,808	5,240,122	8.5
Economic Environment	18,202,270	16,843,689	1,358,581	8.1
Mental/Physical Health	3,509,410	3,547,210	(37,800)	(1.1)
Cultural & Recreation	7,300,980	7,403,133	(102,153)	(1.4)
Transportation	279,268	143,000	136,268	95.3
<b>Total General Fund</b>	<b>\$ 249,810,293</b>	<b>\$ 238,425,356</b>	<b>\$ 11,384,937</b>	<b>4.8 %</b>

Even with the decrease in Public Safety expenses caused by the Lakewood contract termination, the combined total percentage allocated to Public Safety and Legal/Judicial Services is equal to 74% of the budget.

**Approximately 81% of the budget increase in 2006 is allocated to Public Safety or Legal/Judicial services.** This emphasis on public safety and justice services continues the pattern established over the last decade. As shown below in Figure 2, the 4.8% budget increase for expenditures is in line with recent post 1747 amounts.

2006 General Fund Expenditures



Percent Change in General Fund Expenditures

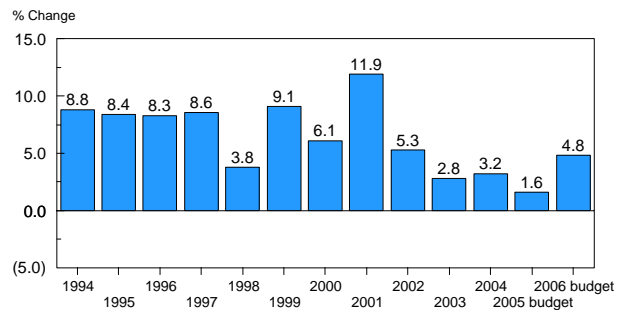


Figure 2



## 2006 Major Service & Staffing Changes

The following is a listing of the major budget changes in services or staffing levels in 2006 for the General Fund departments:

### **Sheriff**

- 11 new positions in the General Fund (Volunteer Coordinator, Crimestopper/P.I.O., 2 Detectives, 2 command staff, 5 deputies for Neighborhood Patrol)
- 2 new Detective positions, and one new Deputy position in the Drug Investigation fund (to address meth/drug/identity theft issues)

### **Corrections**

- Full year funding (6 positions) for the opening of a new jail pod (approved for October 1, 2005)
- 2 additional Correction Officer positions to reduce overtime

### **Prosecutor**

- Budgeting for 2 Victim Advocate positions previously grant funded
- 2 new Attorney positions (“returned murder cases”)

### **Superior Court**

- A full year funding for a new Judge and related judicial assistant and court reporter (previously approved for October 1, 2005)
- A new Court Commissioner and related Legal Assistant effective July 1, 2006
- A new guardian-ad-litem position in place of professional contract services

### **Auditor’s Office**

- 4 Field Officers and related operating costs for animal control services
- 2 License Clerks and related operating costs for animal licensing services
- A budget allocation of \$493,360 for animal shelter costs

### **Emergency Management**

- 3 new positions: 1 Fire Prevention Permit Coordinator, 1 Emergency Management Coordinator, and 1 Office Assistant

### **Juvenile**

- 1 new Legal Assistant position
- An increase of \$110,000 in the General Fund financing for the Youth Assessment Center

### **Assigned Counsel**

- 1 new felony Attorney
- The creation of a “Conflict Office” with new staff consisting of 3 Attorneys and 1 Legal assistant, largely funded by a reduction in outside attorney costs

### **Parks and Recreation**

- The budget deletes county responsibility for the parks in the Peninsula Metro Park district, and reflects the City of Lakewood assuming direct responsibility for Ft. Steilacoom Park with a \$190,000 contribution from the County for our share.
- 1 new Office Assistant is added at the L.C.C. (paid for with extra hire savings and a contribution from the City of Lakewood)

# General Fund

---

## Clerk

- Funding for a new Information Technology Specialist position

## Human Resources

- 1 new Analyst position
- Moving staff to an 8 hour day basis

## Medical Examiner

- 1 new .5 FTE Medical Investigator position

## P.A.L.S.

- Allocation of "Backlog" monies for:
  - 5 new permanent staff positions (2 Project Managers, 2 Permit Techs, 1 Office Assistant for \$391,000)
  - Consulting Services \$200,000
  - Space Remodel \$120,000
- An increase in L.U.A.C.'s/Community Advisory Councils from \$50,000 in 2005 to \$100,000 in 2006
- Six new positions added by the County Council to continue to reduce backlog and enhance services
- \$50,000 for outside services to reduce the fire permit backlog

## Communications

- The reduction of 1 Communications Assistant position

## Miscellaneous Current Expense

- \$190,000 one-time bridge funding for the family dependency drug court
- \$232,300 (an increase of \$100,000) for the Family Justice Center
- \$1.1 million in new Council agency allocations plus \$320,000 in carryover allocations

## Special Projects

- A \$300,000 allocation for an historic document preservation program (new state fees)
- A \$45,000 allocation for the Charter Review Commission
- \$50,000 in the Performance Audit budget for statistical analysis of County data
- \$80,000 for a new County Ombudsman position to be overseen by the County Council

## Economic Development

- \$50,000 for the Reading Foundation program
- \$70,000 for a new Assistant Director

## Sheriff Transition

- The one-time allocation for the transition of Lakewood contract related staff will not be needed in 2006

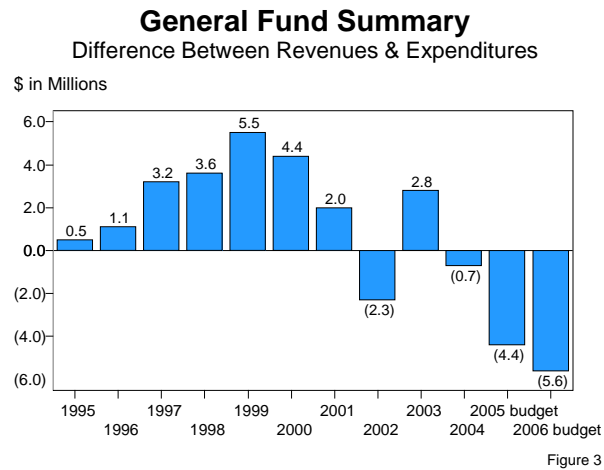
## Building Remodel Projects

- \$4.5 million for County-City Building Remodel
- \$150,000 remodeling for the pet licensing function at the Annex

The remaining General Fund departments not mentioned above experienced a largely status-quo budget.

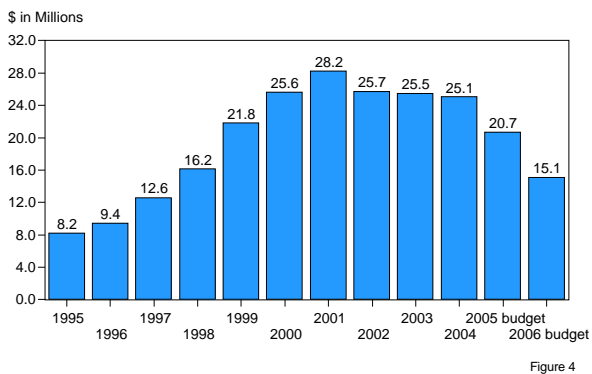
## Use of Prior Fund Balance

The tables below present the actual financial results for the General Fund during the 1995-2004 period, and the budgeted amounts for 2005-2006. As indicated in Figure 3, the trend through most of the decade has been largely positive. Both a strong economy and prudent fiscal policies have produced favorable financial results. However, the actual results for 2002 and 2004, and the budgeted deficits for 2005 and 2006, reflect a changed fiscal environment (I-747 related). In fiscal 2005 we have budgeted a \$4.4 million deficit, most which is for one-time expenses. The proposed 2006 budget also reflects a deficit (5.6 million); again \$4.5 million of which is for one-time capital expenses.

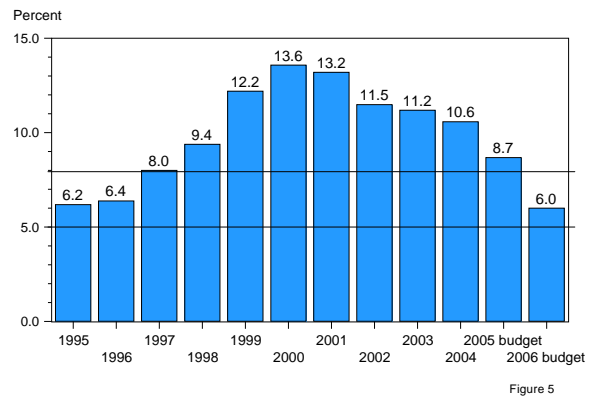


It should be noted that the preceding charts for 2005-2006 represent the budgeted figures. It is likely that fiscal 2005 actual results will be modestly more positive than budgeted.

### Unreserved General Fund Balance



### Unreserved General Fund Balance as a Percent of the General Fund Budget



## Other County Funds

A great many of the County's programs are financed from sources outside of the General Fund. In total, these funds have combined expenditures well in excess of the General Fund budget. However, the nature of the revenue sources mandate that **these monies can only be used for specific activities**. Hence, they are budgeted and accounted for in separate funds.

## Community Services & Human Services Funds

The County is a major provider of community and human services through programs funded primarily from state and federal grants, and in recent years the new recording fees for housing programs. Due to the vagaries of the grant funding process, these budgets often vary significantly from year to year. The following summarizes any significant **changes in the 2006 budgets**:

- ◇ The decrease in **Community Action** is primarily due to reductions in the energy services and employment and training programs.
- ◇ This is the first full year of the new **Homeless Housing program** funded through recording fees.
- ◇ The 2006 budget for the **Housing Repair Program** is 18% less than 2005 primarily due to the completion of a large project in 2005.
- ◇ Human Services shows a slight increase in overall funding due to several program changes including a new Secured Detoxification program.
- ◇ The Puget Sound Behavioral Health fund decrease is primarily due to a new contract for food service, and a reduction in other professional services. These savings should assist in lowering the per bed daily cost.

