

Pierce County 2002 Budget In Brief

This document is a “brief” look at the adopted 2002 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

Jan Shabro

Calvin Goings

Kevin Wimsett

Harold Moss

Wendell Brown

Pat O’Malley

Karen Biskey

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Pierce County Facts

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. Two transcontinental railroad systems connect the County with the rest of the nation as do 30 interstate trucking companies.

Economic Conditions

Pierce County has combined with neighboring Puget Sound counties to provide the main thrust of statewide economic growth over the past six to seven years." The same report describes some of the County's advantages for current and future economic growth, "In Pierce County, those advantages include (1) a major port with the potential for future expansion, (2) relatively low property costs in rural areas, (3) available and competitively priced office and commercial space, and (4) its situation as the geographic anchor for the central Puget Sound." Some specific sectors are highlighted below:

Manufacturing

Pierce County's manufactured products include chemicals, machinery, hardware, food products, and electronics. Among the major manufacturers are Intel (1,600 jobs), Boeing (1,450), Milgard Glass (900), and Simpson Tacoma Kraft wood products (510). 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. By 2005, it is estimated that the plant will employ 11,400 people.

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 (5,000), the Franciscan Health System (2,553), and Good Samaritan Hospital (1,800). In addition, Da Vita completed the renovation of a large downtown building in Tacoma which now serves as its corporate headquarters. They currently employ 634 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 33,000 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, a \$131 million renovation was recently completed at McChord to accommodate 48 new C-17 cargo planes that are stationed at the base.

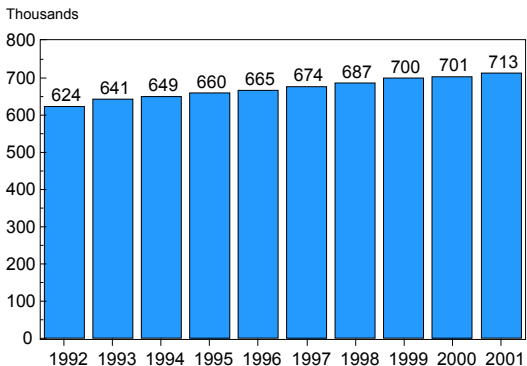
Other government employment includes the local public school districts (12,633), the City of Tacoma (3,034), Pierce County (3,015), and, the Puyallup Tribe (1,795).

Population

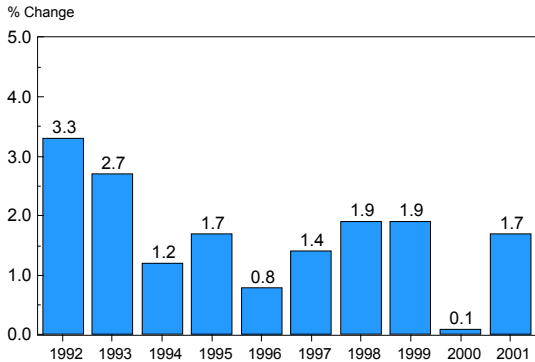
Pierce County is home to an estimated 713,400 people, making it the second largest county in the state. Its five largest cities are Tacoma (194,500), Lakewood (58,190), Puyallup (33,990), University Place (30,190), and Bonney Lake (9,980). The population in the unincorporated area is 323,996 (approx. 45%).

The annual average increase in population has been 1.4% per year from 1992 to 2001, with the actual year-to-year changes exhibiting much variation.

Pierce County Population History



Pierce County Population Percent Change



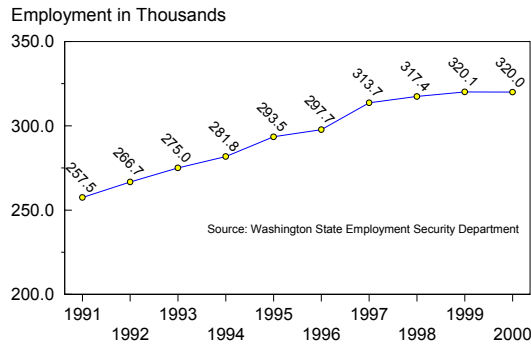
Pierce County Facts

Economic Indicators

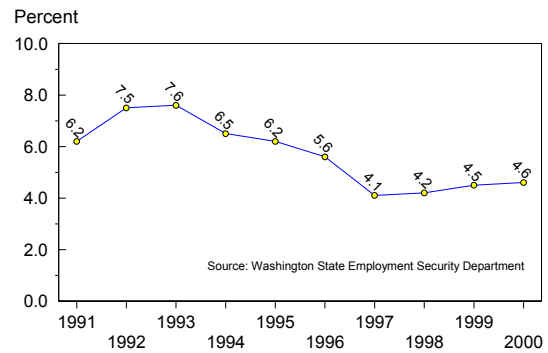
The following indicators are key elements in the evaluation of current economic conditions and are useful when developing projections or economic forecasts:

