

Pierce County 2004 Budget In Brief

This document is a “brief” look at the adopted 2004 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

Kevin Wimsett

Harold Moss

Barbara Gelman

Dick Muri

Terry Lee



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Pierce County
Washington**

For the Fiscal Year Beginning
January 1, 2003

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, 2003. 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.

- Pierce County Facts 1**
 - General Information..... 1
 - Transportation 1
 - Economic Conditions..... 1
 - Population 2
 - Economic Indicators..... 3
- Organizational Overview 4**
- Mission and Goals 5**
- Budget Highlights 6**
 - Budget History 6
 - Total Pierce County Revenue & Expenditure Overview 7
- General Fund..... 8**
 - Revenues 8
 - Expenditures 11
 - 2004 Service & Program Changes 12
 - Use of Prior Fund Balance 13
- Other County Funds 14**
 - Major Community & Human Services Funds..... 14
 - Transportation Services Funds..... 15
 - Environmental Services Funds..... 15
 - Parks and Recreation Funding 16
 - Internal Service Funds..... 16
 - Special Revenue & Other Funds 16
- Summation 17**
 - Unresolved Issues 17
 - Overview 18
 - Prognosis for Fiscal 2005 18
- Other Financial Information 19**
 - Property Taxes and Assessed Valuation..... 19
 - Property Tax Levy Rates 19
 - Debt Capacity 20
 - Capital Improvement Program Summary 22
 - Staffing Information 24
 - Revenue and Expenditure Summaries 28
 - All Funds Comparison Of 2004 Revenues And Expenditures 29
 - Total Expenditures/Expenses 30
 - Departmental Expenditures/Expenses By Function 32

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 sea 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 falls 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. Altogether these military installations contribute over 33,000 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 feel the impact of the economic slowdown with most key indicators moving downward. However, the County is in a good position to recover and experience future economic growth. Recent forecasts describe some of the advantages the County enjoys: (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

Pierce County's manufactured products include chemicals, machinery, hardware, food products, and electronics. Among the major manufacturers are Intel (1,500 jobs), Boeing (1,000), Milgard Glass (740), and Simpson Tacoma Kraft wood products (508). Intel has already invested over \$160 million in Pierce County and has plans for future expansion. Boeing has completed two phases of construction on a Pierce County facility which builds components for the 777 aircraft.

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.”

As the sixth busiest container port in North America, and one of the 25 busiest in the world, the Port of Tacoma 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 22,000 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 (4,519), the Franciscan Health System (2,892), and Good Samaritan Hospital (1,600). In addition, Da Vita, the nation’s second largest provider of dialysis services, completed the renovation of a large downtown building in Tacoma which now employs 686 people.

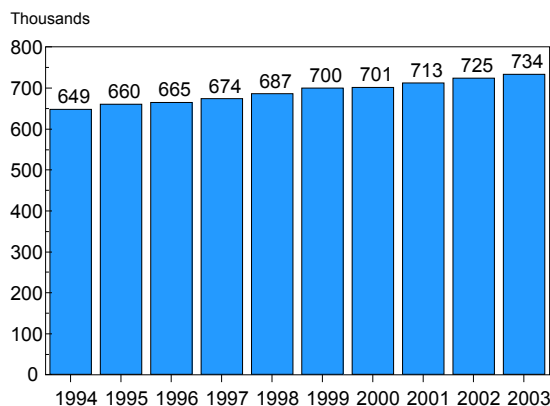
Fort Lewis Army Base and Madigan Army Medical Center occupy 86,000 acres in southwest Pierce County while the adjacent McChord Air Force Base sits on 5,000 acres. Together these facilities employ over 35,000 military and civilian personnel. Unlike many military installations across the country, Fort Lewis and McChord have expanded as people are transferred from closed facilities to the northwest. In addition, President Bush’s 2003 budget included a 4.1% pay raise for all military members and more than \$106 million for construction projects at Fort Lewis.

Other government employment includes the local public school districts (12,778), the City of Tacoma including Tacoma Public Utilities (3,136), Pierce County (3,034), and, the Puyallup Tribe (1,795).

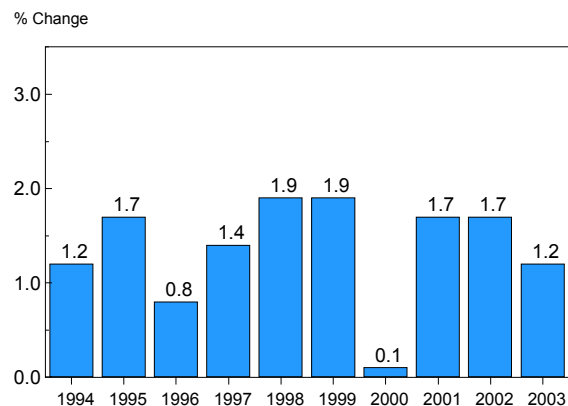
Population

Pierce County is home to an estimated 733,700 people, making it the second largest county in the state. Its five largest cities are Tacoma (196,300), Lakewood (58,940), Puyallup (35,490), University Place (30,720), and Bonney Lake (12,950). 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

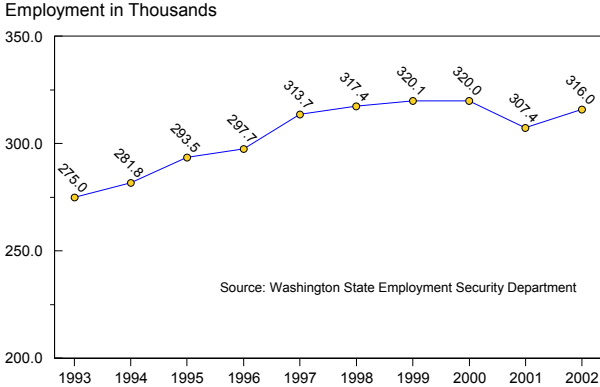


Economic Indicators

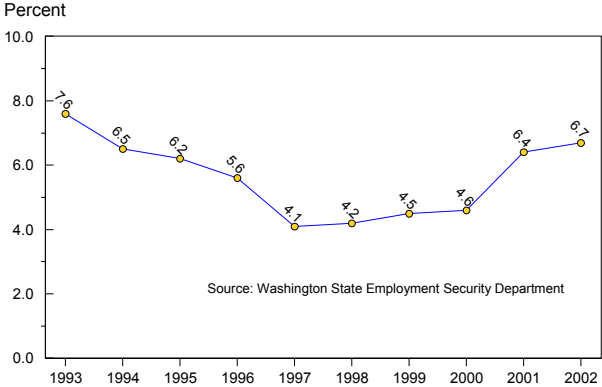
The following indicators are key elements in the evaluation of current economic conditions and are useful when developing projections or economic forecasts:

- ❖ **Inflation:** Inflation as measured by the Seattle-Tacoma-Everett Consumer Price Index for all urban consumers decreased from 2.5% in 2001 to 2.1% in 2002. During the same period, the U. S. average (CPI-U) went from 1.6% in 2001 to 2.6% in 2002.
- ❖ **Employment:** Total employment increased to 316,000, while the rate of unemployment increased to 6.7%. Pierce County unemployment is slightly lower than the statewide average of 6.8% but higher than the U.S. average of 5.8%.

Pierce County Employment

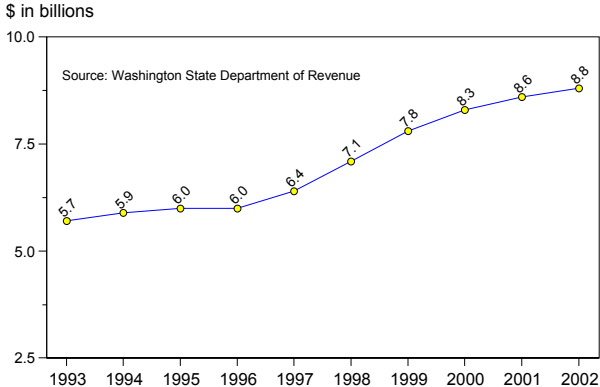


Pierce County Percent Unemployment

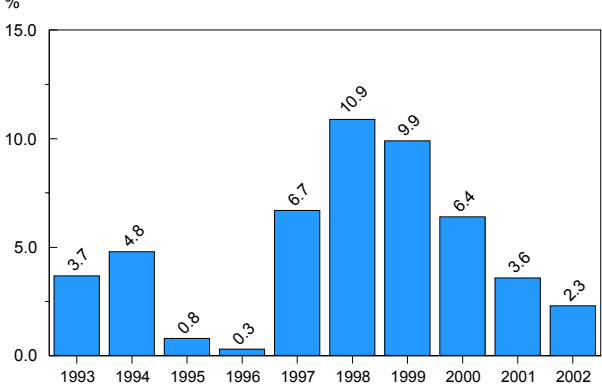


- ❖ **Taxable Retail Sales:** Taxable retail sales continued the pattern of slow growth that began in 2001. Still, 2002 taxable retail sales managed to increase 2.3% over 2001. Based on current economic forecasts, we anticipate that total taxable retail sales will be slightly higher in 2003.

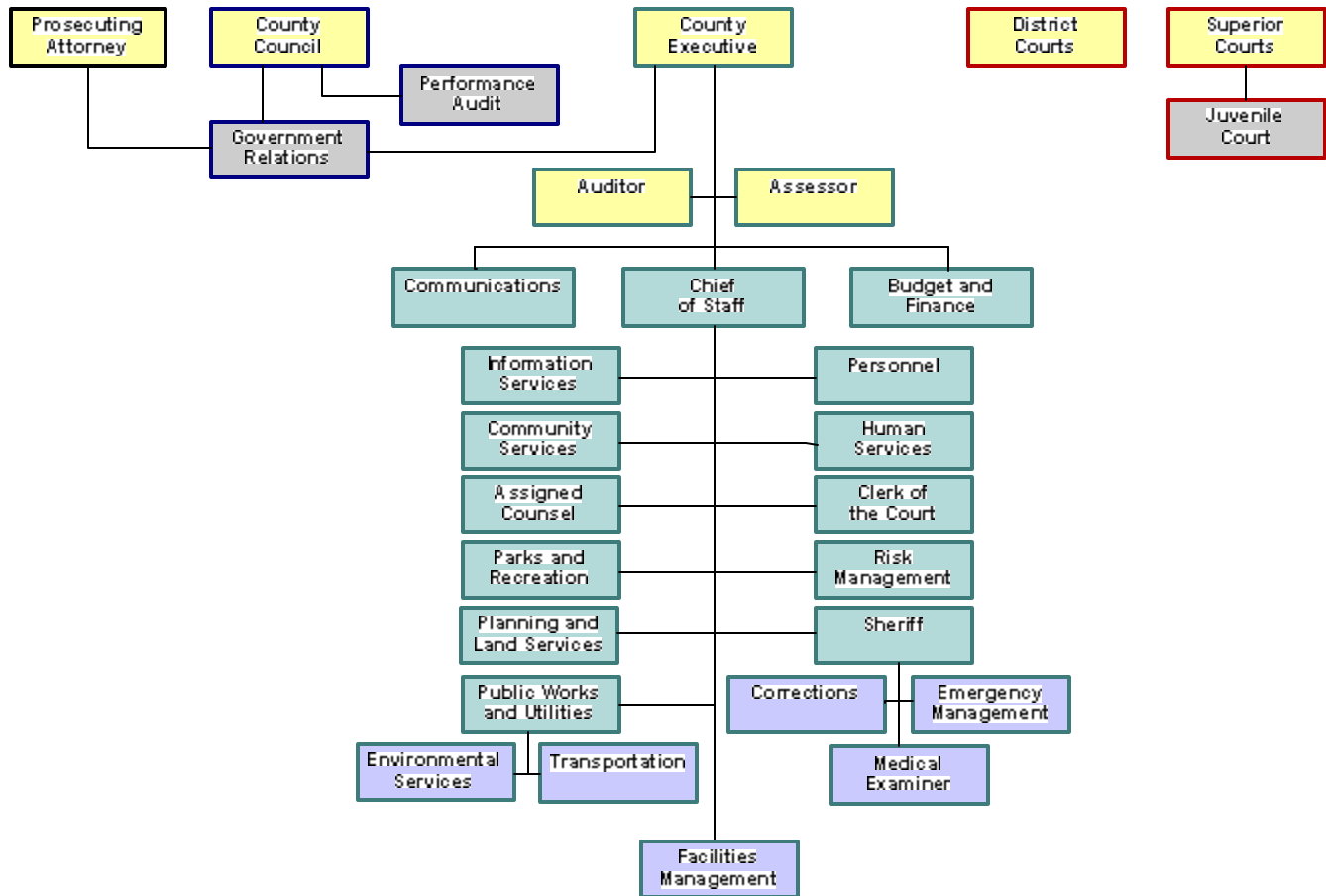
Pierce County Taxable Retail Sales



Percent Change Taxable Retail Sales



Organizational Overview



2004 COUNTY COUNCIL

Shawn Bunney	District 1
Calvin Goings	District 2
Kevin Wimsett	District 3
Harold Moss	District 4
Barbara Gelman	District 5
Dick Muri	District 6
Terry Lee	District 7

2004 DISTRICT COURT JUDGES

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

2004 SUPERIOR COURT JUDGES

James R. Orlando.....	Presiding Judge
Katherine M. Stolz	Stephanie A. Arend
Thomas P. Larkin	Kathryn J. Nelson
Bryan Chushcoff	Bruce W. Cohoe
Vicki L. Hogan	Thomas J. Felnagle
Rosanne Buckner	Lisa Worswick
Frederick W. Fleming	Ronald E. Culpepper
Brian Tollefson	Beverly G. Grant
Sergio Armijo	Marywave Van Deren
D. Gary Steiner	Kitty-Ann van Doorninck
John A. McCarthy	Frank E. Cuthbertson

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, 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 elements noted below. For the 2004 budget we are continuing the department Performance Measures initiative, and have placed increased emphasis on the specificity of each Measure. These Measures focus on the most vital aspects of each department operation.