Community Services & Human Services			
Fund	2006 Budget	2005 Budget	% Change
Arts and Cultural Services	\$ 232,240	\$ 264,750	(12.3)%
Community Action	5,929,530	6,810,733	(12.9)%
Community Development Fund	5,169,710	5,255,500	(16)%
Dispute Resolution Center Fund	150,000	132,020	13.6 %
Homeless Housing Program	1,235,000	125,000	888.0 %
Housing Repair Program	6,412,190	7,816,516	(18.0)%
Human Services	79,409,920	78,745,881	0.8 %
Low Income Housing Fee	5,218,800	4,100,000	27.3 %
Puget Sound Behavioral Health	12,222,850	13,678,880	(10.6)%
Tourism, Promotion, Facilities	956,060	1,082,000	(11.6)%
Human Services Construction	3,027,240	929,740	225.6 %
1% for Arts Construction	460,270	281,620	63.4 %

It is our belief that the funding from state and federal sources is not adequate to finance the service levels which ought to be provided. We are working with state and federal agencies in an attempt to increase the funding levels, and it is possible that additional grant monies will be secured in 2006. However, even these potential new grants will probably be insufficient to cope with the human service needs in Pierce County.

Even though most of the funding for these human and community services programs comes from state and federal grants, the General Fund and other locally generated revenues still provide a sizeable contribution, most of which is budgeted in the Miscellaneous Current Expense account. In addition, many of the General Fund dollars allocated to the Health Department will in turn be budgeted for social and human services.

## Transportation Services Fund

The county has major transportation responsibilities, and accounts for these responsibilities and service costs in six major funds:

- ◇ **County Roads** – roadway and traffic maintenance services, and allocations for construction projects
- ◇ **Public Works Construction Fund** – new construction and major roadway repair projects
- ◇ **Ferry Services** – operating and capital expenses related to Ferry services to the Islands
- ◇ **Airport** – capital, operating and maintenance expenses at the Pierce County Airport
- ◇ **Roads Second REET** – major specific capital projects.
- ◇ **Transportation Facilities** – major facility projects.

## Other County Funds

The 2006 budgets, with comparisons to 2005, are shown in the table. The major items of note for next year are:

- ◇ **County Roads Fund** – includes several new staff positions, and significant (but reduced) allocations for roadway construction.
- ◇ **Public Works Construction Fund** – reflects a substantial capital construction program, although less than budgeted in 2005.
- ◇ **Ferry Services Fund** – major allocations are provided for a new ferry boat, and repairs to the Anderson Island pontoon.
- ◇ **Roads Second REET** – reflects a major capital improvement program in 2006, but less than that budgeted for 2005.
- ◇ **Transportation Facilities** – includes construction of the Combined Roads Maintenance Facility, design for a possible Transportation Services Building, and construction of the Rhodes Lake Maintenance Facility.

Transportation Services Funds			
Fund	2006 Budget	2005 Budget	% Change
County Roads Fund	\$60,382,960	\$62,991,550	(4.1)%
P.W. Construction Fund	33,357,000	53,313,000	(37.4)%
Ferry Services Fund	12,461,870	13,947,330	(10.7)%
Airport Fund	601,730	585,554	2.8 %
Roads Second REET	5,171,820	10,736,680	(51.8)%
Transportation Facilities	26,838,880	26,600,000	0.9 %

## Parks and Recreation Funding

Although the County's General Fund provides a direct allocation for parks and recreation services (\$6.0 million in 2006), there are several other county funds which provide parks and recreation services or which construct, repair or enhance parks and recreation facilities. The 2006 budgets for these funds are shown to the right.

Although this \$45.2 million total includes some double counting (transfer between funds for project accounting purposes), the allocations still represent an **enormous commitment by the County and its citizens to greatly enhanced parks and recreation programs** – both for new facilities and for annual programs and services.

Parks Funds	
Conservation Futures	\$21,949,100
Parks Impact Fees	2,979,310
Parks Sales Tax	5,436,030
Parks Second REET	2,320,000
Paths and Trails	4,315,930
Parks Bond Construction Fund	1,234,600
Parks Construction Fund	4,972,840
Golf Courses	1,996,950
<b>Total</b>	<b>\$45,204,760</b>

## Environmental Services Fund

The county Public Works and Utilities Department has five funds which deal with environmental issues. These funds and budgets are listed below. The major aspects of each fund can be summarized as follows:

- ◇ **Surface Water Management** – the budget increase reflects a large capital improvement program of land acquisitions and construction projects, and the addition of 5 positions.
- ◇ **Sewer Utility** – the budget increase reflects an enhanced sewer capital improvement program, and the addition of 8 new positions.
- ◇ **Solid Waste** – the 2005 budget included a major one time clean-up at one of the “dirty dozen” sites.
- ◇ **Water Utility** — the budget includes the construction of a well pump with related valves and meter.
- ◇ **River REET** — the 2006 budget reflects land acquisitions, studies, and the Setback Levee project near the Old Soldiers Home in Orting.

Environmental Services Funds			
Fund	2006 Budget	2005 Budget	% Change
Surface Water Management	\$25,917,630	\$20,252,880	28.0 %
Sewer Utility	93,453,550	81,343,770	14.9 %
Solid Waste	4,971,130	6,302,630	(21.1)%
Water Utility	304,170	198,750	53.0 %
River - REET	5,918,220	2,664,520	122.1 %

# Other County Funds

## Internal Service Funds

Internal Service Funds provide services, supplies, and equipment to other County departments, which pay for these services through various billing systems. In essence, these funds operate under the enterprise fund business model, except that their customers are other County departments. The long-range goal is to establish rates which will pay all operating and capital costs, and to insure that the General Fund does not need to subsidize these activities. The following summarizes any **significant** changes in the 2006 budgets:

- ◇ **Equipment Services Fund** — the decrease results from a drop in both scheduled vehicle replacements, and requests for new additions to the fleet.
- ◇ **Information Technology** — reflects 1 additional position added for systems support functions.
- ◇ **Facilities Management** — reflects 1 additional custodian position and the operating expenses for new county owned buildings.
- ◇ **Fleet Rental** — reflects the recent large increase in gasoline prices.

Internal Service Funds			
Fund	2006 Budget	2005 Budget	% Change
Equipment Services	\$12,529,550	\$12,706,240	(1.4)%
Information Technology	16,954,310	16,209,980	4.6 %
Facilities Management	10,675,420	10,171,810	5.0 %
Radio Communications	2,384,150	2,258,750	5.6 %
Fleet Rental	3,963,290	3,521,020	12.6 %
General Services	3,094,120	2,900,800	6.7 %
Self Insurance	8,795,540	8,323,870	5.7 %
Workers Compensation	3,064,600	2,902,510	5.6 %

Many of these internal service funds will rely upon prior fund balance in order to support their 2006 budgets. This results from both the scheduled replacement of capital assets using depreciation reserves, and our desire to keep charges to other funds (especially the General Fund) to a minimum.

## Special Revenue & Other Funds

The remaining County Funds have been established by state law or county ordinance to separately record the revenues and expenditures associated with specific programs. The most important 2006 budget highlights are:

- ◇ The **Imaging System Fund** — contains major allocations to preserve the oldest records in the Auditor's Office, image the "property cards" and other documents in the Assessor's office, and provide funding for an electronic document management system in the Assessor-Treasurer's office.
- ◇ **911 System Fund** — includes major allocations for technology improvements as well as an annual allocation for the new E.O.C.
- ◇ **REET Capital Improvement Funds** — includes a substantial construction and repair program affecting several county facilities.
- ◇ **Chambers Bay Golf Course Fund** — provides for the construction of the course and clubhouse, which are scheduled to open in 2007.
- ◇ **Corporate Express Building Fund** — provides monies for the remodeling of the building for occupancy by the Auditor's elections operation, General Services, and the Sheriff's property room. Equally important, the budget funds the construction of a new Emergency Operations Center.

## Unresolved Issues

Most issues are resolved during the budget preparation and adoption process. However, there are usually several issues which will “play-out” later once the new year is underway, and as developments unfold or new information becomes available. This budget is not unusual in that respect. We have several issues that are still in their formative stages, and which will need a resolution, and perhaps additional funding, in 2006.

- ◇ **Medical and Dental Insurance Rates** — initial renewal rates for Medical and Dental Insurance are in excess of the amounts included in the 2006 budget. We are in discussions with our insurance providers and labor unions, and hopefully these negotiations will result in the continuation of most aspects of our current medical and dental plans with reasonable cost increases.
- ◇ **Murder Cases** — we are concerned about the impact of murder cases on expenses in both the Prosecutor’s office and the Department of Assigned Counsel. Our concern revolves around both a) the “returned murder cases” resulting from the State Supreme Court decision which must be dealt with over at least 2005-2006 and b) the large number of “current” murder cases. Resources have been budgeted in 2006 to deal with those cases, but we are not sure that these resources will be sufficient.
- ◇ **Extra Hire** — the County is in the midst of analyzing the extent to which extra hire employees are performing work which is continuous or ongoing in nature, and thus these employees may need to be converted to permanent part-time status. Such status could result in additional costs for salary, time-off pay, and insurance benefits. The budget reflects the conversion of some extra hire positions to permanent status. However, a review of all such positions has not been completed, and thus additional cost impacts may need to be accommodated.
- ◇ **Impact of Hurricane Katrina** — the long term impact of this devastating storm is still unclear. However, it is possible that negative economic repercussions could affect gasoline prices, interest rates, general economic activity, general levels of inflation, and insurance rates.
- ◇ **Gasoline Prices** — recent dramatic increases in energy costs (especially gasoline) are placing pressure on the budgets which are heavy users of gasoline – Sheriff, Roads Maintenance, Sewer Utility, Parks and Recreation, etc. The 2006 budget reflects only a moderate inflation increase in gasoline prices from their current levels, and any increase beyond that level could cause budget difficulty for many of our operations.

## Prognosis for Fiscal 2007

In this uncertain time it is difficult to confidently project ahead to fiscal 2007. However, based upon our best “crystal ball” judgments, this is what we see:

- ◇ The state and local economies should enjoy a period of moderate growth over the next 24 months.
- ◇ It is likely that fiscal 2007, without the approval of any new tax increase measure, will be worse than fiscal 2006 for the following reasons:
  - the impact of I-747 becomes progressively worse with each passing year
  - the possible need to open another pod in the New Jail could add significantly to our Corrections Department expenses
  - medical insurance increases are likely to remain significantly above the level of general inflation.
  - State pension rates are scheduled to increase dramatically in 2007 and beyond.

# Summation

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## Overview

The 2006 budget that is being submitted to the County Council is based upon a set of relatively favorable economic conditions which we hope will “hold” throughout the year. These conditions include a prosperous local economy, robust building activity, increased property values, and rising interest rates which have generated additional revenue without as yet negatively affecting economic growth. These favorable conditions and the resulting revenue growth should allow us to moderately augment many of our highest priority services.