- ❖ **Inflation:** Inflation as measured by the Seattle-Tacoma-Everett Consumer Price Index for all urban consumers increased from 3.0% in 1999 to 4.1% in 2000. During the same period, the U. S. average (CPI-U) went from 2.7% in 1999 to 3.4% in 2000.
- ❖ **Employment:** The graphs below show the stability of employment in the County. Total employment was 320,000 and unemployment increased negligibly to 4.6%. This rate is lower than the statewide average of 4.9% but higher than the U.S. average of 4.0%.

Pierce County Employment

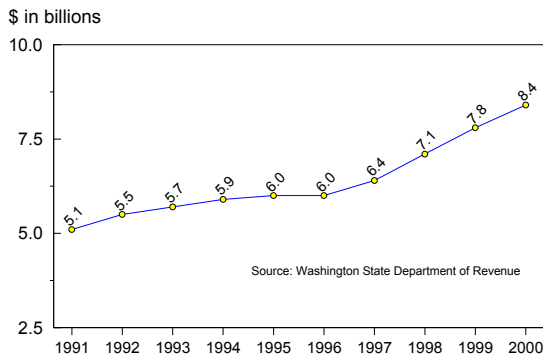


Pierce County Percent Unemployment

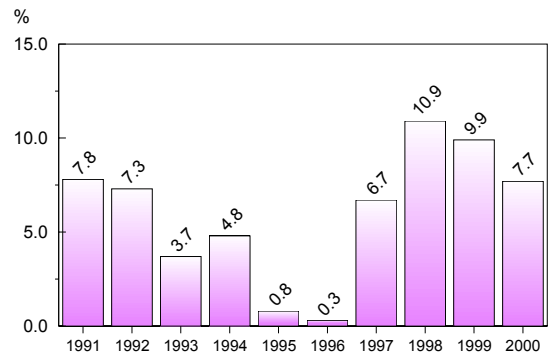


- ❖ **Taxable Retail Sales:** Taxable retail sales continued strong through 2000. This is consistent with the current high levels of employment and new construction throughout the County. Based on current economic forecasts, we anticipate that total taxable retail sales will be somewhat lower in 2001 and 2002.