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**, shown below, 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 2004 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, and prosecution programs.
- 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 public image for Pierce County Government and improve customer service 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 an effective work force through an emphasis on diversity; and the promotion of programs which stress training, incentives, recognition, and innovation.
- K – Implement infrastructure improvements in county buildings which will address employee safety, workspace and environmental issues; and thus enhance employee morale.

Budget Highlights

The Pierce County 2004 budget reflects the revenue limitations confronting county government, the impact of a sluggish economy, 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, justice services workload, growth management, effective land use planning and regulation, new habitat preservation responsibilities, our transportation network, flooding concerns, and intergovernmental cooperation. It is our responsibility to exhibit leadership in addressing these issues, and to provide cost-effective public services to our citizens.

This is the third budget year which 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, the weak state of the economy, and the cutbacks in State funding resulting from their budget problems have all combined to create a severe budget crunch for local governments. The resultant revenue limitations have made it impossible for us to meet all the budget requests from our department directors, or to fully meet our service obligations to our citizens. For 2004, we have simply allocated available resources to enhance a few priority public safety and justice service programs as funds permitted, while maintaining most existing programs and services. For the General Fund, this can best be described as a status quo budget.

Budget History

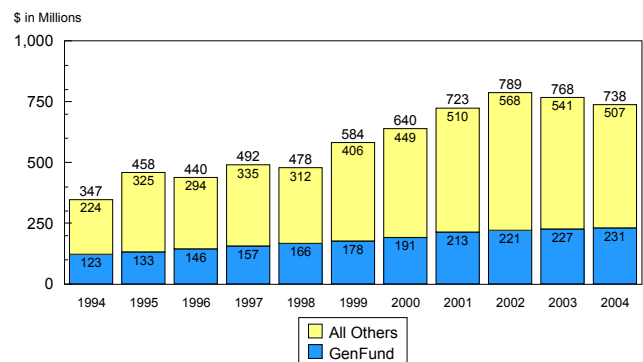
The proposed 2004 Pierce County Budget totals \$739,729,205, which is a decrease of \$28.1 million (3.7%) from 2003. Most of the decrease is due to reduced construction expenses.

Pierce County's budget history over the past ten years for both the General Fund and the Total County are shown in the accompanying table. While the General Fund pattern shows a gradual upward trend, the Total Budget varies considerably from year to year, usually due to the level of major construction activity.

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

- ◇ First, existing challenges involving criminal activity, domestic violence, meth labs and other drug activity will continue to place great pressure on public safety and justice services. We have one of the lowest ratios of law enforcement officers to population, and conversely one of the highest crime rates in the state.
- ◇ Second, as previously stated, this must be considered a **“status quo” General Fund budget**. In these times of financial stress, we consider our ability to substantially maintain the status quo to be a major accomplishment.
- ◇ Third, we will continue to emphasize **pro-active prevention programs**. This budget funds many of the alternatives to incarceration programs recommended by the Criminal Justice Task Force, including county funding for Breaking the Cycle, Drug Court and Juvenile Alternative to Detention programs. These programs decrease criminal activity and reduce future jail costs.
- ◇ Fourth, we will continue to fund balanced **Land Use Regulatory** programs, solid **Road Maintenance** services; and a **substantially enhanced Parks and Recreation program** utilizing recently approved parks sales tax, real estate excise tax, and parks impact fees.

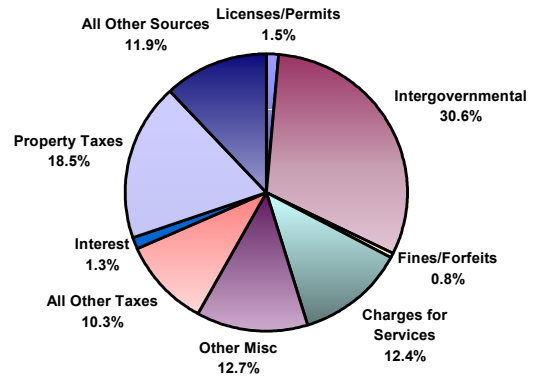
Total Budget



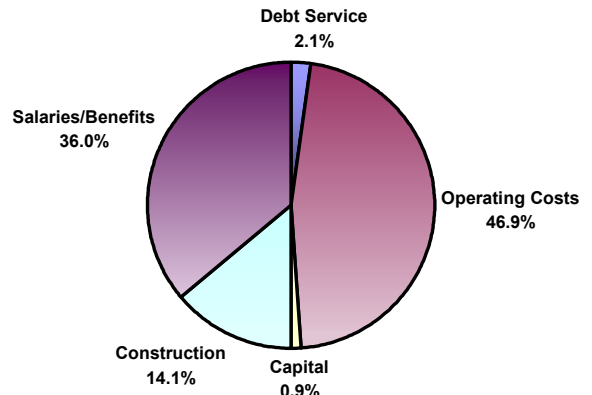
Total Pierce County Revenue & Expenditure Overview

Total revenues and expenditures projected for all 2004 Pierce County operations are summarized and compared to prior years on the following pages and are also discussed throughout the Executive Message. In total, the County's budget will be 3.8% below the 2003 level. Just over 30% of the County's funding comes from Intergovernmental Revenues. Property and Other Taxes equals almost 29% of the total revenues. Service Charges, Licenses/Permits, and Fines/Forfeits provide another 15%. The 12% All Other Sources category is primarily made up of the use of prior fund balance. The 13% 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 over than 1%. The revenues for Internal Service Funds have been excluded from the totals used to calculate the percentages shown on the pie chart.

2004 Total County Revenues
Summarized by Source

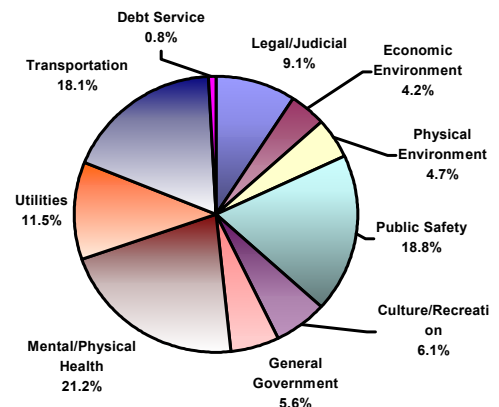


2004 Total County Expenditures
Summarized by Object Classification



Over 36% of the County's total budget line-item is allocated to personnel costs. All other operating costs consume approximately 47%. The remaining 17% is for capital construction, and debt service.

2004 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 just over 21%. Over 34% of the total expenditures is invested in the support of Transportation, Utilities, and the Physical Environment. Six percent of the total expenditures is related to Culture and Recreation. Just over 4% is expended for Economic Environment activity and almost 7% 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.

General Fund

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 2004 revenues, with a comparison to the current year, is shown in the table below:

GENERAL FUND REVENUE SUMMARY				
	2004 Budget	2003 Budget	Absolute Change	Percent Change
Property Taxes	\$ 93,199,360	\$ 89,424,660	\$ 3,774,700	4.2 %
Sales Taxes	44,256,500	41,290,000	2,966,500	7.2
Other Taxes	2,175,050	2,155,540	19,510	0.9
Licenses and Permits	6,586,840	5,435,030	1,151,810	21.2
Intergovernmental Revenue	37,018,300	38,115,987	(1,097,687)	(2.9)
Charges for Services	30,231,410	29,643,965	587,445	2.0
Fines and Forfeitures	5,549,810	4,954,680	595,130	12.0
Interest Revenue	7,042,000	7,543,430	(501,430)	(6.6)
Other Miscellaneous Revenue	3,542,410	3,426,227	116,183	3.4
Subtotal Revenues	\$ 229,601,680	\$ 221,989,519	\$ 7,612,161	3.4 %
Fund Balance	2,992,000	5,213,000	(2,221,000)	(42.6)
Total Available Resources	\$ 232,593,680	\$ 227,202,519	\$ 5,391,161	2.4 %

Our revenue projections are based largely upon the following assumptions:

- ◇ The local economy will grow at a relatively slow pace in 2004. The level of economic growth will be sharply less than that experienced in the 1995-2001 fiscal years.
- ◇ 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 stay at their current very low levels, which will result in less interest revenues than were earned in previous periods.
- ◇ We will continue to receive city contract revenues for several major services (principally police services, jail, roads maintenance, and court services).
- ◇ Modest fee increases are proposed for the Sheriff, Auditor's Office, and Parks and Recreation departments.

Based upon the above assumptions and an in-depth review of our revenue patterns, we are projecting a growth in General Fund revenues of 3.4% in 2004. However, the 2002 budget also included an allocation of \$5,213,000 in Prior Fund Balance. Since the recommended use of Prior Fund Balance in 2004 is only \$2,992,000, the resulting increase in **available resources** to finance next year's budget is only 2.4%.

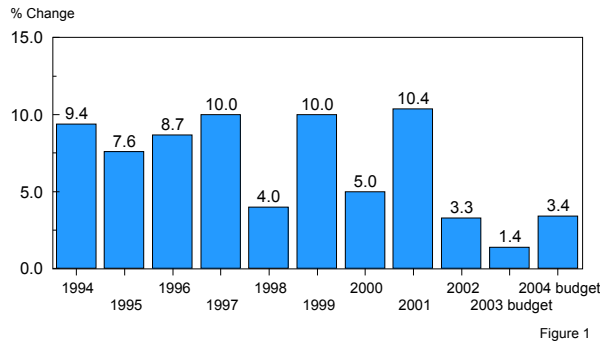
Comparative revenue increase figures for the last decade are shown in the Figure 1 on the following page. The projected increase of 3.4% in 2004 is the second lowest in the decade, due to four factors:

- ◇ Initiative 747 continues to erode our real financial base. The negative impact grows exponentially each year (see next page).
- ◇ In several of the preceding 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 included in 2004.

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 specific grants, storm reimbursements, special elections). This could well happen again as fiscal 2004 unfolds; thus pushing the final percent increase above the originally budgeted 3.4%.
- ◇ The economy is much less robust than in earlier years, and the climb out of the state recession is projected to be gradual.

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, and will grow in future years. The annual revenue loss for the first three years affected by this initiative is shown below. The exact revenue loss over the next several years is difficult to precisely determine (depends upon inflationary increases in existing property values). The estimates provided below are simply reflections of the actual results for 2002-2004.