We have recommended the use of reserves for one-time activities (building remodeling, a new Emergency Operations Center, capital equipment replacements, etc). Reserves should not be used for ongoing staff and programs.

Despite normal pressures and uncertainties, this budget moves us forward in many vital arenas:

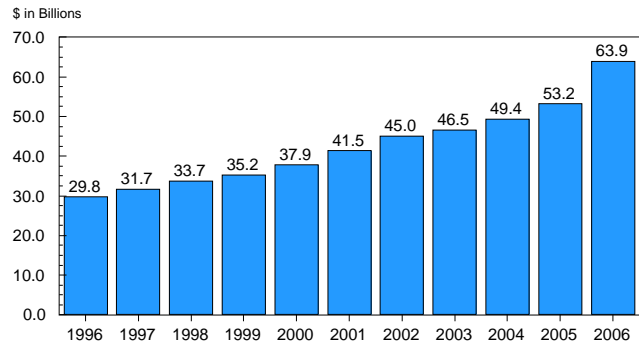
- ◇ funding for public safety and judicial system improvements
- ◇ major new parks and recreation facilities, and the acquisition of a large number of parcels through the Conservation Futures fund
- ◇ a significant transportation improvement program
- ◇ improvements in the staffing levels at P.A.L.S. and related departments to deal with the permit backlog issue



## Property Taxes and Assessed Valuation

Property tax is the largest source of revenue in the General Fund and is a major source of revenue for the Road Fund. The growth in Property Tax revenue is dependent upon both the actual growth in assessed valuation and the tax rate. The growth in assessed valuation from 2005 to 2006 was approximately \$10.7 billion (20.1%). Approximately 20% of the growth is due to new construction, and 80% is due to the revaluation of existing properties.

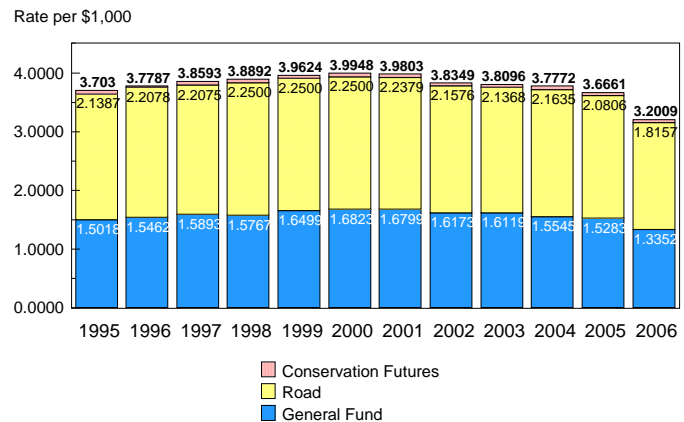
**Total Assessed Valuation**



## Property Tax Levy Rates

Levy rates determine the amount of tax that a property owner pays per thousand dollars of assessed value. The November 2001 passage of Initiative 747 limits the maximum growth in property tax revenues from existing property to the lesser of 1% or the percentage increase in the Implicit Price Deflator (IPD), which is 2.54% in 2006 (based upon last year's actual figures). This limitation on property tax revenue growth coupled with an inflationary increase in existing property revaluations has resulted in a 13% reduction in the 2006 County Levy tax rate from 2005; and over 20% since the initiative was enacted. The Road Levy tax rate has decreased by 13% from the 2005 rate and the Conservation Futures tax is down 12.6% from 2005.

**Combined Property Tax Millages**



Note: The Conservation Futures rate was reduced to .0247 in 1996 due to levy lid limits, and .0600 in 2002, .0609 in 2003, .0592 in 2004, and .0571 in 2005 due to the impact of I-747 and the 1% limit.

<b>Property Tax Levies</b>				
	2005		2006	
	Tax Rate <sup>1</sup>	Revenue	Tax Rate <sup>1</sup>	Revenue
	Assessed Value: \$53,192,230,601		Assessed Value: \$63,896,092,639	
<b>A. County Levy (\$1.80 maximum)</b>				
General Fund	\$ 1.4949	\$ 79,515,608	\$ 1.3062	\$ 83,462,690
Administrative Refund RCW 84.69	0.0022	120,505	0.0022	138,350
Sub Total General Fund	1.4971	79,636,113	1.3084	83,601,040
Veteran's Relief	0.0097	515,965	0.0083	532,360
Social Services	0.0215	1,143,633	0.0185	1,182,080
<b>Total County Levy</b>	<b>1.5283</b>	<b>81,295,711</b>	<b>1.3352</b>	<b>85,315,480</b>
<b>B. Conservation Futures (\$.0625 Maximum)</b>	<b>0.0572</b>	<b>3,042,984</b>	<b>0.0500</b>	<b>3,193,470</b>
	<b>Assessed Value: \$22,974,924,920</b>		<b>Assessed Value: \$27,713,628,684</b>	
<b>C. Road District Levy (\$2.25 Maximum)</b>				
Allocated to Road Fund	1.6713	38,398,466	1.4602	40,466,590
Law Enforcement Levy	0.4069	9,348,942	0.3555	9,852,470
Administrative Refund RCW 84.69	0.0023	53,488	-	-
<b>Total Road District Levy</b>	<b>2.0806</b>	<b>47,800,896</b>	<b>1.8157</b>	<b>50,319,060</b>
<b>TOTAL COUNTY TAX LEVIES</b>	<b>\$ 3.6661</b>	<b>\$ 132,139,591</b>	<b>\$ 3.2009</b>	<b>\$ 138,828,010</b>

<sup>1</sup>Tax rates are applied to each \$1,000 of assessed value.

# Other Financial Information

## Debt Capacity

Under Washington State Law, a county may issue general obligation debt for general county purposes in an amount not to exceed 2½% of all actual value of all taxable property. Unlimited tax debt requires an approving vote of the people, and any election to validate General Obligation Debt must have a voter turnout of at least 40% of those who voted in the last state general election, and 60% of those voting must be in the affirmative. The County Council may, by ordinance, authorize the issuance of limited tax General Obligation Debt in an amount up to 1½% of the actual valuation within the County without a vote of the people. No combination of limited or unlimited tax debt may exceed 2½% of the actual valuation. The debt service on unlimited tax debt is secured by excess tax levies, whereas the debt service on limited tax debt is secured by taxes collected within the \$1.80 per \$1,000 of assessed value county operating levy.

### Debt Capacity as of September 30, 2005

<b>2005 Assessed Valuation for 2006 Tax Collections</b>	<b>\$ 63,896,092,639</b>
<b>A. Inside Levy (issued without vote of the people)</b>	
Legal Limit (1.5% of property value)	\$ 958,441,390
<i>Amount of Debt Applicable to Debt Limit:</i>	
Net Limited General Obligation Bonds	\$ 49,082,596
Net Limited General Obligation Bonds - Proprietary Type	\$ 26,235,000
Estimated Compensated Absences (12/31/2004)	16,443,000
Installment Contracts - Ferry	4,472,737
Total Limited Tax General Obligation Debt	96,233,333
<b>Limited Tax General Obligation Debt Margin Available</b>	<b>\$ 862,208,057</b>
<b>B. Outside Levy (issued with vote of the people)</b>	
Legal Limit (2.5% of property value)	\$ 1,597,402,316
<i>Amount of Debt Applicable to Debt Limit:</i>	
Net Limited General Obligation Debt	\$ 96,233,333
<b>Total General Obligation Debt Margin Available</b>	<b>\$ 1,501,168,983</b>

### Pierce County Bonded Debt Ratios Estimated at September 30, 2005

General Obligation Bonded Debt per Capita (excluding Proprietary GO/Debt, Compensated Absences, & Installment Contract)	<b>\$ 64.93</b>
Assessed Valuation per Capita	<b>\$ 84,530</b>
Ratio of direct G.O. Bonded Debt to Assessed Value (including Proprietary GO/Debt)	<b>0.0008</b>

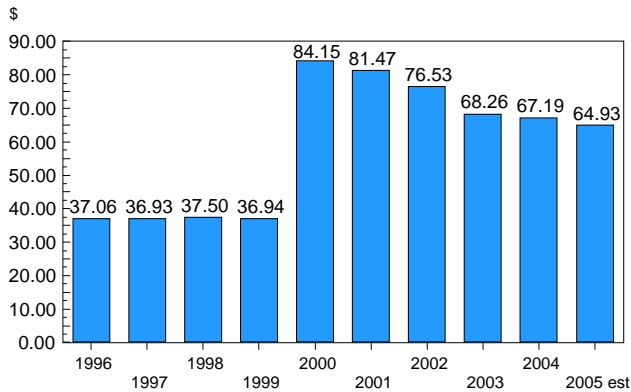
### Pierce County Bond Ratings

	General Obligation	Sewer Revenue (Uninsured)
Moody's	<b>Aa3</b>	<b>A-1</b>
Standard and Poor's	<b>AA-</b>	<b>A+</b>

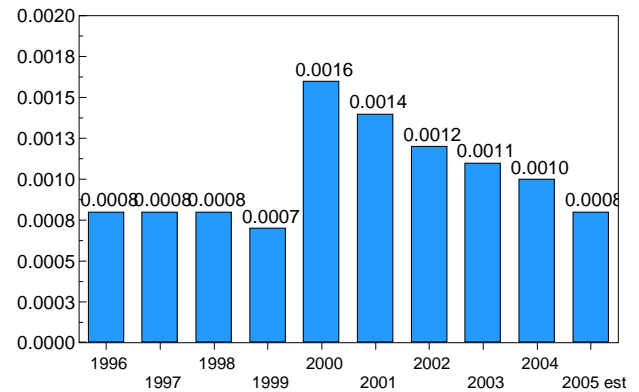
## Other Financial Information

Pierce County has historically maintained consistently low bonded debt obligations, as shown in the tables below. The Net Bonded Debt per Capita and Ratio of Net Bonded Debt to Assessed Valuation have not changed appreciably in the last five years and are well below national averages. We consequently have both a large legal margin available if needed, and an existing debt structure which does not have a major negative impact upon the annual budget. The sale of \$37 million debt for the new Detention Center (in late 2000) significantly affected the ratios, although we still remain well below national averages.

**Net Bonded Debt per Capita (G.O. Bonds Only)**



**Ratio of Net Bonded Debt to Assessed Value (G.O. Bonds Only)**



The table below presents the Debt Service schedule for the bonds payable from general County revenues (excluding proprietary fund debt). As the table indicates, we will retire 24% of the outstanding principal by the end of 2009, and 50% by the end of 2014. The source for this table is the 2004 CAFR. These figures have not been adjusted for any refinancing done in 2005.