Pierce County Taxable Retail Sales

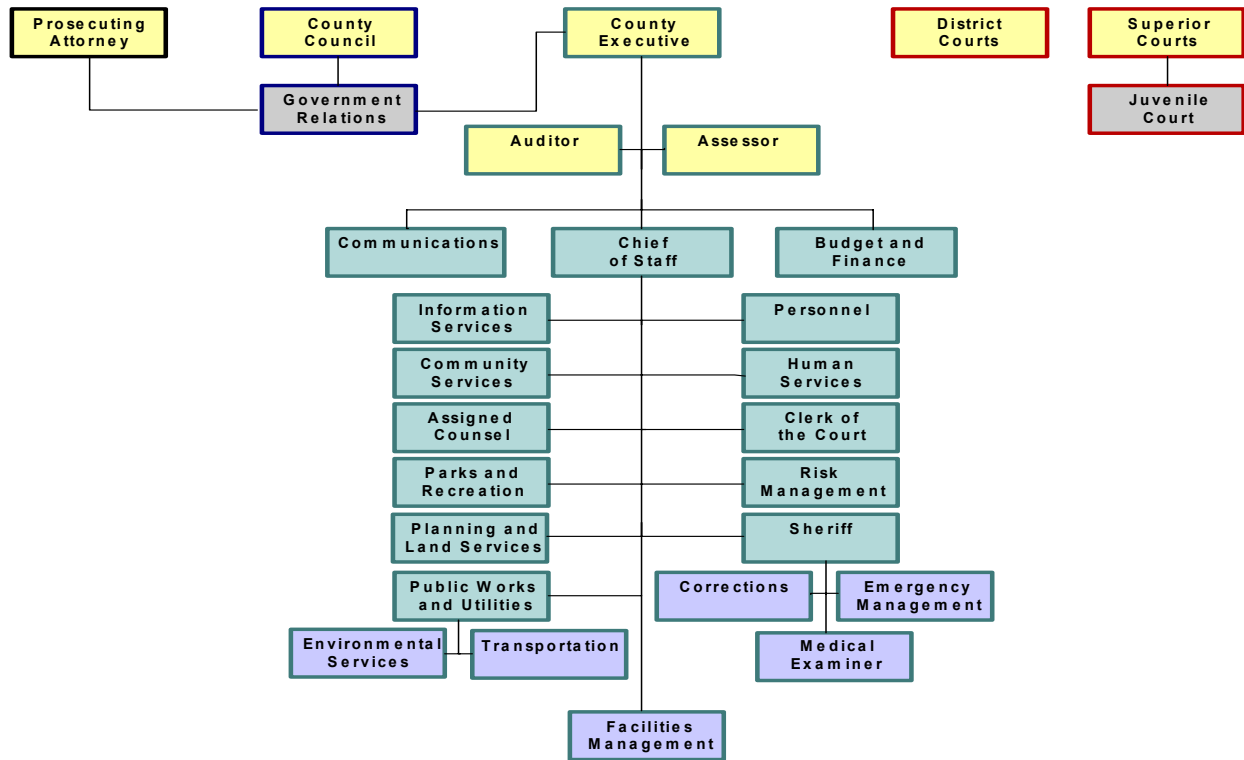


Percent Change Taxable Retail Sales



Organizational Overview

Pierce County's home-rule charter was approved by the voters in November 1980 and became effective on May 1, 1981. The charter separated executive and legislative responsibilities by establishing the position of County Executive to serve as the chief executive officer and a seven-member Council to serve as the legislative branch.



2002 COUNTY COUNCIL

| | |
|---------------|------------|
| Jan Shabro | District 1 |
| Calvin Goings | District 2 |
| Kevin Wimsett | District 3 |
| Harold Moss | District 4 |
| Wendell Brown | District 5 |
| Pat O'Malley | District 6 |
| Karen Biskey | District 7 |

2002 DISTRICT COURT 1 JUDGES

| | |
|---------------------|----------------------|
| Jack F. Nevin |Presiding Judge |
| Ronald E. Culpepper | |
| James R. Heller | |
| David M. Kenworthy | |
| Judy Rae Jasprica | |

2002 DISTRICT COURT 2 JUDGE

| |
|------------------|
| Thomas A. Farrow |
|------------------|

2002 DISTRICT COURT 3 JUDGE

| |
|------------|
| Paul Treyz |
|------------|

2002 DISTRICT COURT 4 JUDGE

| |
|-------------------|
| Richard F. DeJean |
|-------------------|

2002 SUPERIOR COURT JUDGES

| | |
|----------------------|-------------------------|
| Frederick W. Fleming |Presiding Judge |
| James Orlando | Stehanie A. Arend |
| Katherine Stolz | Kathryn Nelson |
| Thomas P. Larkin | Bruce W. Cohoe |
| Bryan E. Chushcoff | Thomas J. Felnagle |
| Vicki Hogan | Frederick B. Hayes |
| Rosanne Buckner | Terry D. Sebring |
| Brian Tollefson | Karen L. Strombom |
| 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 and Goals

Mission, Goals and Budget Objectives

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 Service Goals were developed. Subsequent development resulted in a hierarchical pyramid which contains the following elements:

- I. ***The Mission Statement***
"Pierce County government, in partnership with the community, will enhance our quality of life through responsive service and leadership in meeting our current and future needs."
- II. **Executive Service Goals** shown below, which in turn guide the County in the development of appropriate policies and procedures, and form the basis for the "Budget Objectives"
- III. **Budget Objectives** are developed for each departmental budget. These Budget Objectives are specific and quantifiable statements of what major items will be accomplished in this fiscal year. These Objectives are listed in each department's section of the 2002 Budget Document.