General Fund	
2002	\$ 3,482,800
2003	7,325,500
2004	10,903,900
2005	14,503,900 est.
2006	18,203,900 est.
Total	\$ 54,420,000

These are very significant revenue losses, and are geometric in impact. For fiscal 2004, the revenue loss in just that year is equal to 4.7% of our General Fund budget. By 2006, it will grow to over 7%. The cumulative 5 year loss is equal to the construction costs of the New Jail. The Road fund levy is also affected by I-747, although to a lesser extent (2004 loss estimated at \$2,036,000).

This initiative is causing inexorable erosion in our financial foundation and will lead to significant long term reductions in public safety, the justice system, road maintenance, health services, and other vital county programs. That was one of the major reason for the .3% sales tax ballot measure presented to the voters in November 2003.

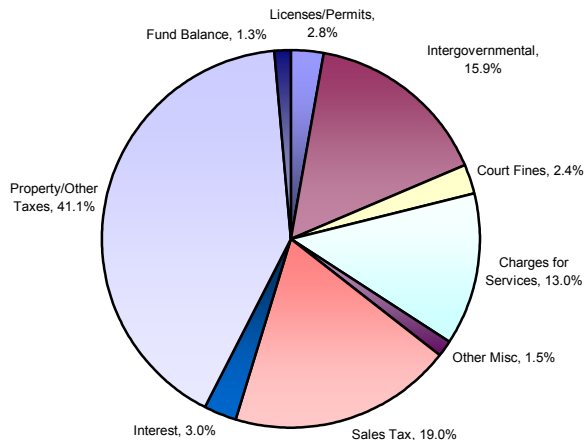
General Fund

Revenue Sources

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

- ◇ **General and Law Levy Property Taxes** are projected to increase by 4.2% in 2004. 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.
- ◇ **Other Taxes** (gambling, leasehold excise, etc.) reflect no appreciable growth.
- ◇ **Sales Taxes** are projected to increase by 6.4% in 2004. This is based upon the actual revenue patterns for 2003 Y-T-D, coupled with projections for moderate growth in the next 12-16 months.
- ◇ **Licenses and Permits** are projected to grow by 21% in 2004, which assumes that the current high level of construction activity will continue into next year.
- ◇ **Intergovernmental Revenues** shows a bottom-line decrease of 2.9% in 2004. This is mostly due to jail population levels which are well below earlier projections, and hence jail billings are down.
- ◇ **Charges for Services Revenues** are estimated to be above the 2004 budget by 2.0%. This bottom-line change is composed of many dramatic changes in specific revenue sources, the most significant being:
 - Recording Fees are currently running well above 2003 budgeted levels, and we are projecting that a high level of activity will continue in the new year (although at somewhat reduced numbers due to a drop in mortgage refinancings).
 - Election expense reimbursements will be significantly below 2003 because the state is not required to reimburse us for their election costs in even numbered years.
- ◇ **Fines and Forfeits** are projected to be above the 2003 Budget by 12%, based mostly upon the actual revenue pattern in the current year.
- ◇ **Interest Revenues** are projected to show a decline from the 2003 budgeted amounts, due to the decrease in interest rates over the last 12 to 18 months.
- ◇ **Miscellaneous Revenues** will increase by 3.4% in 2004, which largely reflects the 2003 items adjusted for inflation.
- ◇ **Prior Fund Balance** use was budgeted at \$5,213,000 in 2003 for one-time building purchase or remodel expenses. For next year we are recommending that we allocate only \$2,992,000, which will be used for Building Improvement expenses (\$2,000,000) and other one-time expenses in the 2004 budget (\$992,000).

2004 General Fund Revenues



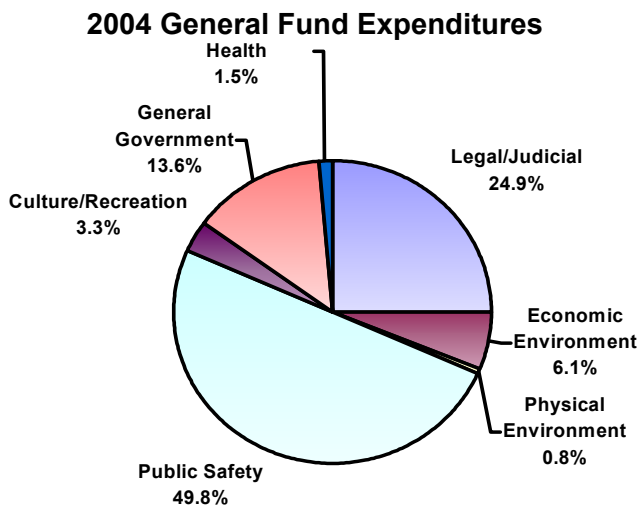
Expenditures

The 3.4% revenue growth discussed in the preceding section will be sufficient to continue most programs and staff at the 2003 level, with a few additions in vital areas as discussed below. The following table summarizes the 2004 General Fund Expenditure Budget, and compares it with the 2003 budget.

GENERAL FUND EXPENDITURES BY FUNCTION				
	2004 Budget	2003 Budget	Absolute Change	Percent Change
General Government	\$ 31,558,550	\$ 31,066,000	\$ 492,550	1.6 %
Public Safety	115,889,360	114,739,659	1,149,701	1.0
Physical Environment	1,855,090	1,741,460	113,630	6.5
Legal & Judicial	57,908,210	55,364,132	2,544,078	4.6
Economic Environment	14,184,060	13,759,168	424,892	3.1
Mental/Physical Health	3,460,090	3,535,100	(75,010)	(2.1)
Cultural & Recreation	7,638,320	6,997,000	641,320	9.2
Transportation	100,000	—	100,000	∞
Total General Fund	\$ 232,593,680	\$ 227,202,519	\$ 5,391,161	2.4 %

As indicated by the functions table, the emphasis in 2004 continues to be Public Safety and Legal/Judicial services. The General Fund expenditures increase is \$5.4 million. Approximately \$3.7 million of that increase is allocated to these two major functions. **That equals 69% of next year's budget increase.** In total, 75% of the entire General Fund budget is now allocated to these priority services. This percentage continues to grow by approximately 1% of the total each year, and is higher than other large Washington counties. This emphasis on public safety and justice services continues the pattern established over the last decade. Approximately 90% of all the staff added in the General Fund in the last decade has been in the Public Safety and Justice Services departments.

As shown in below Figure 2, the 2.4% budget increase for expenditures is considerably less than all previous years in the last decade.



Percent Change in General Fund Expenditures

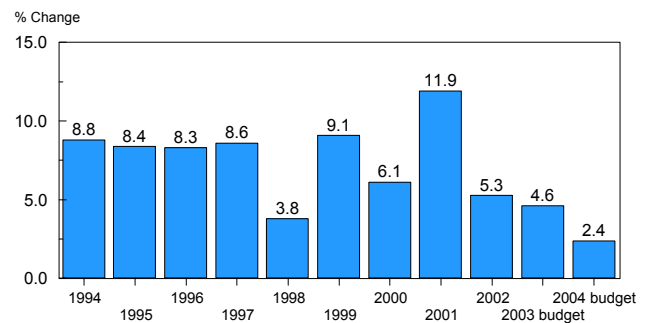


Figure 2

General Fund

As indicated earlier there are only a few major changes in the 2004 General Fund budget. These are indicated below:

2004 Service & Program Changes

Sheriff

- ◇ 3 new school resource officer deputies, which are funded by grant monies, school allocations, and County monies.
- ◇ County share of LESA funding for 8 “temporary positions”.

Juvenile

- ◇ Funding for 2 probation officer positions (CASA and Diversion programs), which were previously budgeted from the Prevention Services monies.
- ◇ Instituting a new Alternative to Detention Services program, with the corresponding closing of “C wing” at Remann Hall.

Assigned Counsel

- ◇ Increased compensation levels for felony cases assigned to the outside attorney panel.

District Court

- ◇ Addition of 4 staff positions due to recent workload increases.
- ◇ The Hosmer facility will be remodeled and reopened for Friday public service.

Personnel

- ◇ Funding for a personnel specialist position formerly budgeted in the New Jail Transition account.

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

As a cautionary note, the percentage change in a particular budget may not always be a valid indication of the extent to which a department’s real inflation adjusted resources are growing (or decreasing) from the prior year. This is often the case because:

- ◇ Many departments had grants or service contracts in 2003 which are not renewed in 2004, or vice versa.
- ◇ Several departments have other unique items in 2003 which are not present in 2004 (special election costs, capital equipment purchases, one time projects, etc.).

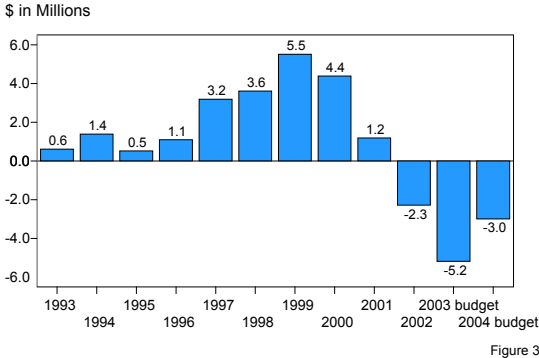
It is necessary to review each department’s situation in some detail to determine what is happening in 2004.

Use of Prior Fund Balance

The tables below present the actual financial results for the General Fund during the 1993-2002 period, and the budgeted amounts for 2003-2004. As indicated in Figure 3, the trend during the last 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 the budgeted deficits for 2003 and 2004, reflect a changed fiscal environment. In fiscal 2003 we have budgeted a \$5.2 million deficit, most which is for one-time expenses. The proposed 2004 budget also reflects a deficit (\$3 million), again for one-time expenses.

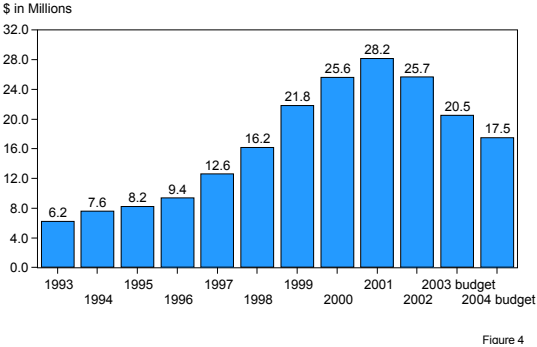
If the 2003 actual results match the budget, the General Fund balance will be approximately \$20.5 million at the end of 2003 (see Figure 4). It is the County's policy to maintain a fund balance for emergency and working capital purposes which is between 5% and 8% of the budget. We will still be slightly above that range at the end of fiscal 2003, and slightly below the top of the range at the end of 2004 (as shown in Figure 5).

**General Fund Summary
Difference Between Revenues & Expenditures**

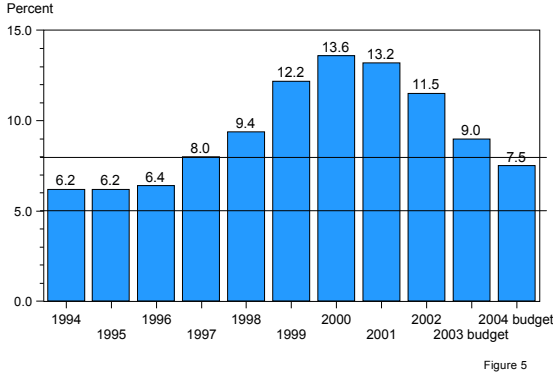


It should be noted that the charts for 2003-2004 represent the budgeted figures. Our late summer projections have indicated that fiscal 2003 actual results will likely be more positive than budgeted. However, the economy remains weak, and our projections are still tentative.

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. Summary figures for each fund can be found later in the document in the Total Expenditures/Expenses table.

Major Community & Human Services Funds

The County is a major provider of community and human services through programs funded primarily from state and federal grants. Due to the vagaries of the grant funding process, these budgets often vary significantly from year to year. The major 2004 changes are as follows:

- The increase in Community Action is due to an anticipated new transportation services program.
- The 2004 budget for Community Development reflects a reduction in the federal CDBG allocation.
- The 2004 Housing Repair Program budget is 3.2% more than 2003 due to increases in the state COPES and HOME programs.
- The 2004 budget for the Low Income Housing Fee Fund reflects the anticipated carryover of the majority of the 2003 revenues for expenditure in early 2004 due to the timing of the first funding round.
- Human Services shows a slight increase in funding overall due to inflation, plus the addition of a new Mental Health Building cost center (transferred from P.S.B.H.).
- The Puget Sound Behavioral Health fund reflects an overall decrease due largely to downsizing, cost efficiency efforts and transferring the building cost center to Human Services.