### GOB DEBT SERVICE SCHEDULE as of 12/31/2004 (amounts in thousands)

Year	Principal	Interest	Total Debt Service
2005	2,521	2,566	5,087
2006	2,908	2,436	5,344
2007	2,388	2,290	4,678
2008	2,207	2,188	4,395
2009	2,319	2,089	4,408
2010-2014	12,975	8,724	21,699
2015-2019	10,640	5,744	16,384
2020-2024	11,800	2,743	14,543
2025-2029	2,815	151	2,966
<b>Total</b>	<b>\$ 50,573</b>	<b>\$ 28,931</b>	<b>\$ 79,504</b>

# Other Financial Information

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## Capital Improvement Program Summary

On November 29, 1994, the Pierce County Council adopted the Pierce County Comprehensive Plan to comply with the provisions of the Growth Management Act (ESHB 2929). The plan includes a six-year Capital Facilities Plan (CFP) for financing capital improvements that supports the County's current and future population and economy. This plan is amended annually. The plan amendment reflecting projects for 2007 through 2012 was addressed by the County Council concurrent with the adoption of the 2006 budget. State legislation requires the County's Capital Facilities Plan to include certain public facilities which are not governed, owned, financed or constructed by Pierce County, such as school districts, water districts, fire districts, library districts, and public transportation systems.

One of the principal criteria for identifying needed capital improvements is standards for level of service (LOS). The CFP specifies the LOS standards for each public facility and requires that new development be served by adequate facilities. The document also includes the designation of facilities required to be concurrent which means "...that adequate public facilities are available when the impacts of development occur". Objectives, principles, and standards that guide and implement the provision of adequate public facilities are contained in the CFP.

For each category of public facility, the Plan includes a current facilities inventory, LOS capacity analysis and projected facility requirements, proposed projects, and related financing plans and operating impacts. The overall purpose of the CFP is to use sound fiscal policies to provide adequate public facilities consistent with the Land Use Element of the Comprehensive Plan on a schedule concurrent with, or prior to, the impacts of development. This will allow the County to achieve and maintain adopted standards for LOS, and to exceed the adopted standards, when possible.

In many instances, the CFP reflects other long-range or master plans which have been adopted by the County Council for certain types of facilities, such as the Transportation Improvement Plan, 14-year Ferry Plan, Comprehensive Solid Waste Plan, Comprehensive Flood Control Management Plan, Surface Water Management Plan, Parks and Recreation Master Plan, etc. The Capital Facilities Plan does not authorize the expenditure of funds over the six-year time frame of the plan. Rather, the funds for capital projects are appropriated annually in the County's Budget.

### *Definition of Capital Improvement*

In order to be considered a "capital improvement" for the CFP, the expenditure must be for the acquisition of a physical asset which has a useful life in excess of one year and which has a value/cost of at least \$50,000. Excluded from the definition are such items as vehicles, office and data processing equipment, other equipment items (unless they are an integral part of the larger physical improvement), and normal repairs and maintenance. Capital projects and expenditures reflected in the CFP include the cost of design/engineering, land acquisition, construction and acquisition of related equipment, debt service on bond issues, etc.

### *Impact on the 2006 Operating Budget*

The 2006 budget includes capital improvement projects related to roads, the ferry system, utilities, parks, general government buildings, and river and surface water systems as shown in the following summary. When completed, these capital projects will impact 2006 operating budgets to varying degrees, and those impacts have been included in the appropriate budgets.

Minimal maintenance and operating costs are anticipated for the land acquisitions in Conservation Futures. Several of the regional park projects are through partnerships with other entities who will participate in future maintenance costs. Continued flood plain purchases with REET-River funds is expected to reduce future maintenance costs associated with river control.

Existing County maintenance programs will absorb costs resulting from the completion of the Foothills Trail, capital improvements to the airport, county-owned facilities, and additional infrastructure projects (road/transportation, storm drainage, and sewer utility).

## Other Financial Information

The following summary presents the projects in the Capital Facilities Plan which have been appropriated for in the 2006 Budget. Project details, including funding sources, can be found in the individual budget sections of the 2006 Budget Document, and in the 2006 Capital Facilities Plan, which is a component of the Pierce County Comprehensive Growth Management Plan

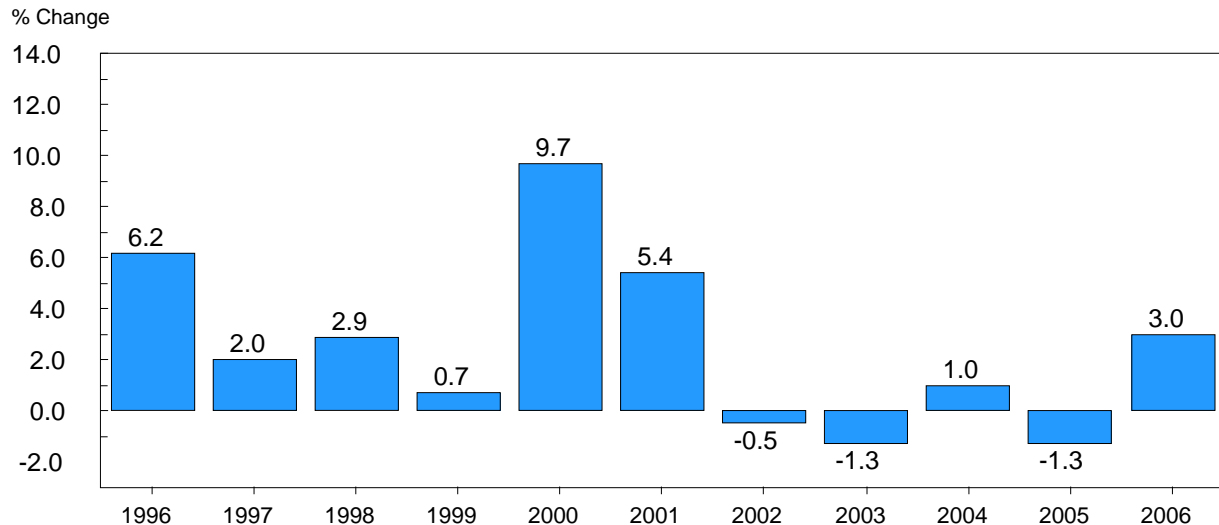
<b>Airport - improvement projects</b>	\$ 141,000
<b>Adult Detention Facilities - improvement projects and major repairs</b>	854,400
<b>General Administration Buildings - improvement projects and major repairs</b>	5,510,400
<b>Human Services Buildings - improvement projects and major repairs</b>	3,025,200
<b>Juvenile Detention Facilities - improvement projects and major repairs</b>	370,700
<b>Law Enforcement - Sheriff Facilities - new EOC and new precinct building</b>	10,558,100
<b>Parks and Recreation - regional parks/paths and trails</b>	26,877,000
<b>Superior Court and District Court - major projects for expanded occupancy</b>	4,650,000
<b>River Improvement- flood plain land acquisitions and setback levee project</b>	5,918,220
<b>County Roads- Ferry System – new 54 car ferry and other improvements</b>	9,330,000
<b>County Roads – Transportation Improvement Plan projects</b>	33,357,000
<b>County Roads – facility improvements</b>	26,838,900
<b>Sewer Utilities - system capital improvements</b>	27,732,290
<b>Solid Waste Management – safety improvements</b>	335,000
<b>Surface Water Management - stormwater systems</b>	12,159,400
<b>Total Capital Project Appropriation–2005</b>	<b>\$ 167,657,610</b>

# Other Financial Information

## Staffing Information

As the population of Pierce County has increased, the demand for county services has risen correspondingly. General Fund staffing (authorized positions) has increased by 258 FTEs (15%) since 1996 while staffing in all other funds (special revenue, enterprise, and internal services) has increased by 348 FTEs (38%). Overall, 606 FTEs have been added since 1996, an increase of 23%.

**Percent Change in County-wide Staffing**



A significant upsurge in new staffing occurred in 1996 due to a new local option .1% sales tax in the General Fund, and additional Road Fund revenues. Changes over the next three years reflect staffing of the new Jail Annex, an expanded juvenile detention facility, additional staff to address court system caseload issues (primarily in the Prosecuting Attorney), public safety enhancements, and an increase in Human Services staff.

In August of 2000, the County took over Inpatient Services at Puget Sound Behavioral Health (PSBH), eventually adding 239 new staff positions in 2000 and 2001. This accounts for the large increase in those years.

The percentage changes in 2002-2005 reflect either only a small increase or an actual decrease due to the following factors:

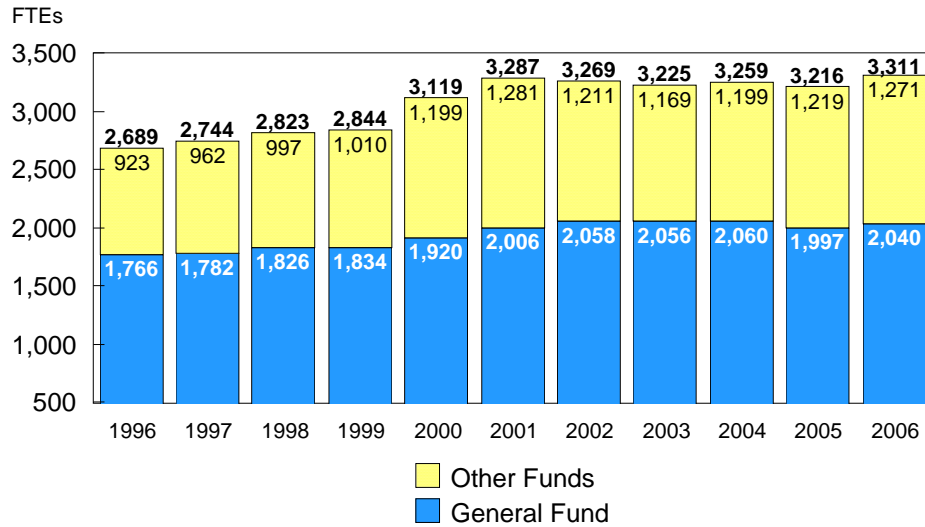
The P.S.B.H. staff count subsequently declined over these years to 98 positions in 2005 as service responsibilities were restructured or eliminated,

Initiative 747 (1% property tax limitation) resulted in far less revenue being available to fund new positions or even to support existing positions, and

The Sheriff's contract with the City of Lakewood for police services was terminated at the end of 2004, which resulted in a loss of 103 positions in the Sheriff's department in 2005.