Executive Service Goals

- A – Provide and promote economically viable regional services.
- B – Improve the business climate and foster economic growth and diversification.
- C – Plan and construct necessary transportation improvements to meet existing and future requirements.
- D – Enhance public safety through prevention, intervention and preparedness.
- E – Strengthen community programs that provide recreational, health, and social services.
- F – Enhance the effectiveness of the development review process and related code enforcement efforts.
- G – Encourage a positive public image for Pierce County Government through an enhanced communication program.
- H – Improve cost efficiency in the delivery of County services.
- I – Improve customer service through use of information technology and community-based services.
- J – Promote a balanced program which responds to environmental concerns surrounding water issues and endangered species act requirements.
- K – Promote employee training, incentive and recognition programs to reward excellence and promote innovation.



Budget Highlights

This is the first budget from Pierce County Executive, John Ladenburg, and reflects his administration's full appreciation of both the challenges facing the County and the opportunities which present themselves. This budget and his administration are committed to addressing such issues as public safety staffing, the new jail, justice services workload, growth management, endangered species act, our transportation network, flooding concerns, and intergovernmental coordination. Executive Ladenburg feels that it is our responsibility to exhibit leadership in addressing these issues, and to provide cost effective public services to our citizens.

Our primary budgetary goal still remains achieving an appropriate balance between the need to adequately fund public safety and justice system programs, while at the same time avoiding severe impacts to all the other services provided by the County.

For the 2002 budget, we are continuing with a modified version of the "mission driven budget objectives". Our departments used this process in the preparation of their budget requests, and have generated specific objectives which they have committed to achieve with their 2002 budget. It is our

intention to undertake a more in-depth analysis of this process over the next several months, and present a revised program for the 2003 budget.

Budget History

The 2002 Pierce County Budget totals \$770,164,255, which is an increase of \$46.9 million (6.5%) over 2001. Much of the increase is due to an expanded Roads and Parks construction program.

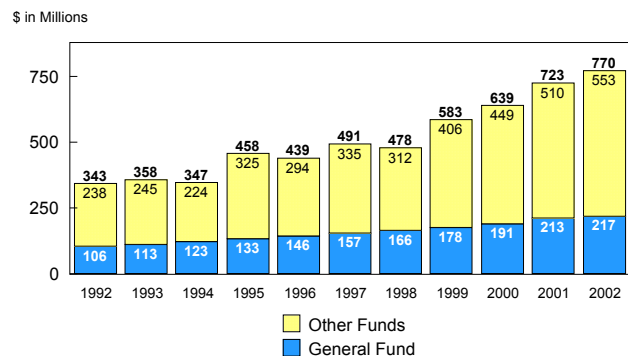
As has been the case for at least the last decade, matching scarce resources with ever increasing service demands has been difficult. Our current revenue base is simply not adequate to finance all the services requested by our citizens and proposed by our department directors.

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 impact of major construction projects.

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

- ◇ First, existing challenges involving **domestic violence, illegal drugs, and general criminal activity will continue to place great pressure on public safety and the justice services.** We have maintained the programs previously budgeted to combat these major problems, and are enhancing these programs where circumstances warrant and finances permit.
- ◇ Second, we are moving forward with the construction of the **new Jail**, which is scheduled to open in 2002. This budget includes the fourth year installment of our jail financing strategy, and includes the new staff and operating costs associated with the opening of that new facility.
- ◇ Third, we are currently forced to "early release" scores of inmates each month, and this situation will only get worse until the New Jail is open. To address this short-term concern we have included **monies to "rent" additional beds** at the Yakima jail facility.

Total Budget



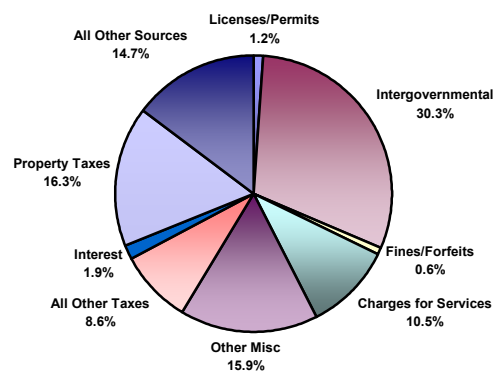
Budget Highlights

- ◇ Fourth, we will emphasize **pro-active prevention programs** and the funding of many of the alternatives to incarceration programs recommended by the Criminal Justice Task Force. These programs will both reduce jail costs and promote behavior modifications.
- ◇ Fifth, we will continue to fund balanced **Land Use Regulatory** programs, enhanced **Surface Water Management** activities, solid **Road Maintenance** services; and a coordinated program dealing with our responsibilities under the **Endangered Species Act**.