It is our belief that the funding from state and federal sources is simply inadequate to finance the service levels which ought to be provided. We are working with state and federal agencies to increase the funding levels, and it is possible that additional grant monies will be secured in 2003. However, even these potential new grants will probably be insufficient to cope with many of the human service needs in Pierce County. Even though most of the funding for these human and community service programs comes from state and federal grants, the General Fund and other locally generated revenues still provide a sizeable contribution, as indicated in the table. In addition, many of the General Fund dollars allocated to the Health Department will in turn be budgeted for social and human services.

Community & Human Services		
Fund	2004 Budget	2003 Budget
Community Action	\$ 5,887,250	\$ 5,769,304
Community Development	5,541,560	6,702,880
Housing Repair Program	9,152,920	8,870,840
Human Services	88,254,500	86,387,472
Puget Sound Behavioral Hlth	12,001,570	15,660,970
Low income Housing Fund	3,500,000	1,630,000
Total	\$ 124,337,800	\$ 125,021,466

General Fund Contributions	
AIDS Foundation	\$19,260
Alliance Against Domestic Violence	20,000
Breast Cancer Awareness Center	21,890
Centro Latino	43,780
Community Action Grant Match.....	50,000
Day Care Referral Program.....	20,010
Domestic Violence Commission	92,250
D.U.I. Program.....	8,730
Emergency Food Network	12,260
Family Counseling Services	3,290
Involuntary Commitment Program.....	98,000
Mental Health Services in the Corrections operations.....	647,320
Pierce County Alliance – CRESTOS	7,880
Senior Centers.....	188,660
Sexual Assault – Allenmore.....	9,630
Social Service Programs (earmarked property taxes).....	1,083,630
Social Service (substance abuse program from liquor taxes).....	25,920
TACID.....	24,800
	\$2,377,310

Transportation Services Funds

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

- **County Roads** – roadway and traffic maintenance services, and allocations for construction projects
- **Roads Construction Fund** – new construction and major roadway repair projects
- **Pierce County 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.

The 2004 budgets, with comparisons to 2003, are shown in the table. The major items of note for next year are:

- **County Roads Fund** – new staff positions (6 ½), and significant allocations for roadway construction projects and major facility improvements.
- **Roads Construction Fund** – still reflects a substantial capital construction program, although somewhat less than the 2003 budgeted amount.
- **PC Ferry Services Fund** – major allocations are provided for a new ferry boat, dry docking expenses and facility improvements. A fee increase for the new boat and an expanded ferry schedule are included in this budget.
- **Roads Second REET** – reflects an increase in the capital improvement program in 2004

Road Funds			
Fund	2004 Budget	2003 Budget	% Change
County Roads Fund	\$66,830,370	\$59,328,570	12.5%
Road Construction Fund	38,266,000	51,845,000	(26.2)%
PC Ferry Services Fund	7,211,370	2,615,250	175.7%
Airport Fund	585,610	583,880	(3.5)%
Roads Second REET	11,044,060	7,501,300	47.2%

Environmental Services Funds

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

- **Sewer Utility** – a reduction in the capital construction program, the addition of 6 new maintenance positions, and a proposed sewer rate increase.
- **Surface Water Management** – 5 new positions, and a large capital facilities program.
- **Solid Waste** – a reduction in post closure and self insurance expenses, and the continuation of the Pierce County Responds program (+ ½ Office Assistant position).
- **Water Utility** – a reduction in comprehensive water plan expenses.
- **REET River** – a moderate reduction in the acquisition of flood plain properties.

Environmental Services Funds			
Fund	2004 Budget	2003 Budget	% Change
Sewer Utility	\$74,030,090	\$85,221,620	(13.1)%
Surface Water Management	18,572,220	17,967,340	3.4%
Solid Waste	4,902,140	5,664,540	(13.5)%
Water Utility	162,830	426,490	-61.8%
REET- River	1,779,800	2,058,600	(13.5)%

It should be noted that the Sewer Utility fund includes a \$1.3 million loan for the design and engineering phase of the Chambers Creek Golf Course project.

Other County Funds

Parks and Recreation Funding

Although the County's General Fund provides a direct allocation for parks and recreation services (\$6.2 million in 2004, there are several other county funds which provide parks and recreation services or which construct, repair, or enhance parks and recreation facilities. The 2004 budgets for these funds are shown in the table. Although this \$37.8 million total includes some double counting (transfer between funds for project accounting purposes), it still represents an enormous commitment by the County and its citizens to greatly enhanced parks and recreation programs – both for new facility construction as well as annual programs and services.

Parks Funds	
Conservation Futures	\$3,012,180
Parks Impact Fees	1,232,440
Parks Sales Tax	4,231,160
Peninsular Recreation Programs	344,220
Parks Second REET	3,072,250
Paths and Trails	3,262,180
Parks Sales Tax Bond	13,491,680
Parks Construction Fund	4,615,730
Parks REET Bond Fund	3,415,000
Golf Courses	1,077,020
Total	\$37,753,860

Internal Service Funds

Internal Service Fund operations 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 **significant** budget changes in 2004:

- **Equipment Services Fund** – the decrease results from reductions in both scheduled vehicle replacements, and requests for new additions to the fleet.
- **Information Services** – reflects the full year of impact of 6 fewer positions due to the projected efficiencies from the new C.A.T.S. system, and 2 additional positions added for web development and virus protection functions.
- **Workers Compensation** – a major increase is recommended based upon claims experience in the 2000-2003 period.

Many of these internal service funds will rely upon prior fund balance in order to support their 2004 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 2004 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 assist in the preservation of official county records in the Public Works department.
- **911 System Fund** includes major allocations for technology improvements as well as increased support for the various communications centers.
- **REET Capital Improvement Fund** – includes a substantial construction and repair program affecting several County facilities.

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 2004.

- ◇ **Office Space/Courtrooms** – we are renting at least 200,000 sq. ft. of office and storage space, at an estimated cost in excess of \$2,000,000. This becomes more acute each year, and needs to be addressed in the near future. A more immediate space problem concerns the Superior Court, which needs additional courtrooms, judges’ chambers, and space for support staff. These space needs are likely to grow in the next several years. We are hopeful that the potential purchase of the Corporate Express Building, the City’s vacating of the County-City Building, and the projected move of Community Services to a County facility will provide the necessary county-owned space.
- ◇ **Medical Insurance** – preliminary rate quotes for medical insurance are well in excess of what is budgeted, and what we can reasonably afford. Medical premiums have increased almost 50% in the last three years, and such increases are not financially sustainable. We are in the process of analyzing alternative proposals which we hope will maintain our basic benefit program at rates that are affordable.
- ◇ **Habitat Preservation** – the County’s responsibilities under the Endangered Species Act are still unfolding, and subject to a future series of federal and state guidelines, plan approvals, modified practices, and Council adopted regulations. We have already budgeted significant monies to fund our participation in this process, to assist in the generation of the necessary regulations and plans, and to finance several capital improvements. It is uncertain whether additional allocations may be required to fully comply with all that will be eventually mandated by this Act.
- ◇ **New Jail Operation** – we originally budgeted for a 2003 average daily population (A.D.P.) in our jail facilities of 1,412, with corresponding staffing levels for correctional officers and command staff. However, the 2003 Y-T-D population has averaged 1,200. We need to reassess the likelihood of a significant growth in A.D.P., and the appropriate staffing levels.
- ◇ **Emergency Operations Center** – both the Executive and Council feel that the current location of the emergency operation center in the basement of the County-City Building is inappropriate. It is our current plan to partner with the City of Tacoma (and perhaps other jurisdictions) to co-locate a permanent joint facility at the Corporate Express Building. However, at this time we are still in the “due diligence” phase of evaluating the building, and in the early stages of design and cost estimation.
- ◇ **New Jail Construction Costs** — we have completed and opened the New Jail and are in the midst of remodeling the Main Jail. Due to several construction and system cost issues which have yet to be resolved, we do not have a final total cost figure for the New Jail project. It is our belief that monies in the Jail Construction fund (e.g., interest earnings) will be sufficient to pay for any additional expenses without the need for a General Fund allocation
- ◇ **Union Negotiations** – many of our union contracts are either currently unsettled or expire at the end of this year. If the eventual settlement for salary and fringe benefits is beyond the amounts included in the budget, further budget adjustments may be necessary.
- ◇ **Historically Underutilized Business Program** – The County Council recently approved the Historically Underutilized Business ordinance (H.U.B.). The goal of this program is to encourage County contracting with those businesses so designated in order to broaden the scope of economic development in Pierce County. We are now in the early program design and initial implementation stages. Our intention is to make it fully operational over the next 15 months, with existing departmental resources. Hence there is no specific county budget for this program. Our goal is to achieve a 2004 County-wide contract and purchasing participation rate in the 10%-12% range.

Summation

Overview

The 2004 budget is being submitted to the County Council at a time of unusual economic and financial stress. Issues surrounding the general state of the economy, Homeland Security responsibilities, the crippling affects of I-747, and the impact of the State's budget crisis argue for a cautious approach to next year's budget. We are also advising caution with regard to the use of any fund balance reserves. It is my view that the use of reserves should only be for one-time activities or projects (e.g. new facilities, building remodeling), or for emergencies. They should not be allocated for ongoing staff and programs.

Despite these pressures and uncertainties, we still have a responsibility to move forward and make the best use of the resources available to us. We believe that this proposed budget does that. We also believe that we have a responsibility to allow our citizens to enhance the services available to them if they so desire. The public safety sales tax vote placed on the November 2003 ballot, which failed, provided that opportunity.

Prognosis for Fiscal 2005

In this uncertain time it is difficult to confidently project ahead to fiscal 2005. Based upon our best "crystal ball" judgments, this is what we see:

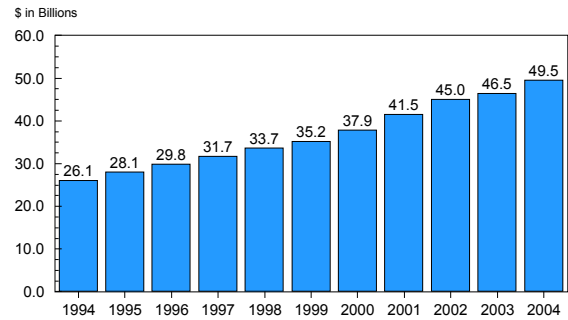
- The state and local economies are in for a period of moderate growth (at best) over the next 24 months.
- It is likely that fiscal 2005, without the approval of the .3% sales tax measure, will be worse than fiscal 2004 for the following reasons:
 - ◇ The impact of I-747 becomes progressively worse with each passing year.
 - ◇ The massive State budget problems will likely result in more reductions in grants and allocations to local units of government.
 - ◇ The impact of the New Jail (with the possible opening of an additional pod) will add to our Corrections Department expenses.
 - ◇ Salary increases will be above the 1% property tax limitation, and health benefit increases will be significantly above the level of general inflation.
 - ◇ Early State pension projections reflect a dramatic increase for PERS and LEOFF rates, starting in mid 2005.
 - ◇ A property tax reduction initiative (25% for local governments) may be proposed for 2005.

Other Financial Information

Property Taxes and Assessed Valuation

Property tax is the largest source of revenue in the General Fund and a major source of Road Fund revenue. 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 2003 to 2004 is approximately \$2.9 billion (6.3%). Approximately 63% of the growth is due to new construction, and 37% is due existing property revaluation.

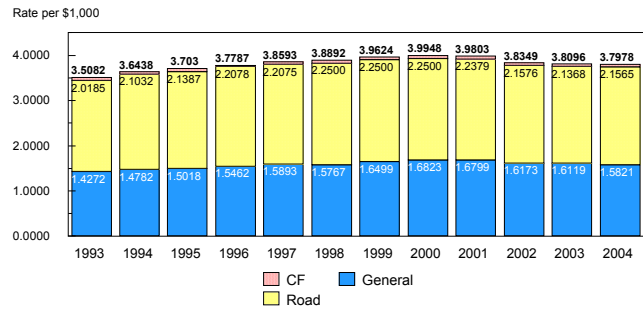
Total Assessed Valuation



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 1.84% in 2004. This limitation on the growth in property tax revenues coupled with an inflationary increase in existing property revaluations has resulted in a 2% reduction in the 2004 County Levy tax rate from 2003. The 2004 Road Levy tax rate and Conservation Futures tax rate have increased almost 1% from 2003, although the Conservation Futures tax rate is limited by almost 7% due to the 1%.