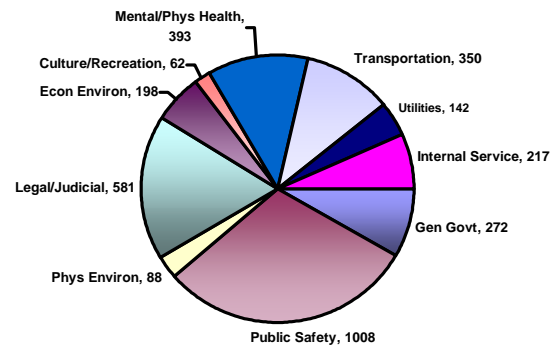
The 2006 budget again reflects new positions throughout the County to enhance service levels, including staff in PALS, Sheriff, Corrections, Prosecuting Attorney, Assigned Counsel, Superior Court, Juvenile, Human Resources, Medical Examiner, Clerk, Transportation and Environmental Services, and the Auditor's office for animal control services.

## County-wide Staffing Summary



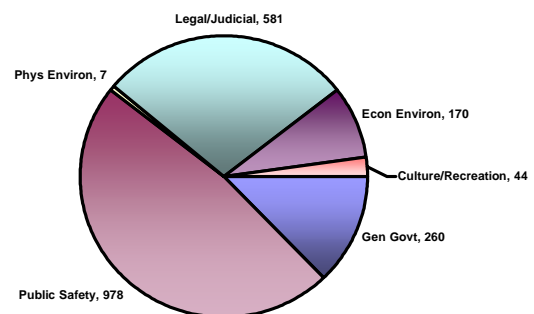
## 2006 Total County Staffing Summarized by Function

The Public Safety and Justice Services systems combined accounts for almost 48% of the total County staff, with the Mental and Physical Health system at almost 12%. Almost 18% of the total staff provides Transportation, Utilities, and the Physical Environment services. Two percent of the total staff is related to Culture and Recreation. Almost six percent are involved in Economic Environment activity and 14% staffing provide general government functions (including internal service funds).



## 2006 General Fund Staffing Summarized by Function

The Public Safety and Justice Services systems combined accounts for just over 76% of all General Fund staff. Thirteen percent provide General Governmental services. Over 8% of the General Fund staff support Economic Environment activities and just over 2% are involved in Culture and Recreation, and Physical Environment activities.



The table on the following two pages contains detailed staffing information.

# Other Financial Information

## STAFFING SUMMARY

	1996 FTE	1998 FTE	2000 FTE	2002 FTE	2003 FTE	2004 FTE	2005 FTE	2006 FTE	Change from 1996
<b>General Fund:</b>									
Assessor/Treasurer	96.50	97.80	98.80	98.30	90.30	90.10	90.60	90.60	(5.90)
Assigned Counsel	87.77	92.70	89.50	83.20	85.00	85.60	89.30	90.30	2.53
Assigned Counsel Conflict Off	-	-	-	-	-	-	-	4.00	4.00
Auditor	41.00	41.00	41.00	43.00	43.00	43.00	45.00	51.00	10.00
Budget & Finance	42.65	42.85	43.95	43.45	43.20	44.20	44.15	44.15	1.50
Clerk of the Superior Court	49.50	50.00	52.50	53.50	57.00	58.00	57.00	57.00	7.50
Communications	-	-	-	5.00	5.00	5.00	5.00	4.00	4.00
Corrections	331.60	341.30	347.80	393.80	377.70	377.80	375.70	377.70	46.10
County Council	31.00	32.00	31.00	29.50	29.00	29.00	29.00	29.00	(2.00)
County Executive	8.75	6.75	6.75	8.00	8.00	8.00	8.00	8.00	(0.75)
District Court	69.10	68.20	65.50	64.50	70.00	74.00	74.00	74.00	4.90
District Court 2 - Gig Harbor	6.00	6.77	6.00	6.00	-	-	-	-	(6.00)
District Court 3 - Eatonville	3.75	3.75	3.75	2.25	-	-	-	-	(3.75)
District Court 4 - Buckley	1.10	1.25	1.30	1.30	-	-	-	-	(1.10)
District Court Probation	22.00	29.00	35.00	37.00	36.00	36.00	35.50	35.50	13.50
Economic Development	2.15	3.58	3.80	4.80	6.15	7.15	7.00	8.00	5.85
Emergency Management	23.30	21.30	21.40	22.12	22.07	23.03	28.00	31.00	7.70
Facilities Management Fund	-	-	-	-	-	-	-	-	-
Human Resources	22.00	22.00	24.00	24.60	24.60	26.60	27.60	28.60	6.60
Juvenile	167.20	173.22	174.52	179.12	186.62	176.12	173.12	174.62	7.42
Medical Examiner	14.00	12.00	13.00	14.00	14.00	14.50	14.50	15.00	1.00
Parks & Recreation Services	47.23	47.95	49.68	50.63	50.65	49.52	43.05	40.03	(7.20)
Planning & Land Services	123.00	121.50	127.75	124.50	131.50	131.62	150.62	161.62	38.62
Prevention Services & Pgms	-	-	.80	.41	.64	1.22	-	-	-
Prosecuting Attorney	207.00	215.60	219.07	231.72	232.22	227.22	228.50	230.50	23.50
River Improvement	-	-	-	-	-	-	-	-	-
Sheriff	273.00	293.50	357.00	434.00	440.00	449.00	364.00	374.00	101.00
Special Projects	11.54	14.63	14.99	10.60	10.49	10.92	11.00	11.77	.23
Superior Court	81.40	83.38	87.38	88.88	88.88	88.88	92.88	95.88	14.48
WSU PC Extension	3.60	3.60	3.60	3.60	3.62	3.62	3.60	3.60	-
<b>Total General Fund</b>	<b>1,766.14</b>	<b>1,825.63</b>	<b>1,919.84</b>	<b>2,057.78</b>	<b>2,055.64</b>	<b>2,060.10</b>	<b>1,997.12</b>	<b>2,039.87</b>	<b>273.73</b>
<b>Special Revenue Funds:</b>									
Anti-profiteering Revolv. Fd	1.00	-	-	-	-	-	-	-	(1.00)
Arts & Cultural Services	3.10	3.10	1.79	1.64	1.51	1.66	1.59	1.59	(1.51)
Auditor Maint. & Operations	1.00	1.00	2.00	.50	.50	.50	.50	2.50	1.50
Community Action	35.82	47.88	59.31	52.21	49.30	50.77	49.77	49.66	13.84
Community Development	12.75	13.32	9.96	10.22	9.92	8.66	11.31	11.31	(1.44)
Conservation Futures Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
County Road Fund	329.00	329.20	326.35	327.03	330.28	335.70	337.33	346.04	17.04
Criminal Justice Fund	-	1.00	-	1.00	2.00	2.00	2.00	3.00	3.00
Detention Center Commissary	-	-	-	2.40	3.00	3.90	3.00	3.00	3.00
Drug Investigation Fund	2.00	-	-	-	-	2.00	4.00	7.00	5.00
Emergency Mgmt Grant Fd	-	-	-	3.88	8.88	10.87	12.88	11.00	11.00
Endangered Species Act	-	-	-	.62	.62	-	-	-	-
Family Justice Center	-	-	-	-	-	-	1.50	2.80	2.80
Geographical Info.System	17.00	18.00	19.00	18.00	17.00	17.00	17.00	18.00	1.00



# Other Financial Information

## STAFFING SUMMARY

	1996 FTE	1998 FTE	2000 FTE	2002 FTE	2003 FTE	2004 FTE	2005 FTE	2006 FTE	Change from 1995
Human Services	116.30	134.12	143.74	202.11	220.20	220.37	224.47	248.36	132.06
Law Enforcement Fund	71.50	72.00	47.00	-	-	-	-	-	(71.50)
Park Impact Fees	-	-	-	-	-	-	.05	.05	.05
Parks Sales Tax	-	-	-	-	-	.64	1.00	4.56	4.56
Paths and Trails	1.25	2.05	1.47	1.52	2.11	2.02	1.02	1.02	(0.23)
Peninsula Recreation Program	-	-	-	1.00	2.00	2.00	2.00	-	-
Puget Sound Behavioral Health	-	-	183.29	170.05	108.40	106.04	97.86	92.42	92.42
Rainier Communications Comm	2.00	5.00	5.00	6.00	6.00	6.00	6.00	7.00	5.00
Real Est Exc Tax Rvr	3.73	3.91	2.02	1.79	1.95	1.71	1.57	1.39	(2.34)
Safe Streets Fund	-	-	-	-	-	-	-	-	-
Second REET Fund - Park	-	-	-	-	.25	.89	1.15	1.15	1.15
Surface Water Mgmt. Fd.	30.15	35.05	43.15	46.11	46.15	52.06	55.27	60.29	30.14
Tourism, Promo., Cap. Fac.	-	-	.13	.10	.43	.42	-	-	-
Veterans Relief Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-
Wellness Program	1.00	1.00	1.00	-	-	-	-	-	(1.00)
911 System	3.70	4.35	4.50	4.78	4.88	4.96	4.00	4.00	.30
<b>Total Spc Rev Funds</b>	<b>645.30</b>	<b>684.98</b>	<b>865.71</b>	<b>866.46</b>	<b>831.64</b>	<b>846.83</b>	<b>851.27</b>	<b>894.14</b>	<b>248.84</b>
<b>Capital Projects:</b>									
Admin Bldg & Fac. Fund	.10	.13	.17	.16	.16	-	-	-	(0.10)
Interim Jail Construction-308	.78	-	-	-	-	-	-	-	(0.78)
Parking Facility Fund	-	.64	.56	-	-	-	-	-	-
Permanent Jail Const.	-	1.43	8.51	4.90	4.92	.89	.50	.09	.09
REET-Capital Projects	1.27	1.07	1.07	2.69	2.74	3.47	2.85	3.02	1.75
Remann Hall Improv. Fund	1.10	-	-	-	-	-	-	-	(1.10)
1% for Arts Construction	-	-	-	.15	.25	.10	.10	.10	.10
2501 Corporate Express Bldg	-	-	-	-	-	-	1.29	1.41	1.41
<b>Total Capital Proj</b>	<b>3.25</b>	<b>3.27</b>	<b>10.31</b>	<b>7.90</b>	<b>8.07</b>	<b>4.46</b>	<b>4.74</b>	<b>4.62</b>	<b>1.37</b>
<b>Enterprise Funds:</b>									
Airport	1.00	2.02	1.50	1.60	1.60	1.60	1.60	1.63	.63
Chambers Bay Golf Course	-	-	-	-	-	-	.80	.75	.75
Golf Courses	8.65	8.45	8.45	8.45	8.84	8.78	8.78	8.74	.09
P.C. Ferry Services	-	-	.67	1.32	1.07	1.61	1.89	1.80	1.80
Sewer Utilities Fund	86.02	98.65	103.26	104.66	104.66	111.76	118.39	126.38	40.36
Sewer Utility Construction	2.00	1.10	-	-	-	-	-	-	(2.00)
Solid Waste Mgmt. Fund	12.35	12.61	11.11	13.71	13.71	14.44	16.02	16.11	3.76
Water Utility Fund	-	-	.90	.30	.30	.31	.09	.01	.01
<b>Total Enterp Funds</b>	<b>110.02</b>	<b>122.83</b>	<b>125.89</b>	<b>130.04</b>	<b>130.18</b>	<b>138.50</b>	<b>147.57</b>	<b>155.42</b>	<b>45.40</b>
<b>Internal Srv Funds:</b>									
Equipment Rental & Rev.	24.00	24.12	24.10	24.43	24.43	24.47	24.46	24.62	.62
Facilities Management	27.40	36.45	41.86	44.62	44.75	45.99	52.21	52.71	25.31
Fleet Rental	3.15	3.15	3.15	3.15	3.40	3.40	3.45	3.45	.30
General Services	7.20	7.20	8.20	8.20	8.20	8.20	8.20	8.20	1.00
Information Technology Fund	89.04	99.64	104.00	108.00	102.00	110.00	111.00	112.00	22.96
Radio Communication Fund	5.50	6.35	7.10	9.10	8.05	8.02	7.00	7.00	1.50
Self Insurance Fund	5.80	6.30	6.30	6.30	6.30	6.30	6.30	6.30	.50
Workers Compensation	2.20	2.70	2.70	2.70	2.70	2.70	2.70	2.70	.50
<b>Total Int Serv Fnds</b>	<b>164.29</b>	<b>185.91</b>	<b>197.41</b>	<b>206.50</b>	<b>199.83</b>	<b>209.08</b>	<b>215.32</b>	<b>216.98</b>	<b>52.69</b>
<b>TOTAL FUNDS</b>	<b>2,689.00</b>	<b>2,822.62</b>	<b>3,119.16</b>	<b>3,268.68</b>	<b>3,225.36</b>	<b>3,258.97</b>	<b>3,216.02</b>	<b>3,311.03</b>	<b>622.03</b>