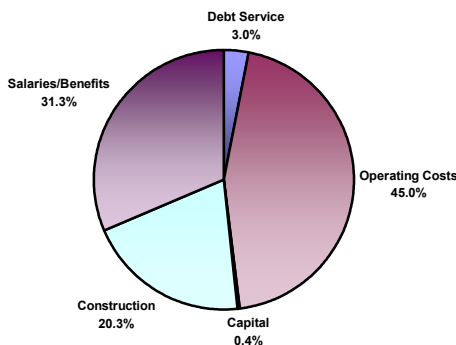
Total Pierce County Revenue & Expenditure Overview

A summary of the major classifications of revenues and expenses is shown in the following pie charts. Over thirty percent of the County's funding comes from Intergovernmental Revenues. Property and Other Taxes equal 25% of the total revenues, while Service Charges, Licenses/Permits, and Fines/Forfeits provide another 12.3%. All Other Sources (just under 15%) primarily reflect the use of prior fund balance. The 15.9% for Other Miscellaneous includes the sale of fixed assets and transfers from operating funds to construction and debt service funds for those purposes. Interest revenues are just under 2%. Internal Service Fund revenues have been excluded from the totals used to calculate the percentages in order to avoid "double counting" of these items.

2002 Total County Revenues Summarized by Source



2002 Total County Expenditures Summarized by Object Classification

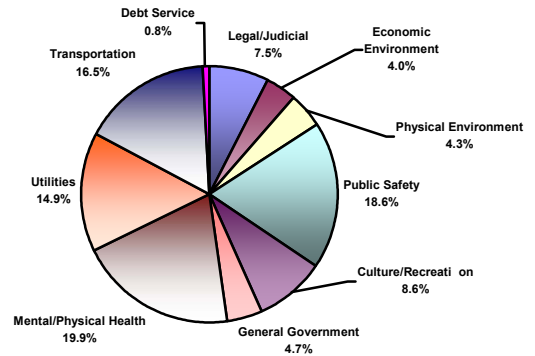


Over 31% of the County's total budget line-item is allocated to personnel costs. All other operating costs consume approximately 45%. The remaining 24% is for capital construction, and debt service.

Budget Highlights

The Public Safety and Justice Services systems combined accounts for over 26% of the total County expenditures, with the Mental and Physical Health system absorbing 20%. Just over 35% of the total expenditures is invested in the support of Transportation, Utilities, and the Physical Environment. Over 8% of the total expenditures is related to Culture and Recreation, 4% is expended for Economic Environment activity and 5.5% supports general government functions and debt service. Here again, the revenues for Internal Service Funds have been excluded from the pie chart percentages since these costs are charged directly to all the other budgets.

2002 Total County Expenditures Summarized by Function



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 2002 revenues, with a comparison to the current year, is shown in the table below:

| GENERAL FUND REVENUE SUMMARY | | | | |
|-------------------------------------|------------------------|------------------------|----------------------------|---------------------------|
| | 2002 Budget | 2001 Budget | Absolute Change | Percent Change |
| General Property Taxes | \$ 71,270,800 | \$ 68,212,070 | \$ 3,058,730 | 4.5 % |
| Law Enforcement Property Tax | 8,108,270 | 7,737,470 | 370,800 | 4.8 |
| Other Taxes | 8,699,000 | 8,362,500 | 336,500 | 4.0 |
| Sales Taxes | 39,240,000 | 38,940,000 | 300,000 | 0.8 |
| Licenses and Permits | 5,382,110 | 5,289,990 | 92,120 | 1.7 |
| Intergovernmental Revenue | 37,394,910 | 38,087,422 | (692,512) | (1.8) |
| Charges for Services | 26,081,360 | 26,988,639 | (907,279) | (3.4) |
| Fines and Forfeitures | 4,488,270 | 4,230,040 | 258,230 | 6.1 |
| Interest Revenue | 9,474,700 | 9,540,000 | (65,300) | (0.7) |
| Other Miscellaneous Revenue | 2,103,020 | 2,364,377 | (261,357) | (11.1) |
| Subtotal Revenues | \$ 212,242,440 | \$ 209,752,508 | \$ 2,489,932 | 1.2 % |
| Carryover/Fund Balance | 2,262,000 | 3,132,770 | (870,770) | (27.8) |
| Total Available Resources | \$ 214,504,440 | \$ 212,885,278 | \$ 1,619,162 | 0.8 % |