Combined Property Tax Millages



Note: The Conservation Futures rate was reduced to .0247 in 1996 due to levy lid limits and .0600 in 2002 and .0605 in 2003 due to the impact of I747 and the 1% limit.

Please keep in mind that the County's General Fund share of the total property tax is only 11% of the total. Most of the property tax paid by our citizens is allocated to the State of Washington, cities, and local schools.

	Property Tax Levies			
	2003		2004	
	Tax Rate ¹	Revenue	Tax Rate ¹	Revenue
	Assessed Value: \$46,539,831,881		Assessed Value: \$49,480,808,069	
A. County Levy (\$1.80 maximum)				
General Fund	\$ 1.5755	\$ 73,323,505	\$ 1.5478	\$ 76,587,888
Administrative Refund RCW 84.69	0.0036	167,543	0.0025	121,942
Sub Total General Fund	1.5791	73,491,048	1.5503	76,709,830
Veteren's Relief	0.0105	488,668	0.0099	490,000
Social Services	0.0223	1,037,839	0.0219	1,083,630
Total County Levy	1.6119	75,017,555	1.5821	78,283,460
B. Conservation Futures (\$.0625 Maximum)	0.0609	2,834,276	0.0592	2,927,680
	Assessed Value: \$19,797,694,673		Assessed Value: \$21,169,143,773	
C. Road District Levy (\$2.25 Maximum)				
Allocated to Road Fund	1.7160	33,972,844	1.7343	36,712,800
Law Enforcement Levy	0.4178	8,271,477	0.4222	8,938,530
Administrative Refund RCW 84.69	0.0030	59,393	-	-
Total Road District Levy	2.1368	42,303,714	2.1565	45,651,330
TOTAL COUNTY TAX LEVIES	\$ 3.8096	\$ 120,155,545	\$ 3.7978	\$ 126,862,470

¹Tax 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. As indicated in the following table, we have a significant debt issuance capacity for both limited and unlimited debt. The County currently has no voter approved debt outstanding.

Debt Capacity as of September 30, 2003		
2003 Assessed Valuation for 2004 Tax Collections		\$ 49,480,808,069
A. Inside Levy (issued without vote of the people)		
Legal Limit (1.5% of property value)		\$ 742,212,121
<i>Amount of Debt Applicable to Debt Limit:</i>		
Net Limited General Obligation Bonds	\$ 55,562,684	
Net Limited General Obligation Proprietary Type Bonds	1,275,000	
Estimated Compensated Absences (12/31/2002)	15,271,000	
Installment Contract - Ferry	1,667,105	
Total Limited Tax General Obligation Debt		<u>73,775,790</u>
Limited Tax General Obligation Debt Margin Available		\$ 668,436,331
B. Outside Levy (issued with vote of the people)		
Legal Limit (2.5% of property value)		\$ 1,237,020,202
<i>Amount of Debt Applicable to Debt Limit:</i>		
Net Limited General Obligation Debt		<u>\$ 73,775,790</u>
Total General Obligation Debt Margin Available		\$ 1,163,244,412

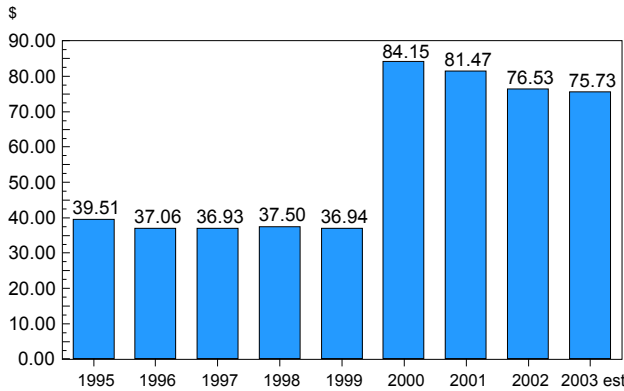
Pierce County Bonded Debt Ratios Estimated at September 30, 2003		
General Obligation Bonded Debt per Capita (excluding Proprietary GO/Debt, Compensated Absences, & Installment Contract)	\$	75.73
Assessed Valuation per Capita	\$	67,440
Ratio of direct G.O. Bonded Debt to Assessed Value (including Proprietary GO/Debt)		0.0011

Pierce County Bond Ratings		
	General Obligation	Sewer Revenue (Uninsured)
Moody's	Aa3	A-1
Standard and Poor's	AA-	A+

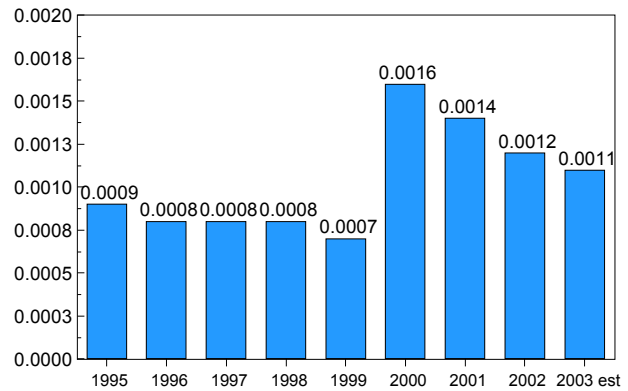
Other Financial Information

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 four 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 30% of the outstanding principal by the end of 2007, and 54% by the end of 2012.

GOB DEBT SERVICE SCHEDULE as of 12/31/2002 (amounts in thousands)

Year	Principal	Interest	Total Debt Service
2003	3,605	3,075	6,680
2004	2,717	2,877	5,594
2005	2,665	2,729	5,394
2006	2,815	2,583	5,398
2007	2,305	2,428	4,733
2008-2012	11,935	10,366	22,301
2013-2017	11,425	6,972	18,397
2018-2022	11,270	3,978	15,248
2023-2027	7,960	873	8,833
Total	\$ 56,697	\$ 35,881	\$ 92,578

Other Financial Information

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 to reflect projects for 2004 through 2009 was adopted by the County Council in November of 2003. 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, and the Parks and Recreation Master Plan. 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", 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 2003 Operating Budget

The 2004 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 2004 operating budgets to varying degrees, and those impacts have been included in the appropriate budgets.

Minimal maintenance and operating costs are anticipated due to 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.

Other Financial Information

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 utilities).

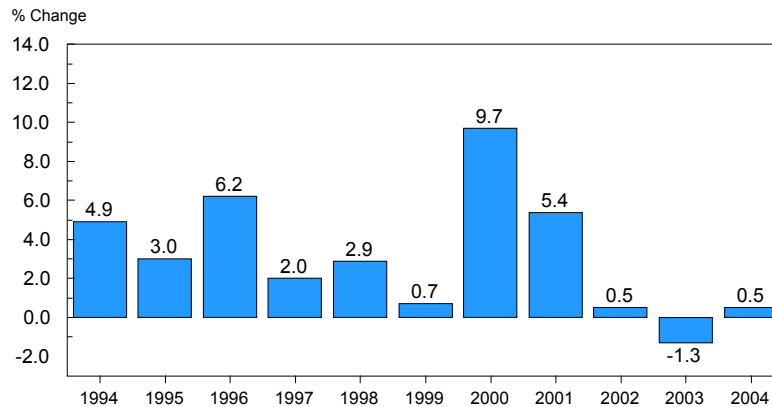
Airport - improvement projects	\$ 169,600
Adult Detention - new facility	4,453,500
Adult Detention - existing facility	1,047,000
General Administration Buildings - improvement projects and major repairs	2,634,300
Human Services Buildings - improvement projects and major remodel	1,001,400
Juvenile Detention Facilities - improvement projects and major repairs	185,000
Superior Court - improvement projects	150,000
District Court - improvement projects	150,000
Law Enforcement - Sheriff Facilities	3,339,000
Parks and Recreation - regional parks/paths and trails	27,045,300
River Improvement - various projects	1,779,800
Ferry System - improvements and a new 54 car ferry	4,505,000
County Roads - Transportation Improvement Plan projects	38,266,000
County Roads - facility improvements	13,075,000
Sewer Utilities - system capital improvements	18,145,000
Surface Water Management - stormwater systems	7,351,300
Total Capital Project Appropriation—2003	\$123,297,200

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 470 FTEs (30%) since 1994 while staffing in all other funds (special revenue, enterprise, and internal services) has increased by 311 FTEs (35%). Overall, 781 FTEs have been added since 1994, an increase of 32%.

Percent Change in County-wide Staffing



In 1994 - 1996 we saw a slight upsurge as the impact of the state criminal justice revenue, the local option .1% sales tax and additional Road Fund revenues resulted in new staffing. The growth in 1997 through 2000 has been due to a) staffing requirements for the new Jail Annex and recently expanded juvenile detention facility, b) additional staff to address caseload issues in the court system, primarily the Prosecutor's Office, c) public safety staff enhancements (especially the Sheriff's Department), and d) an increase in Human Services staff related to continued implementation of the Mental Health Regional Support Network and Prepaid Health Plan.

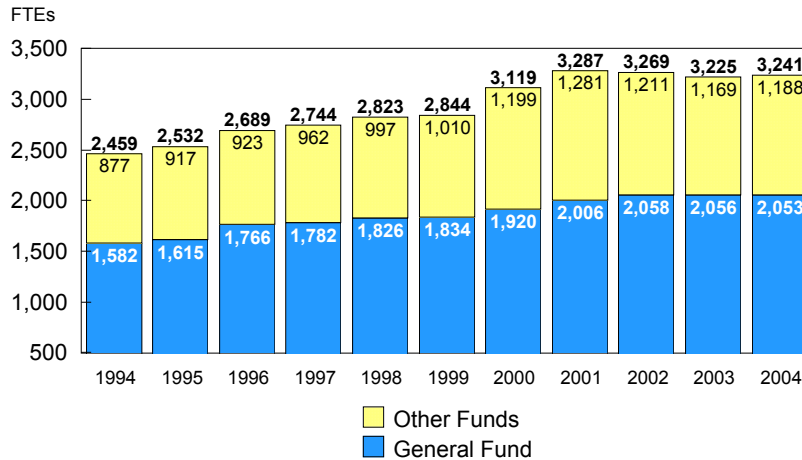
In August of 2000, the County took over Inpatient Services at Puget Sound Behavioral Health (PSBH), eventually adding 239 new staff positions to the County in fiscal 2000 and 2001. The PSBH FTE count subsequently dropped to 170 in 2002 as service centers were restructured; and with the elimination of chemical dependency outpatient, detoxification center and associated services. This is a major cause for the small 2002 percentage changes in Countywide staffing totals. The other cause is Initiative 747 (1% property tax limitation).

Several major initiatives impacted the 2003 staffing levels. The County implemented a new Computerized Appraisal Tax System which resulted in the reduction of 14 FTE's. The District Courts were consolidated resulting in a reduction of 4 FTE's and 8 positions were eliminated in Corrections due to revision in the phasing plan for staffing of the new jail. A reduced level of state funding for the Involuntary Treatment Program caused a scale back, eliminating 4.3 FTE's. Net reduction of 44 more FTE's in 2003 in the Puget Sound Behavioral Health Fund (18 staff were moved to the Human Services Fund) completed the final adjustments to the staffing levels for the inpatient program. Conversely, twenty new positions were added in the General Fund in 2003, mostly in the Sheriff Department to address services levels and in PALS for fee-supported activities.

The 2002 - 2004 staffing levels also reflect the continuing impact of I-747 on resources. This 3 year period is the only such time in the last twenty years that staff levels have actually declined. Although the 2004 total staffing level increased by 0.5%, the General Fund staffing level decreased by 0.1% from 2003. The reduction in the General Fund staffing is primarily due to the closure of "C" wing at Remann Hall and instituting a new Alternative Detention Services program in that portion of the building, a net reduction of 15 positions.