# Other Financial Information

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## Revenue and Expenditure Summaries

The following revenue and expenditure summaries present a variety of views of the funding sources available to the County, and the services and activities provided with these resources. A brief description of each of the tables is given below.

**All Funds Comparison of 2006 Revenues and Expenditures .....31**

The most comprehensive presentation of the functional expenditures and their related funding sources can be found in the All Funds Comparison of 2006 Revenues and Expenditures which displays this information by fund type.

**Total Expenditures/Expenses.....32**

The total 2006 budget for each Fund, or each department in the General Fund, can be found in the Total Expenditures/Expenses table

**Departmental Expenditures/Expenses By Function .....34**

The Departmental Expenditures/Expenses By Function table organizes the various Fund budgets and department budgets of the General Fund by functional category. The functional categories presented comply with the Budgeting, Accounting and Reporting System maintained by the State Auditor's Office.

## Other Financial Information

### ALL FUNDS COMPARISON OF 2006 REVENUES AND EXPENDITURES

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Tacoma/ Pierce County Health Dept	Total All Fund Types
<b>Revenues/Other Financing Sources:</b>								
Charges For Services	\$ 34,059,360	\$ 20,769,290	\$ —	\$ 881,640	\$ 34,291,530	\$ 24,197,310	\$ 5,166,706	\$ 119,365,836
Contributed Capital	—	—	—	—	4,025,000	—	—	4,025,000
Fines and Forfeitures	4,943,950	13,000	—	—	—	—	—	4,956,950
Intergovernmental Rev	27,405,110	123,971,980	—	11,909,950	2,775,430	100	20,503,787	186,566,357
Licenses and Permits	8,964,520	74,000	—	—	—	—	3,778,837	12,817,357
Other Financing Sources	—	—	—	10,539,090	6,801,170	—	—	17,340,260
Other Miscellaneous Rev	14,504,030	32,544,800	4,634,690	47,836,900	31,995,160	31,373,710	1,551,542	164,440,832
Other Taxes	2,187,150	12,978,450	—	4,915,540	180,000	—	—	20,261,140
Property Taxes	101,374,480	45,374,500	—	—	—	—	—	146,748,980
Sales Taxes	50,740,000	2,270,000	—	—	—	—	—	53,010,000
Use of Fund Balance	5,631,693	32,271,470	779,660	18,590,490	49,715,060	5,889,860	2,767,557	115,645,790
<b>Total Revenues</b>	<b>\$ 249,810,293</b>	<b>\$ 270,267,490</b>	<b>\$ 5,414,350</b>	<b>\$ 94,673,610</b>	<b>\$ 129,783,350</b>	<b>\$ 61,460,980</b>	<b>\$ 33,768,429</b>	<b>\$ 845,178,502</b>
<b>Expenditures/Expenses:</b>								
Cultural & Recreation	\$ 7,300,980	\$ 16,423,630	\$ —	\$ 6,667,710	\$ 17,990,900	\$ —	\$ —	\$ 48,383,220
Debt Service	—	—	5,414,350	—	—	—	—	5,414,350
Economic Environment	18,202,270	18,035,700	—	—	—	—	—	36,237,970
General Government	34,676,050	2,812,720	—	3,077,710	—	—	—	40,566,480
Internal Service	—	—	—	—	—	61,460,980	—	61,460,980
Legal & Judicial	67,219,930	993,940	—	5,967,900	—	—	—	74,181,770
Mental/Physical Health	3,509,410	98,144,990	—	3,027,240	—	—	33,768,429	138,450,069
Physical Environment	2,108,840	57,259,760	—	—	—	—	—	59,368,600
Public Safety	116,513,545	11,041,970	—	15,737,170	—	—	—	143,292,685
Transportation	279,268	65,554,780	—	60,195,880	13,063,600	—	—	139,093,528
Utilities	—	—	—	—	98,728,850	—	—	98,728,850
<b>Total Expenditures</b>	<b>\$ 249,810,293</b>	<b>\$ 270,267,490</b>	<b>\$ 5,414,350</b>	<b>\$ 94,673,610</b>	<b>\$ 129,783,350</b>	<b>\$ 61,460,980</b>	<b>\$ 33,768,429</b>	<b>\$ 845,178,502</b>

This table presents a comprehensive view of resources and services provided by fund type. The Executive Message, in the front of this document, includes significant discussion of the highlights of the various budgets within each of these fund types. The individual budget sections, found later in this document, provide additional detail as well. Refer to the Total Expenditures/Expenses summary table in the back of this section for a detailed list of the funds by fund type.

Internal Services are those services provided to ourselves, such as information services, telecommunications, self insurance, vehicle and equipment pools, facilities maintenance, routing, and mail processing. The revenues to these Internal Service Funds are expenditures for the other funds receiving their services. Therefore, to obtain a truer net total budget for the County as a whole, we must remove the budget for the Internal Services (less fund balance and any revenues from non-county sources). The “netted” 2006 Budget for Pierce County is \$789,607,482 (total budget of \$845,178,502 less Internal Service Funds of \$61,460,980 plus \$100 in Intergovernmental Revenue from non-county sources and \$5,889,860 in Internal Service Funds use of fund balance).

# Other Financial Information

<b>TOTAL EXPENDITURES/EXPENSES</b>						
	<b>2004</b>	<b>2005</b>	<b>2005</b>	<b>2006</b>	<b>Absolute</b>	<b>Percent</b>
	<b>Actual</b>	<b>Budget</b>	<b>Estimate</b>	<b>Budget</b>	<b>Change</b>	<b>Change</b>
<b>General Fund</b>						
Assessor/Treasurer	\$ 9,620,048	\$ 10,545,580	\$ 10,500,464	\$ 10,585,010	\$ 39,430	0.4 %
Assigned Counsel Conflict Office	—	—	—	228,840	228,840	∞
Assigned Counsel	11,157,674	11,659,990	11,788,301	12,234,930	574,940	4.9
Auditor	7,307,252	8,078,160	8,078,160	7,389,760	(688,400)	(8.5)
Bond Debt Service	1,372,538	1,126,540	1,126,540	1,369,500	242,960	21.6
Budget & Finance	4,341,073	4,567,260	4,560,760	4,801,120	233,860	5.1
Building Remodel Projects	1,943,991	2,869,000	2,869,000	4,650,000	1,781,000	62.1
Clerk of the Superior Court	4,010,634	4,309,610	4,299,760	4,606,080	296,470	6.9
Communications	542,068	638,040	638,040	626,920	(11,120)	(1.7)
Corrections	37,317,238	39,756,600	39,756,590	40,752,380	995,780	2.5
County Council	3,229,639	3,389,440	3,368,755	3,560,870	171,430	5.1
County Executive	958,034	995,900	993,420	1,037,920	42,020	4.2
District Court	6,950,822	7,213,590	7,213,590	7,492,120	278,530	3.9
District Court Probation	2,430,408	2,638,210	2,600,210	2,750,100	111,890	4.2
Economic Development	946,254	950,220	936,650	1,006,380	56,160	5.9
Emergency Management	2,551,564	2,748,880	2,743,210	3,009,950	261,070	9.5
Health Services	2,995,309	3,082,700	3,082,700	3,041,020	(41,680)	(1.4)
Human Resources	2,788,252	2,931,630	2,931,630	3,292,260	360,630	12.3
Juvenile	16,578,695	17,078,504	17,074,507	17,606,340	527,836	3.1
Medical Examiner	1,610,585	1,762,650	1,746,550	1,701,920	(60,730)	(3.4)
Miscellaneous Current Expense	5,515,840	5,438,145	5,433,005	5,784,738	346,593	6.4
New Jail Reserve	2,000,000	—	—	—	—	—
Parks and Recreation Services	6,305,196	5,955,920	5,955,920	5,965,210	9,290	0.2
Planning and Land Services	13,102,346	15,327,197	15,327,197	16,492,060	1,164,863	7.6
Prevention Services & Programs	1,205,584	1,350,000	1,350,000	1,450,000	100,000	7.4
Prosecuting Attorney	20,934,345	21,875,945	21,848,171	22,762,940	886,995	4.1
Sheriff	53,204,303	46,598,615	46,598,615	50,006,105	3,407,490	7.3
Sheriff Transition	—	1,280,000	1,100,000	—	(1,280,000)	(100.0)
Special Projects	2,247,348	2,159,080	2,157,700	2,530,010	370,930	17.2
State Auditor	194,410	162,710	162,710	172,100	9,390	5.8
Superior Court	10,794,253	11,306,470	11,306,470	12,252,390	945,920	8.4
WSU PC Extension	567,627	628,770	628,770	651,320	22,550	3.6
<b>Total General Fund</b>	<b>234,723,330</b>	<b>238,425,356</b>	<b>238,177,395</b>	<b>249,810,293</b>	<b>11,384,937</b>	<b>4.8</b>
<b>Special Revenue Funds</b>						
Antiprofitteering Revolving Fund	20	—	—	—	—	—
Arts and Cultural Services	256,150	264,750	264,750	232,240	(32,510)	(12.3)
Auditor's Maint & Operation	585,796	939,270	518,690	1,450,000	510,730	54.4
Community Action	6,189,940	6,810,733	6,810,733	5,929,530	(881,203)	(12.9)
Community Development Fund	3,547,733	5,255,500	4,303,564	5,169,710	(85,790)	(1.6)
Conservation Futures Fund	1,228,528	3,077,970	3,077,970	21,949,100	18,871,130	613.1
County Road Fund	60,859,512	62,991,550	62,363,834	60,382,960	(2,608,590)	(4.1)
Criminal Justice Fund	540,327	679,910	658,125	872,100	192,190	28.3
Detention Center Commissary	701,923	717,560	717,560	700,000	(17,560)	(2.4)
Dispute Resolution Center Fund	145,897	132,020	132,020	150,000	17,980	13.6
Drug Investigation Fund	209,219	588,830	555,838	755,430	166,600	28.3
Emergency Management Grants Fund	3,362,711	6,848,760	6,767,710	3,284,110	(3,564,650)	(52.0)
Employee Assistance Program	54,079	64,890	64,890	66,260	1,370	2.1
Endangered Species Act	190,008	225,210	129,060	204,400	(20,810)	(9.2)
Family Justice Center	—	365,750	309,050	675,180	309,430	84.6
Federal Forest Services Fund	145,327	214,790	164,790	160,700	(54,090)	(25.2)
Geographic Information System Fund	2,528,466	3,095,490	3,030,510	3,109,710	14,220	0.5
Homeless Housing Fund	—	125,000	125,000	1,235,000	1,110,000	888.0
Housing Repair Program	4,664,167	7,816,516	7,816,516	6,412,190	(1,404,326)	(18.0)
Human Services Fund	85,334,591	78,745,881	75,211,901	79,409,920	664,039	0.8
Law Enforcement Fund	188,399	—	—	—	—	—
Low Income Housing Fee Fund	513,714	4,100,000	1,016,046	5,218,800	1,118,800	27.3
Marine Services Fund	139,360	235,480	207,480	132,000	(103,480)	(43.9)
Parks Impact Fee Fund	849,923	1,755,750	763,130	2,979,310	1,223,560	69.7
Parks Sales Tax Fund	1,041,108	1,850,000	1,845,280	5,436,030	3,586,030	193.8
Paths and Trails Fund	1,957,682	2,743,120	2,010,170	4,315,930	1,572,810	57.3
Peninsula Recreation Program	302,767	320,000	207,340	—	(320,000)	(100.0)
Pierce County Fair	161,902	182,110	179,610	184,060	1,950	1.1
Puget Sound Behavioral Health	13,026,380	13,678,880	12,669,355	12,222,850	(1,456,030)	(10.6)
Rainier Communications Commission	920,585	1,110,880	1,078,160	1,172,460	61,580	5.5
Real Estate Excise Tax - River	905,053	2,664,520	1,459,190	5,918,220	3,253,700	122.1
REET Electronic Technology	—	—	—	124,000	124,000	∞
Second REET Fund - Parks	1,017,008	3,003,260	2,859,550	2,320,000	(683,260)	(22.8)
Second REET Fund - Roads	886,384	10,736,680	10,736,680	5,171,820	(5,564,860)	(51.8)
Surface Water Management Fund	12,756,236	20,252,880	16,422,310	25,917,630	5,664,750	28.0
Tourism, Promotion & Capital Facilities Fd	379,239	1,082,000	489,660	956,060	(125,940)	(11.6)
Veterans' Relief Fund	491,858	529,790	529,380	582,690	52,900	10.0
911 System	4,935,763	5,505,490	5,039,270	5,467,090	(38,400)	(0.7)
<b>Total Special Revenue Funds</b>	<b>\$ 211,017,755</b>	<b>\$ 248,711,220</b>	<b>\$ 230,535,122</b>	<b>\$ 270,267,490</b>	<b>\$ 21,556,270</b>	<b>8.7 %</b>

## Other Financial Information

<b>TOTAL EXPENDITURES/EXPENSES</b>						
	2004	2005	2005	2006	Absolute	Percent
	Actual	Budget	Estimate	Budget	Change	Change
<b>Limited GO Bond Redemption</b>						
Limited GO Bond Redemption	5,667,770	40,442,570	40,246,390	5,414,350	(35,028,220)	(86.6)
Road Improve Guarantee Fund	320,662	—	—	—	—	—
<b>Total Limited GO Bond Redemption</b>	<b>5,988,432</b>	<b>40,442,570</b>	<b>40,246,390</b>	<b>5,414,350</b>	<b>(35,028,220)</b>	<b>(86.6)</b>
<b>Capital Projects Fund</b>						
Administration Building Fund	1,519,624	—	—	—	—	—
Human Services Construction Fund	667,984	929,740	929,740	3,027,240	2,097,500	225.6
Parks Bond Construction Fund	3,206,257	13,766,880	9,076,990	1,234,600	(12,532,280)	(91.0)
Parks Construction Fund	3,480,651	2,802,770	2,802,770	4,972,840	2,170,070	77.4
Permanent Jail Construction	4,450,353	4,160,460	3,032,930	1,876,360	(2,284,100)	(54.9)
Public Works Construction Fund	19,017,542	53,313,000	25,114,411	33,357,000	(19,956,000)	(37.4)
Real Estate Excise Tax - Capital Improvmt	4,213,537	6,848,580	6,601,800	10,676,770	3,828,190	55.9
RID Construction Fund	27,876	—	—	—	—	—
Transportation Facilities	963,798	26,600,000	8,936,125	26,838,880	238,880	0.9
1% For Arts Construction	54,010	281,620	123,940	460,270	178,650	63.4
2501 Corporate Express Bldg	1,213,543	7,016,050	1,237,860	12,229,650	5,213,600	74.3
<b>Total Capital Projects Fund</b>	<b>38,815,175</b>	<b>115,719,100</b>	<b>57,856,566</b>	<b>94,673,610</b>	<b>(21,045,490)</b>	<b>(18.2)</b>
<b>Enterprise Funds</b>						
Airport Fund	492,380	585,554	562,912	601,730	16,176	2.8
Chambers Bay Golf Course	607,520	6,350,000	4,517,230	15,993,950	9,643,950	151.9
Golf Courses	1,019,298	1,979,200	1,834,220	1,996,950	17,750	0.9
Pierce County Ferry Services	3,165,701	13,947,330	5,347,116	12,461,870	(1,485,460)	(10.7)
Sewer Revenue Bonds	16,586,882	8,308,000	8,308,000	5,671,730	(2,636,270)	(31.7)
Sewer Facility Restricted Reserve	3,389,880	6,590,980	4,429,200	11,065,200	4,474,220	67.9
Sewer Utility Fund	32,566,686	48,375,790	44,556,150	48,984,330	608,540	1.3
Sewer Utility Construction Funds	7,331,976	18,069,000	15,662,470	27,732,290	9,663,290	53.5
Solid Waste Management Fund	2,829,026	6,302,630	6,071,620	4,971,130	(1,331,500)	(21.1)
Water Utility Fund	28,786	198,750	154,350	304,170	105,420	53.0
<b>Total Enterprise Funds</b>	<b>68,018,135</b>	<b>110,707,234</b>	<b>91,443,268</b>	<b>129,783,350</b>	<b>19,076,116</b>	<b>17.2</b>
<b>Intragovernmental Service Fund</b>						
Equipment Rental & Revolving	8,961,134	12,706,240	12,626,546	12,529,550	(176,690)	(1.4)
Facilities Management Fund	9,081,326	10,171,810	10,087,490	10,675,420	503,610	5.0
Fleet Rental	3,119,697	3,521,020	3,641,100	3,963,290	442,270	12.6
General Services	2,770,881	2,900,800	2,780,330	3,094,120	193,320	6.7
Information Technology Fund	14,713,883	16,209,980	16,109,980	16,954,310	744,330	4.6
Radio Communications Fund	1,621,221	2,258,750	2,106,120	2,384,150	125,400	5.6
Self Insurance Fund	4,242,425	8,323,870	7,784,930	8,795,540	471,670	5.7
Workers Compensation	2,782,019	2,902,510	2,503,240	3,064,600	162,090	5.6
<b>Total Intragovernmental Service Fund</b>	<b>47,292,586</b>	<b>58,994,980</b>	<b>57,639,736</b>	<b>61,460,980</b>	<b>2,466,000</b>	<b>4.2</b>
<b>Health Department</b>	<b>33,928,500</b>	<b>34,561,812</b>	<b>34,561,812</b>	<b>33,768,429</b>	<b>(793,383)</b>	<b>(2.3)</b>
<b>Grand Total</b>	<b>\$ 639,783,913</b>	<b>\$ 847,562,272</b>	<b>\$ 750,460,289</b>	<b>\$ 845,178,502</b>	<b>\$ (2,383,770)</b>	<b>(0.3) %</b>