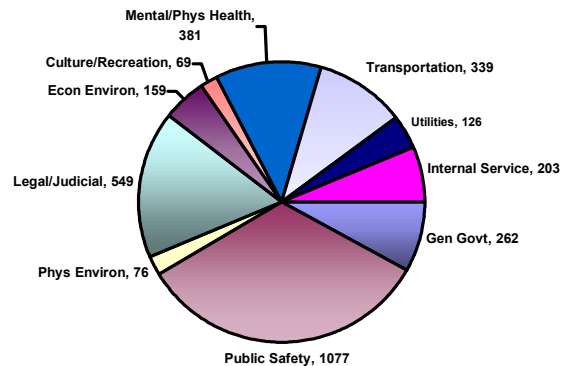
Other Financial Information

County-wide Staffing Summary



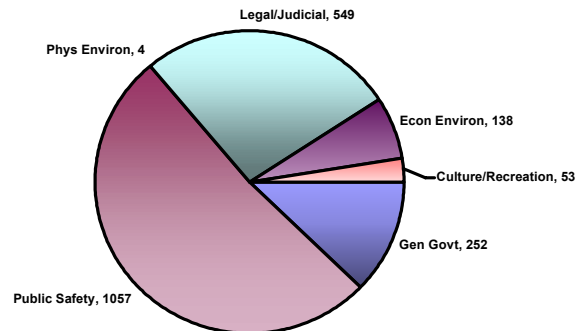
2004 Total County Staffing Summarized by Function

The Public Safety and Justice Services systems combined accounts for just over 50% of the total County staff, with the Mental and Physical Health system at almost 12%. Almost 17% 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 five percent are involved in Economic Environment activity and 14% staffing provide general government functions (including internal service funds).



2004 General Fund Staffing Summarized by Function

The Public Safety and Justice Services systems combined accounts for just over 78% of all General Fund staff. Twelve percent provide General Governmental services. Almost 7% of the General Fund staff support Economic Environment activities and almost 3% are involved in Culture and Recreation, and Physical Environment activities.



Other Financial Information

STAFFING SUMMARY

	1994 FTE	1997 FTE	2000 FTE	2001 FTE	2002 FTE	2003 FTE	2004 FTE	Change from 1994
General Fund:								
Assessor/Treasurer	96.25	98.00	98.80	100.30	98.30	90.30	90.30	(5.95)
Assigned Counsel	71.31	87.87	89.50	85.90	83.20	85.00	85.00	13.69
Auditor	41.00	42.00	41.00	42.00	43.00	43.00	43.00	2.00
Budget & Finance	42.20	42.85	43.95	43.95	43.45	43.20	43.20	1.00
Clerk of the Superior Court	45.00	50.50	52.50	54.50	53.50	57.00	57.00	12.00
Communications	-	-	-	5.00	5.00	5.00	5.00	5.00
Cooperative Extension	3.60	3.60	3.60	3.60	3.60	3.62	3.62	.02
Corrections	234.00	330.60	347.80	349.80	393.80	377.70	376.70	142.70
County Council	31.00	32.00	31.00	29.50	29.50	29.00	29.00	(2.00)
County Executive	8.75	8.75	6.75	8.75	8.00	8.00	8.00	(0.75)
District Court	64.00	69.00	65.50	64.50	64.50	70.00	74.00	10.00
District Court 2 - Gig Harbor	6.00	6.00	6.00	6.00	6.00	-	-	(6.00)
District Court 3 - Eatonville	3.75	3.75	3.75	3.75	2.25	-	-	(3.75)
District Court 4 - Buckley	1.10	1.10	1.30	1.30	1.30	-	-	(1.10)
District Court Probation	16.50	27.00	35.00	37.00	37.00	36.00	36.00	19.50
Economic Development	2.75	3.58	3.80	5.80	4.80	6.15	6.15	3.40
Emergency Management	23.30	20.90	21.40	22.40	22.12	22.07	22.03	(1.27)
Facilities Management	3.56	-	-	-	-	-	-	(3.56)
Juvenile	142.40	167.32	174.52	178.82	179.12	186.62	175.12	32.72
Medical Examiner	12.00	14.00	13.00	13.00	14.00	14.00	14.50	2.50
Parks & Recreation Services	46.00	47.58	49.68	50.68	50.63	50.65	49.52	3.52
Personnel	19.00	22.00	24.00	24.60	24.60	24.60	26.60	7.60
Planning & Land Services	135.00	122.00	127.75	125.50	124.50	131.50	131.50	(3.50)
Prevention Services & Pgms	-	-	.80	.73	.41	.64	1.22	1.22
Prosecuting Attorney	176.50	212.67	219.07	221.57	231.72	232.22	229.57	53.07
River Improvement	11.77	-	-	-	-	-	-	(11.77)
Sheriff	267.00	277.00	357.00	428.00	434.00	440.00	446.00	179.00
Special Projects	6.25	11.14	14.99	9.89	10.60	10.49	10.96	4.71
Superior Court	72.40	80.38	87.38	88.88	88.88	88.88	88.88	16.48
Total General Fund	1,582.39	1,781.59	1,919.84	2,005.72	2,057.78	2,055.64	2,052.87	470.48
Special Revenue Funds:								
Arts & Cultural Services	3.10	3.10	1.79	1.79	1.64	1.51	1.66	(1.44)
Auditor Maint. & Operations	1.00	1.00	2.00	.50	.50	.50	.50	(0.50)
Community Action	47.91	32.76	59.31	59.56	52.21	49.30	49.30	1.39
Community Development	9.80	13.32	9.96	12.00	10.22	9.92	8.95	(0.85)
Conservation Futures Fund	.85	1.00	1.00	1.00	1.00	1.00	1.00	.15
County Road Fund	327.00	328.20	326.35	328.70	327.03	330.28	336.28	9.28
Criminal Justice Fund	-	1.00	-	1.00	1.00	2.00	2.00	2.00
Detention Center Commissary	-	-	-	-	2.40	3.00	3.00	3.00
Drug Investigation Fund	2.00	1.00	-	-	-	-	-	(2.00)
Emergency Mgmt Grant Fd	-	-	-	-	3.88	8.88	8.87	8.87
Endangered Species Act	-	-	-	-	.62	.62	-	-
Geographical Info.System	6.00	18.00	19.00	19.00	18.00	17.00	17.00	11.00

Other Financial Information

STAFFING SUMMARY

	1994 FTE	1997 FTE	2000 FTE	2001 FTE	2002 FTE	2003 FTE	2004 FTE	Change from 1994
Housing Repair Program	10.00	12.00	12.00	12.00	11.50	12.26	12.56	2.56
Human Services	94.00	122.57	143.74	185.23	202.11	220.20	220.45	126.45
Law Enforcement Fund	86.30	72.00	47.00	-	-	-	-	(86.30)
Parks Sales Tax		-	-	-	-	-	.14	.14
Paths and Trails	1.50	2.25	1.47	1.47	1.52	2.11	2.02	.52
Peninsula Recreation Program	-	-	-	-	1.00	2.00	2.00	2.00
Puget Sound Behavioral Health	-	-	183.29	238.59	170.05	108.40	108.40	108.40
Rainier Commun. Comm.	-	5.00	5.00	6.00	6.00	6.00	6.00	6.00
Real Est Exc Tax Rvr	3.48	3.90	2.02	1.72	1.79	1.95	1.71	(1.77)
Second REET - Park		-	-	-	-	.25	.39	.39
Surface Water Mgmt. Fd.	15.00	32.20	43.15	43.50	46.11	46.15	51.89	36.89
Tourism, Promo., Cap. Fac.	-	-	.13	.16	.10	.43	.42	.42
Veterans Relief Fund	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	3.55	4.50	4.50	4.78	4.88	4.96	1.26
Total Spc Rev Funds	616.50	656.85	865.71	919.72	866.46	831.64	842.50	226.00
Capital Projects:								
Admin Bldg & Fac. Fund	.35	.10	.17	.16	.16	.16	-	(0.35)
Parking Facility Fund	-	.33	.56	-	-	-	-	-
Permanent Jail Const.	-	2.21	8.51	35.10	4.90	4.92	.89	.89
REET-Capital Projects	1.23	1.27	1.07	1.69	2.69	2.74	3.45	2.22
1% for Arts Construction	-	-	-	-	.15	.25	.10	.10
Total Capital Proj	3.30	3.91	10.31	36.95	7.90	8.07	4.44	1.14
Enterprise Funds:								
Airport	1.00	1.02	1.50	1.60	1.60	1.60	1.60	.60
Golf Courses	8.65	8.55	8.45	8.45	8.45	8.84	8.78	.13
P.C. Ferry Services	-	-	.67	1.32	1.32	1.07	1.57	1.57
Sewer Utilities Fund	86.00	91.65	103.26	102.11	104.66	104.66	111.59	25.59
Sewer Utility Construction	-	2.00	-	-	-	-	-	-
Solid Waste Mgmt. Fund	10.00	13.56	11.11	11.21	13.71	13.71	14.28	4.28
Water Utility Fund	-	-	.90	1.00	.30	.30	.31	.31
Total Enterp Funds	105.65	116.78	125.89	125.69	130.04	130.18	138.13	32.48
Internal Srv Funds:								
Equipment Rental & Rev.	24.00	26.12	24.10	24.10	24.43	24.43	24.43	.43
Facilities Management	20.14	36.10	41.86	42.82	44.62	44.75	45.97	25.83
Fleet Rental	3.30	3.15	3.15	3.15	3.15	3.40	3.40	.10
General Services	6.76	7.45	8.20	8.20	8.20	8.20	8.20	1.44
Information Services Fund	85.98	97.04	104.00	105.00	108.00	102.00	104.00	18.02
Radio Communic. Fund	4.50	6.05	7.10	7.10	9.10	8.05	8.02	3.52
Self Insurance Fund	5.65	6.30	6.30	6.30	6.30	6.30	6.30	.65
Workers Compensation	1.35	2.70	2.70	2.70	2.70	2.70	2.70	1.35
Total Int Serv Fnds	151.68	184.91	197.41	199.37	206.50	199.83	203.02	51.34
TOTAL FUNDS	2,459.52	2,744.04	3,119.16	3,287.45	3,268.68	3,225.36	3,240.96	781.44

Other Financial Information

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 2004 Revenues and Expenditures29

The most comprehensive presentation of the functional expenditures and their related funding sources can be found in the All Funds Comparison of 2004 Revenues and Expenditures which displays this information by fund type.

Total Expenditures/Expenses.....30

The total 2004 budget for each Fund, or each department in the General Fund, can be found in the Total Expenditures/Expenses table

Departmental Expenditures/Expenses By Function32

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 2004 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
Revenues/Other Financing Sources:								
Charges For Services	\$ 30,231,410	\$ 19,548,720	\$ —	\$ 614,020	\$ 29,492,290	\$ 21,731,240	\$ 4,792,455	\$ 106,410,135
Contributed Capital	—	—	—	—	4,015,000	—	—	4,015,000
Fines and Forfeitures	5,549,810	—	—	—	—	—	—	5,549,810
Intergovernmental Rev	37,018,300	134,440,630	—	14,964,970	1,352,350	141,920	21,648,722	209,566,892
Licenses and Permits	6,586,840	86,000	—	—	—	—	3,263,685	9,936,525
Other Financing Sources	—	—	—	—	2,408,540	—	—	2,408,540
Other Miscellaneous Rev	10,584,410	7,134,390	5,430,640	40,738,580	26,998,130	29,687,940	1,427,809	122,001,899
Other Taxes	2,175,050	10,281,210	—	3,456,000	144,000	—	—	16,056,260
Property Taxes	93,199,360	41,214,110	—	—	—	—	—	134,413,470
Sales Taxes	44,256,500	2,565,000	—	—	—	—	—	46,821,500
Use of Fund Balance	2,992,000	37,190,150	—	11,551,200	24,885,350	3,029,890	2,900,584	82,549,174
Total Revenues	\$ 232,593,680	\$ 252,460,210	\$ 5,430,640	\$ 71,324,770	\$ 89,295,660	\$ 54,590,990	\$ 34,033,255	\$ 739,729,205
Expenditures/Expenses:								
Cultural & Recreation	\$ 7,638,320	\$ 13,157,710	\$ —	\$ 18,433,410	\$ 2,403,620	\$ —	\$ —	\$ 41,633,060
Debt Service	—	—	5,430,640	—	—	—	—	5,430,640
Economic Environment	14,184,060	14,694,490	—	—	—	—	—	28,878,550
General Government	31,558,550	1,949,420	—	4,612,600	—	—	—	38,120,570
Internal Service	—	—	—	—	—	54,590,990	—	54,590,990
Legal & Judicial	57,908,210	354,000	—	3,827,860	—	—	—	62,090,070
Mental/Physical Health	3,460,090	106,653,850	—	1,001,400	—	—	34,033,255	145,148,595
Physical Environment	1,855,090	30,004,800	—	—	—	—	—	31,859,890
Public Safety	115,889,360	7,771,510	—	5,183,500	—	—	—	128,844,370
Transportation	100,000	77,874,430	—	38,266,000	7,796,980	—	—	124,037,410
Utilities	—	—	—	—	79,095,060	—	—	79,095,060
Total Expenditures	\$ 232,593,680	\$ 252,460,210	\$ 5,430,640	\$ 71,324,770	\$ 89,295,660	\$ 54,590,990	\$ 34,033,255	\$ 739,729,205

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. Refer to the Total Expenditures/Expenses summary table in the back of this document 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” 2004 Budget for Pierce County is \$686,994,725 (total budget of \$738,413,905 less Internal Service Funds of \$54,590,990 plus \$141,920 in Intergovernmental Revenue from non-county sources and \$3,029,890 in Internal Service Funds use of fund balance).