# Other Financial Information

## DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

	2006 Budget	2005 Budget	Absolute Change	Percent Change
<b>General Government</b>				
Assessor/Treasurer	\$ 10,585,010	\$ 10,545,580	\$ 39,430	0.4 %
Auditor	6,566,100	8,078,160	(1,512,060)	(18.7)
Auditor's Maintenance & Operation	1,450,000	939,270	510,730	54.4
Bond Debt Service	700,440	461,190	239,250	51.9
Budget & Finance	4,801,120	4,567,260	233,860	5.1
Building Remodel Projects	150,000	—	150,000	∞
Communications	626,920	638,040	(11,120)	(1.7)
County Council	3,560,870	3,389,440	171,430	5.1
County Executive	1,037,920	995,900	42,020	4.2
Employee Assistance Program Fund	66,260	64,890	1,370	2.1
Human Resources	3,292,260	2,931,630	360,630	12.3
Miscellaneous Current Expense	1,510,560	1,585,200	(74,640)	(4.7)
Rainier Communications Commission	1,172,460	1,110,880	61,580	5.5
Real Estate Excise Tax - Capital Improvmt	3,077,710	4,028,450	(950,740)	(23.6)
REET Electronic Technology Fund	124,000	—	124,000	∞
Special Projects	1,672,750	1,095,700	577,050	52.7
State Auditor	172,100	162,710	9,390	5.8
<b>Total General Government</b>	<b>40,566,480</b>	<b>40,594,300</b>	<b>(27,820)</b>	<b>(0.1)</b>
<b>Public Safety</b>				
Bond Debt Service	468,340	465,750	2,590	0.6
Corrections	40,752,380	39,756,600	995,780	2.5
Criminal Justice Fund	703,340	623,800	79,540	12.8
Detention Center Commissary	700,000	717,560	(17,560)	(2.4)
District Court Probation	2,750,100	2,638,210	111,890	4.2
Drug Investigation Fund	755,430	588,830	166,600	28.3
Emergency Management	3,009,950	2,748,880	261,070	9.5
Emergency Managemt Grants Fund	3,284,110	6,848,760	(3,564,650)	(52.0)
Juvenile	15,296,230	14,846,901	449,329	3.0
Marine Services Fund	132,000	235,480	(103,480)	(43.9)
Medical Examiner	1,701,920	1,762,650	(60,730)	(3.4)
Miscellaneous Current Expense	978,200	999,330	(21,130)	(2.1)
Parks and Recreation Services	40,870	40,000	870	2.2
Permanent Jail Construction	1,876,360	4,160,460	(2,284,100)	(54.9)
Prevention Services & Programs	1,450,000	1,350,000	100,000	7.4
Real Estate Excise Tax - Capital Improvmt	1,631,160	1,808,270	(177,110)	(9.8)
Sheriff	50,006,105	46,598,615	3,407,490	7.3
Sheriff Transition	—	1,280,000	(1,280,000)	(100.0)
Special Projects	59,450	88,000	(28,550)	(32.4)
2501 Corporate Express Building	12,229,650	7,016,050	5,213,600	74.3
911 System	5,467,090	5,505,490	(38,400)	(0.7)
<b>Total Public Safety</b>	<b>143,292,685</b>	<b>140,079,636</b>	<b>3,213,049</b>	<b>2.3</b>
<b>Physical Environment</b>				
Auditor	823,660	—	823,660	∞
Conservation Futures Fund	21,949,100	3,077,970	18,871,130	613.1
Endangered Species Act	204,400	225,210	(20,810)	(9.2)
Federal Forest Services Fund	160,700	214,790	(54,090)	(25.2)
Geographic Information System Fund	3,109,710	3,095,490	14,220	0.5
Miscellaneous Current Expense	759,250	749,680	9,570	1.3
Real Estate Excise Tax - River	5,918,220	2,664,520	3,253,700	122.1
Special Projects	525,930	733,090	(207,160)	(28.3)
Surface Water Management Fund	25,917,630	20,252,880	5,664,750	28.0
<b>Total Physical Environment</b>	<b>59,368,600</b>	<b>31,013,630</b>	<b>28,354,970</b>	<b>91.4</b>
<b>Legal &amp; Judicial</b>				
Assigned Counsel Conflict Office	228,840	—	228,840	∞
Assigned Counsel	12,234,930	11,659,990	574,940	4.9
Bond Debt Service	200,720	199,600	1,120	0.6
Building Remodel Projects	4,500,000	2,834,000	1,666,000	58.8
Clerk of the Superior Court	4,606,080	4,309,610	296,470	6.9
Criminal Justice Fund	168,760	56,110	112,650	200.8
Dispute Resolution Center Fund	150,000	132,020	17,980	13.6
District Court	7,492,120	7,213,590	278,530	3.9
Family Justice Center	675,180	365,750	309,430	84.6
Juvenile	2,310,110	2,231,603	78,507	3.5
Miscellaneous Current Expense	631,800	349,000	282,800	81.0
Prosecuting Attorney	22,762,940	21,875,945	886,995	4.1
Real Estate Excise Tax - Capital Improvmt	5,967,900	1,011,860	4,956,040	489.8
Superior Court	12,252,390	11,306,470	945,920	8.4
<b>Total Legal &amp; Judicial</b>	<b>74,181,770</b>	<b>63,545,548</b>	<b>10,636,222</b>	<b>16.7 %</b>

# Other Financial Information

## DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

	2006 Budget	2005 Budget	Absolute Change	Percent Change
<b>Economic Environment</b>				
Community Development Fund	5,169,710	5,255,500	(85,790)	(1.6)
Economic Development	1,006,380	950,220	56,160	5.9
Homeless Housing Fund	1,235,000	125,000	1,110,000	888.0
Housing Repair Program	6,412,190	7,816,516	(1,404,326)	(18.0)
Low Income Housing Fee Fund	5,218,800	4,100,000	1,118,800	27.3
Miscellaneous Current Expense	431,950	323,982	107,968	33.3
Planning and Land Services	16,492,060	15,327,197	1,164,863	7.6
Special Projects	271,880	242,290	29,590	12.2
<b>Total Economic Environment</b>	<b>36,237,970</b>	<b>34,140,705</b>	<b>2,097,265</b>	<b>6.1</b>
<b>Mental/Physical Health</b>				
Community Action	5,929,530	6,810,733	(881,203)	(12.9)
Health Department	33,768,429	34,561,812	(793,383)	(2.3)
Health Services	3,041,020	3,082,700	(41,680)	(1.4)
Human Services Fund	79,409,920	78,745,881	664,039	0.8
Human Services Construction Fund	3,027,240	929,740	2,097,500	225.6
Miscellaneous Current Expense	468,390	464,510	3,880	0.8
Puget Sound Behavioral Health	12,222,850	13,678,880	(1,456,030)	(10.6)
Veterans' Relief Fund	582,690	529,790	52,900	10.0
<b>Total Mental/Physical Health</b>	<b>138,450,069</b>	<b>138,804,046</b>	<b>(353,977)</b>	<b>0.3</b>
<b>Cultural &amp; Recreation</b>				
Arts And Cultural Services	232,240	264,750	(32,510)	(12.3)
Building Remodel Projects	—	35,000	(35,000)	(100.0)
Chambers Bay Golf Course	15,993,950	6,350,000	9,643,950	151.9
Golf Courses	1,996,950	1,979,200	17,750	0.9
Miscellaneous Current Expense	725,320	823,443	(98,123)	(11.9)
Parks and Recreation Services	5,924,340	5,915,920	8,420	0.1
Parks Bond Construction Fund	1,234,600	13,766,880	(12,532,280)	(91.0)
Parks Construction Fund	4,972,840	2,802,770	2,170,070	77.4
Parks Impact Fee Fund	2,979,310	1,755,750	1,223,560	69.7
Parks Sales Tax Fund	5,436,030	1,850,000	3,586,030	193.8
Paths and Trails Fund	4,315,930	2,743,120	1,572,810	57.3
Peninsula Recreation Program	—	320,000	(320,000)	(100.0)
Pierce County Fair	184,060	182,110	1,950	1.1
Second REET Fund - Parks	2,320,000	3,003,260	(683,260)	(22.8)
Tourism, Promotion, & Capital Facilities Fund	956,060	1,082,000	(125,940)	(11.6)
WSU PC Extension	651,320	628,770	22,550	3.6
1% For Arts Construction	460,270	281,620	178,650	63.4
<b>Total Cultural &amp; Recreation</b>	<b>48,383,220</b>	<b>43,784,593</b>	<b>4,598,627</b>	<b>10.5</b>
<b>Debt Service</b>				
Limited GO Bond Redemption	5,414,350	40,442,570	(35,028,220)	(86.6)
<b>Total Debt Service</b>	<b>5,414,350</b>	<b>40,442,570</b>	<b>(35,028,220)</b>	<b>(86.6)</b>
<b>Transportation</b>				
Airport Fund	601,730	585,554	16,176	2.8
County Road Fund	60,382,960	62,991,550	(2,608,590)	(4.1)
Miscellaneous Current Expense	279,268	143,000	136,268	95.3
Pierce County Ferry Services	12,461,870	13,947,330	(1,485,460)	(10.7)
Public Works Construction Fund	33,357,000	53,313,000	(19,956,000)	(37.4)
Second REET Fund - Roads	5,171,820	10,736,680	(5,564,860)	(51.8)
Transportation Facilities	26,838,880	26,600,000	238,880	0.9
<b>Total Transportation</b>	<b>139,093,528</b>	<b>168,317,114</b>	<b>(29,223,586)</b>	<b>(17.4)</b>
<b>Utilities</b>				
Sewer Revenue Funds	5,671,730	8,308,000	(2,636,270)	(31.7)
Sewer Facil Restricted Reserve	11,065,200	6,590,980	4,474,220	67.9
Sewer Utility Fund	48,984,330	48,375,790	608,540	1.3
Sewer Utility Construction Funds	27,732,290	18,069,000	9,663,290	53.5
Solid Waste Management Fund	4,971,130	6,302,630	(1,331,500)	(21.1)
Water Utility Fund	304,170	198,750	105,420	53.0
<b>Total Utilities</b>	<b>98,728,850</b>	<b>87,845,150</b>	<b>10,883,700</b>	<b>12.4</b>
<b>Internal Service</b>				
Equipment Rental & Revolving	12,529,550	12,706,240	(176,690)	(1.4)
Facilities Management Fund	10,675,420	10,171,810	503,610	5.0
Fleet Rental	3,963,290	3,521,020	442,270	12.6
General Services	3,094,120	2,900,800	193,320	6.7
Information Technology Fund	16,954,310	16,209,980	744,330	4.6
Radio Communications Fund	2,384,150	2,258,750	125,400	5.6
Self Insurance Fund	8,795,540	8,323,870	471,670	5.7
Workers Compensation	3,064,600	2,902,510	162,090	5.6
<b>Total Internal Service</b>	<b>61,460,980</b>	<b>58,994,980</b>	<b>2,466,000</b>	<b>4.2</b>
<b>County Fund Total</b>	<b>\$ 845,178,502</b>	<b>\$ 847,562,272</b>	<b>\$ (2,383,770)</b>	<b>(0.3) %</b>