Other Financial Information

TOTAL EXPENDITURES/EXPENSES

	2002 Actual	2003 Budget	2003 Estimate	2004 Budget	Absolute Change	Percent Change
General Fund						
Assessor/Treasurer	\$ 9,835,725	\$ 10,126,020	\$ 10,126,020	\$ 9,621,630	\$ (504,390)	(5.0) %
Assigned Counsel	10,434,669	10,100,430	10,099,840	10,553,910	453,480	4.5
Auditor	6,248,017	5,856,250	5,831,170	6,129,930	273,680	4.7
Bond Debt Service	1,936,260	2,070,640	2,070,640	1,377,290	(693,350)	(33.5)
Budget & Finance	4,171,467	4,278,750	4,267,090	4,351,970	73,220	1.7
Building Improvement Projects	1,428,302	2,000,000	1,980,700	2,000,000	—	—
Clerk of the Superior Court	3,713,184	3,751,230	3,731,890	4,043,060	291,830	7.8
Communications	540,285	553,090	553,090	595,130	42,040	7.6
Cooperative Extension	566,777	578,610	577,230	607,050	28,440	4.9
Corrections	31,258,924	36,094,000	36,395,925	37,334,970	1,240,970	3.4
County Council	3,022,796	3,143,920	3,143,920	3,222,140	78,220	2.5
County Executive	892,188	948,000	943,300	969,010	21,010	2.2
District Court	5,557,927	6,602,550	6,581,178	6,956,930	354,380	5.4
District Court # 2 Gig Harbor	644,585	—	—	—	—	—
District Court # 3 Eatonville	260,600	—	—	—	—	—
District Court # 4 Buckley	122,038	—	—	—	—	—
District Court Probation	2,362,796	2,462,720	2,330,493	2,526,020	63,300	2.6
Economic Development	664,931	730,840	813,110	1,154,070	423,230	57.9
Emergency Management	2,371,705	2,668,710	2,668,710	2,539,150	(129,560)	(4.9)
Health Services	3,080,340	3,080,340	3,080,340	2,995,310	(85,030)	(2.8)
Juvenile	15,424,542	15,719,716	15,680,852	16,131,010	411,294	2.6
Medical Examiner	1,671,262	1,726,330	1,726,290	1,716,210	(10,120)	(0.6)
Miscellaneous Current Expense	4,300,181	6,825,300	6,825,300	5,069,280	(1,756,020)	(25.7)
New Jail Reserve	5,562,998	2,000,000	2,000,000	2,000,000	—	—
Parks and Recreation Services	6,034,984	6,133,720	6,133,712	6,249,660	115,940	1.9
Personnel	2,348,971	2,475,420	2,463,530	2,785,850	310,430	12.5
Planning and Land Services	11,908,294	12,548,588	12,501,405	12,663,250	114,662	0.9
Prevention Services & Programs	1,079,142	1,200,000	1,191,440	1,237,500	37,500	3.1
Prosecuting Attorney	19,356,950	19,810,715	19,746,686	20,727,780	917,065	4.6
Sheriff	48,683,650	51,065,580	51,018,733	53,612,860	2,547,280	5.0
Special Projects	5,225,282	1,845,630	1,845,630	2,354,640	509,010	27.6
State Auditor	173,892	160,600	160,600	194,410	33,810	21.1
Superior Court	10,381,734	10,644,820	10,644,820	10,873,660	228,840	2.1
Total General Fund	221,265,398	227,202,519	227,133,644	232,593,680	5,391,161	2.4
Special Revenue Funds						
Arts and Cultural Services	286,735	292,240	240,925	289,420	(2,820)	(1.0)
Auditor's Maintenance & Operation	856,768	400,000	400,000	921,270	521,270	130.3
Community Action	5,952,149	5,769,304	5,769,304	5,887,250	117,946	2.0
Community Development Fund	4,418,522	6,702,880	4,743,100	5,541,560	(1,161,320)	(17.3)
Conservation Futures Fund	4,396,737	10,674,010	10,018,560	3,012,180	(7,661,830)	(71.8)
County Road Fund	45,153,230	59,328,570	46,404,945	66,830,370	7,501,800	12.6
Criminal Justice Fund	597,148	460,870	410,140	573,590	112,720	24.5
Detention Center Commissary	562,744	712,180	682,180	715,510	3,330	0.5
Dispute Resolution Center Fund	135,319	146,000	145,870	146,000	—	—
Drug Investigation Fund	159,894	250,440	250,440	211,690	(38,750)	(15.5)
Emergency Managemt Grants Fund	318,641	1,442,310	1,442,310	1,055,230	(387,080)	(26.8)
Employee Assistance Program Fund	51,560	55,000	55,000	58,000	3,000	5.5
Endangered Species Act	233,956	682,890	382,890	202,170	(480,720)	(70.4)
Federal Forest Services Fund	154,876	157,000	153,000	162,890	5,890	3.8
Geographic Information System Fund	2,456,168	2,680,470	2,583,900	2,705,540	25,070	0.9
Housing Repair Program	4,942,929	8,870,840	8,870,840	9,152,930	282,090	3.2
Human Services Fund	83,260,933	86,387,472	85,505,236	88,254,500	1,867,028	2.2
Law Enforcement Fund	599,662	255,000	254,866	188,580	(66,420)	(26.0)
Low Income Housing Fee Fund	81	1,630,000	290,000	3,500,000	1,870,000	114.7
Marine Services Fund	132,063	357,960	357,960	210,000	(147,960)	(41.3)
Parks Impact Fee Fund	1,540,563	2,977,520	2,307,860	1,232,440	(1,745,080)	(58.6)
Parks Sales Tax Fund	2,834,750	2,175,000	734,180	4,231,160	2,056,160	94.5
Paths and Trails Fund	1,764,687	2,143,750	1,170,110	3,262,180	1,118,430	52.2
Peninsula Recreation Program	—	206,920	206,920	344,220	137,300	66.4
Pierce County Fair	168,581	181,230	181,230	182,040	810	0.4
Puget Sound Behavioral Health	14,602,094	15,660,970	12,478,904	12,001,570	(3,659,400)	(23.4)
Rainier Communications Commission	822,371	963,770	940,170	970,150	6,380	0.7
Real Estate Excise Tax - River	1,004,195	2,058,600	1,996,170	1,779,800	(278,800)	(13.5)
Second Reet Fund	283,273	8,956,740	584,940	14,116,310	5,159,570	57.6
Surface Water Management Fund	9,685,069	17,967,340	17,924,410	18,642,220	674,880	3.8
Tourism, Promotion, & Capital Facilities Fund	291,867	433,000	421,070	544,000	111,000	25.6
Vehicle License Fee Fund	3,700,000	3,754,000	304,000	—	(3,754,000)	(100.0)
Veterans Relief	456,105	499,650	499,450	510,530	10,880	2.2
Wellness Program	13,745	—	—	—	—	—
911 System	3,344,293	4,227,630	4,177,680	5,024,910	797,280	18.9
Total Special Revenue Funds	195,181,708	249,461,556	212,888,560	252,460,210	2,998,654	1.2 %

Other Financial Information

TOTAL EXPENDITURES/EXPENSES

	2002 Actual	2003 Budget	2003 Estimate	2004 Budget	Absolute Change	Percent Change
Debt Service Funds						
CRID Bond Fund, No 2-88 Et Al	5,520	—	—	—	—	—
Limited Tax GOB Fund 1992	284,108	286,290	286,290	287,390	1,100	0.4
Ltd Tax GO Bond Fund 1994	1,094,481	698,800	658,280	661,120	(37,680)	(5.4)
Ltd Tax GO Bond Fund 1997B	174,705	175,140	175,140	175,250	110	0.1
Ltd Tax GO Bond Fund 1999	416,893	419,020	419,020	415,700	(3,320)	(0.8)
Ltd Tax GO Bond Fund 2000	2,396,238	2,396,240	2,396,240	2,845,240	449,000	18.7
Ltd Tax GO Refund Bd Fd 1992	664,605	660,400	660,400	664,200	3,800	0.6
Ltd Tax GO Refund Bd Fd 1997	990,915	1,007,040	1,007,040	—	(1,007,040)	(100.0)
Ltd Tax GO Refunding 2003	—	8,714,470	8,714,470	381,740	(8,332,730)	(95.6)
Total Debt Service Funds	6,027,465	14,357,400	14,316,880	5,430,640	(8,926,760)	(62.2)
Capital Project Funds						
Administration Building Fund	16,618	856,140	856,950	—	(856,140)	(100.0)
Corporate Express Building	—	3,300,000	3,300,000	—	(3,300,000)	(100.0)
Human Services Construction Fund	—	—	—	1,001,400	1,001,400	∞
Park Sales Tax Bond Fund	9,860	16,899,350	300,000	13,491,680	(3,407,670)	(20.2)
Parks Construction Fund	1,105,190	4,655,310	2,277,010	4,615,730	(39,580)	(0.9)
Parks Reet Bond Fund	—	100,900	100,900	3,415,000	3,314,100	3,284.5
Permanent Jail Construction	15,082,639	6,893,870	10,286,030	4,453,500	(2,440,370)	(35.4)
Public Works Construction Fund	29,486,650	51,845,000	21,163,640	38,266,000	(13,579,000)	(26.2)
Real Estate Excise Tax - Capital Improvement	4,793,415	4,693,170	4,270,110	5,755,460	1,062,290	22.6
RID Construction Fund	46,639	28,040	28,040	—	(28,040)	(100.0)
1% For Arts Construction	87,378	285,910	35,060	326,000	40,090	14.0
Total Capital Project Funds	50,628,389	89,557,690	42,617,740	71,324,770	(18,232,920)	(20.4)
Enterprise Funds						
Airport Fund	341,792	583,880	397,109	585,610	1,730	0.3
Chambers Creek Golf Course	—	—	—	1,326,600	1,326,600	∞
Golf Courses	1,106,330	1,079,310	950,080	1,077,020	(2,290)	(0.2)
Pierce County Ferry Services	2,533,272	2,615,250	2,232,430	7,211,370	4,596,120	175.7
Sewer Revenue Bonds	6,824,380	6,541,670	6,541,670	4,981,180	(1,560,490)	(23.9)
Sewer Facil Restricted Reserve	9,464,571	16,036,530	20,373,530	6,245,830	(9,790,700)	(61.1)
Sewer Utility Fund	37,399,879	39,164,420	35,434,340	44,658,080	5,493,660	14.0
Sewer Utility Construction	9,078,464	23,479,000	24,692,060	18,145,000	(5,334,000)	(22.7)
Solid Waste Management Fund	3,723,277	5,664,540	4,510,430	4,902,140	(762,400)	(13.5)
Water Utility Fund	95,481	426,490	76,490	162,830	(263,660)	(61.8)
Total Enterprise Funds	70,567,446	95,591,090	95,208,139	89,295,660	(6,295,430)	(6.6)
Intragovernmental Service Funds						
Equipment Rental & Revolving	8,119,450	12,371,040	11,704,690	10,240,150	(2,130,890)	(17.2)
Facilities Management Fund	7,916,496	9,621,070	9,008,650	9,918,760	297,690	3.1
Fleet Rental	3,085,622	3,838,980	3,541,297	3,724,720	(114,260)	(3.0)
General Services	2,585,479	2,729,610	2,689,470	2,821,480	91,870	3.4
Information Services Fund	15,582,251	15,781,630	15,720,408	15,056,790	(724,840)	(4.6)
Radio Communications Fund	1,641,989	1,739,630	1,741,130	1,822,680	83,050	4.8
Self Insurance Fund	4,001,597	8,367,590	7,596,516	8,221,350	(146,240)	(1.7)
Workers Compensation	3,543,686	2,350,700	2,790,436	2,785,060	434,360	18.5
Total Intragovernmental Service Funds	46,476,570	56,800,250	54,792,597	54,590,990	(2,209,260)	(3.9)
Tacoma - Pierce County Health Department	33,360,536	34,833,167	34,833,167	34,033,255	(799,912)	(2.3)
Grand Total	\$ 623,507,512	\$ 767,803,672	\$ 681,790,727	\$ 739,729,205	\$ (28,074,467)	(3.7) %

Other Financial Information

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

	2004 Budget	2003 Budget	Absolute Change	Percent Change
General Government				
Administration Building Fund	\$ —	\$ 856,140	\$ (856,140)	(100.0) %
Assessor/Treasurer	9,621,630	10,126,020	(504,390)	(5.0)
Auditor	6,129,930	5,856,250	273,680	4.7
Auditor'S Maint & Operation	921,270	400,000	521,270	130.3
Bond Debt Service	713,090	805,310	(92,220)	(11.5)
Budget & Finance	4,351,970	4,278,750	73,220	1.7
Building Improvement Projects	—	350,000	(350,000)	(100.0)
Communications	595,130	553,090	42,040	7.6
Corporate Express Building	—	990,000	(990,000)	(100.0)
County Council	3,222,140	3,143,920	78,220	2.5
County Executive	969,010	948,000	21,010	2.2
Employee Assistance Program Fund	58,000	55,000	3,000	5.5
Miscellaneous Current Expense	1,494,760	1,387,130	107,630	7.8
Personnel	2,785,850	2,475,420	310,430	12.5
Rainier Communications Commission	970,150	963,770	6,380	0.7
Real Estate Excise Tax - Capital Improvement	4,612,600	2,929,220	1,683,380	57.5
Special Projects	1,480,630	981,510	499,120	50.9
State Auditor	194,410	160,600	33,810	21.1
Total General Government	38,120,570	37,260,130	860,440	2.3
Public Safety				
Bond Debt Service	464,940	955,730	(490,790)	(51.4)
Corporate Express Building	—	2,310,000	(2,310,000)	(100.0)
Corrections	37,334,970	36,094,000	1,240,970	3.4
Criminal Justice Fund	365,590	263,310	102,280	38.8
Detention Center Commissary	715,510	712,180	3,330	0.5
District Court Probation	2,526,020	2,462,720	63,300	2.6
Drug Investigation Fund	211,690	250,440	(38,750)	(15.5)
Emergency Management	2,539,150	2,668,710	(129,560)	(4.9)
Emergency Managemt Grants Fund	1,055,230	1,442,310	(387,080)	(26.8)
Juvenile	13,976,400	13,629,419	346,981	2.5
Law Enforcement Fund	188,580	255,000	(66,420)	(26.0)
Marine Services Fund	210,000	357,960	(147,960)	(41.3)
Medical Examiner	1,716,210	1,726,330	(10,120)	(0.6)
Miscellaneous Current Expense	392,810	2,848,170	(2,455,360)	(86.2)
New Jail Reserve	2,000,000	2,000,000	—	—
Permanent Jail Construction	4,453,500	6,893,870	(2,440,370)	(35.4)
Prevention Services & Programs	1,237,500	1,200,000	37,500	3.1
Real Estate Excise Tax - Capital Improvement	730,000	1,323,680	(593,680)	(44.9)
Sheriff	53,612,860	51,065,580	2,547,280	5.0
Special Projects	88,500	89,000	(500)	(0.6)
911 System	5,024,910	4,227,630	797,280	18.9
Total Public Safety	128,844,370	132,776,039	(3,931,669)	(3.0)
Physical Environment				
Conservation Futures Fund	3,012,180	10,674,010	(7,661,830)	(71.8)
Endangered Species Act	202,170	682,890	(480,720)	(70.4)
Federal Forest Services Fund	162,890	157,000	5,890	3.8
Geographic Information System Fund	2,705,540	2,680,470	25,070	0.9
Low Income Housing Fee Fund	3,500,000	1,630,000	1,870,000	114.7
Miscellaneous Current Expense	1,308,960	1,205,450	103,510	8.6
Real Estate Excise Tax - River	1,779,800	2,058,600	(278,800)	(13.5)
Special Projects	546,130	536,010	10,120	1.9
Surface Water Management Fund	18,642,220	17,967,340	674,880	3.8
Total Physical Environment	31,859,890	37,591,770	(5,731,880)	(15.2)
Legal & Judicial				
Assigned Counsel	10,553,910	10,100,430	453,480	4.5
Bond Debt Service	199,260	309,600	(110,340)	(35.6)
Building Improvement Projects	2,000,000	1,650,000	350,000	21.2
Clerk of the Superior Court	4,043,060	3,751,230	291,830	7.8
Criminal Justice Fund	208,000	197,560	10,440	5.3
Dispute Resolution Center Fund	146,000	146,000	—	—
District Court	6,956,930	6,602,550	354,380	5.4
Juvenile	2,154,610	2,090,297	64,313	3.1
Miscellaneous Current Expense	399,000	404,490	(5,490)	(1.4)
Prosecuting Attorney	20,727,780	19,810,715	917,065	4.6
Real Estate Excise Tax - Capital Improvement	412,860	440,270	(27,410)	(6.2)
Superior Court	10,873,660	10,644,820	228,840	2.1
Total Legal & Judicial	58,675,070	56,147,962	2,527,108	4.5 %

Other Financial Information

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

	2004 Budget	2003 Budget	Absolute Change	Percent Change
Economic Environment				
Community Development Fund	5,541,560	6,702,880	(1,161,320)	(17.3)
Economic Development	1,154,070	730,840	423,230	57.9
Housing Repair Program	9,152,930	8,870,840	282,090	3.2
Miscellaneous Current Expense	127,360	240,630	(113,270)	(47.1)
Planning And Land Services	12,663,250	12,548,588	114,662	0.9
Special Projects	239,380	239,110	270	0.1
Total Economic Environment	28,878,550	29,332,888	(454,338)	(1.5)
Mental/Physical Health				
Community Action	5,887,250	5,769,304	117,946	2.0
Health Services	2,995,310	3,080,340	(85,030)	(2.8)
Human Services Fund	88,254,500	86,387,472	1,867,028	2.2
Human Services Construction Fund	1,001,400	—	1,001,400	—
Miscellaneous Current Expense	464,780	454,760	10,020	2.2
Puget Sound Behavioral Health	12,001,570	15,660,970	(3,659,400)	(23.4)
Tacoma - Pierce County Health Department	34,033,255	34,833,167	(799,912)	(2.3)
Veterans Relief	510,530	499,650	10,880	2.2
Total Mental/Physical Health	145,148,595	146,685,663	(1,537,068)	(1.0)
Cultural & Recreation				
Arts And Cultural Services	289,420	292,240	(2,820)	(1.0)
Chambers Creek Golf Course	1,326,600	—	1,326,600	∞
Cooperative Extension	607,050	578,610	28,440	4.9
Golf Courses	1,077,020	1,079,310	(2,290)	(0.2)
Miscellaneous Current Expense	781,610	284,670	496,940	174.6
Park Sales Tax Bond Fund	13,491,680	16,899,350	(3,407,670)	(20.2)
Parks And Recreation Services	6,249,660	6,133,720	115,940	1.9
Parks Construction Fund	4,615,730	4,655,310	(39,580)	(0.9)
Parks Impact Fee Fund	1,232,440	2,977,520	(1,745,080)	(58.6)
Parks Reet Bond Fund	3,415,000	100,900	3,314,100	3,284.5
Parks Sales Tax Fund	4,231,160	2,175,000	2,056,160	94.5
Paths And Trails Fund	3,262,180	2,143,750	1,118,430	52.2
Peninsula Recreation Program	344,220	206,920	137,300	66.4
Pierce County Fair	182,040	181,230	810	0.4
Second Reet Fund - Parks	3,072,250	1,455,440	1,616,810	111.1
Tourism, Promotion, & Capital Facilities Fund	544,000	433,000	111,000	25.6
1% For Arts Construction	326,000	285,910	40,090	14.0
Total Cultural & Recreation	45,048,060	39,882,880	5,165,180	13.0
Debt Service				
Limited Tax GOB Fund 1992	287,390	286,290	1,100	0.4
Ltd Tax GO Bond Fund 1994	661,120	698,800	(37,680)	(5.4)
Ltd Tax GO Bond Fund 1997B	175,250	175,140	110	0.1
Ltd Tax GO Bond Fund 1999	415,700	419,020	(3,320)	(0.8)
Ltd Tax GO Bond Fund 2000	2,845,240	2,396,240	449,000	18.7
Ltd Tax GO Refund Bd Fd 1992	664,200	660,400	3,800	0.6
Ltd Tax GO Refund Bd Fd 1997	—	1,007,040	(1,007,040)	(100.0)
Ltd Tax GO Refunding 2003	381,740	8,714,470	(8,332,730)	(95.6)
Total Debt Service	5,430,640	14,357,400	(8,926,760)	(62.2)
Transportation				
Airport Fund	585,610	583,880	1,730	0.3
County Road Fund	66,830,370	59,328,570	7,501,800	12.6
Miscellaneous Current Expense	100,000	—	100,000	∞
Pierce County Ferry Services	7,211,370	2,615,250	4,596,120	175.7
Public Works Construction Fund	38,266,000	51,845,000	(13,579,000)	(26.2)
RID Construction Fund	—	28,040	(28,040)	(100.0)
Second Reet Fund - Roads	11,044,060	7,501,300	3,542,760	47.2
Vehicle License Fee Fund	—	3,754,000	(3,754,000)	(100.0)
Total Transportation	124,037,410	125,656,040	(1,618,630)	(1.3)
Utilities				
Sewer Revenue Bonds	4,981,180	6,541,670	(1,560,490)	(23.9)
Sewer Facil Restricted Reserve	6,245,830	16,036,530	(9,790,700)	(61.1)
Sewer Utility Fund	44,658,080	39,164,420	5,493,660	14.0
Sewer Utility Construction	18,145,000	23,479,000	(5,334,000)	(22.7)
Solid Waste Management Fund	4,902,140	5,664,540	(762,400)	(13.5)
Water Utility Fund	162,830	426,490	(263,660)	(61.8)
Total Utilities	79,095,060	91,312,650	(12,217,590)	(13.4)
Internal Service				
Equipment Rental and Revolving	10,240,150	12,371,040	(2,130,890)	(17.2)
Facilities Management Fund	9,918,760	9,621,070	297,690	3.1
Fleet Rental	3,724,720	3,838,980	(114,260)	(3.0)
General Services	2,821,480	2,729,610	91,870	3.4
Information Services Fund	15,056,790	15,781,630	(724,840)	(4.6)
Radio Communications Fund	1,822,680	1,739,630	83,050	4.8
Self Insurance Fund	8,221,350	8,367,590	(146,240)	(1.7)
Workers Compensation	2,785,060	2,350,700	434,360	18.5
Total Internal Service	54,590,990	56,800,250	(2,209,260)	(3.9)
County Fund Total	\$ 739,729,205	\$ 767,803,672	\$ (28,074,467)	(3.7) %