Our revenue projections are based largely upon the following assumptions:

- ◇ The local economy will grow at a slow pace in 2002. The level of economic growth will likely be sharply less than that experienced in recent years.
- ◇ Inflation will be approximately 3% next year, thus giving a modest boost to Sales Taxes, Intergovernmental Revenues, and Charges for Services.
- ◇ Interest rates will stabilize at their current very low levels, which will result in less interest revenues than were earned in the 1996-2000 period.
- ◇ We will continue to receive city contract revenues for several major services.

Based upon the above assumptions and an in-depth review of our revenue patterns, we are projecting a growth in General Fund revenues of 1.2% in 2002. However, the 2001 budget also included an allocation of \$3,132,770 in Prior Fund Balance. Since the recommended use of Prior Fund Balance in 2002 is only \$2,262,000, the resulting increase in **available resources** to finance next year's budget is only 0.8%

Comparative revenue increase figures for the last decade are shown in the following table. The projected increase of 1.2% in 2002 is the lowest in the decade, due to five factors:

- ◇ 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 in 2001). No new revenue source is projected to be forthcoming in 2002.
- ◇ 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 year 2002 unfolds; thus pushing the final percent increase above the originally budgeted 1.2%.

- ◇ There are no recommended fee increase proposals in the General fund for 2002. In most years the budget included at least some fee increases.
- ◇ The economy is slowing, and the recent events after September 11th point to an even sharper decline.
- ◇ The passage of I-747 in November, which limits the growth in taxes from existing property to 1% per year.

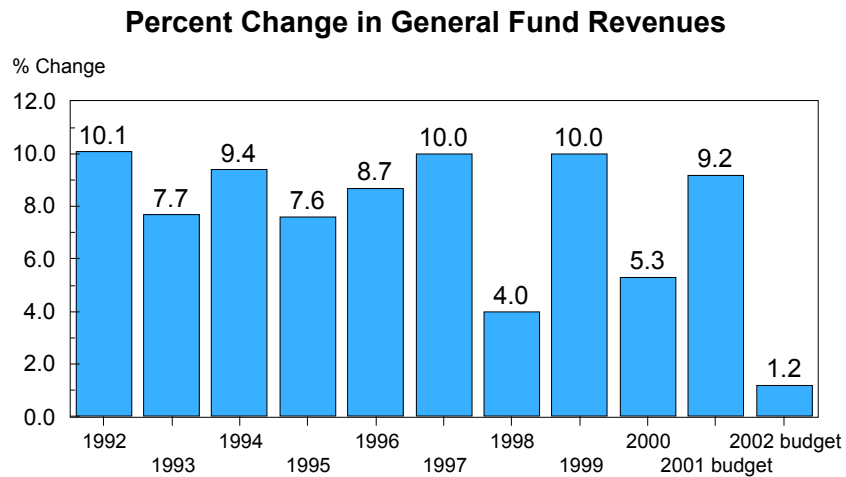


Figure 1

The potential revenue loss due to I-747 over the next several years is difficult to precisely determine (depends upon future inflation increases on existing property). To provide just one possible example, with a 4% annual growth in the assessed valuation (excluding new construction) the potential revenue loss versus the previously available 6% limit is shown in this table.

| | General Fund | | Road Fund | |
|--------------|---------------------|-------------------|------------------|-------------------|
| 2002 | \$ | 3,848,000 | \$ | 1,499,000 |
| 2003 | | 8,033,000 | | 2,603,000 |
| 2004 | | 12,676,000 | | 3,822,000 |
| 2005 | | 17,801,000 | | 5,158,000 |
| 2006 | | 22,314,000 | | 6,615,000 |
| Total | \$ | 64,672,000 | \$ | 19,697,000 |

These are very significant revenue losses, and are geometric in impact. By fiscal 2006, the revenue loss in just that year is equal to approximately 10% of our 2002 General Fund budget. The cumulative loss for the General Fund is more than the construction costs of the New Jail and New Parking Garage combined. This initiative will ultimately result in an inexorable erosion in our financial foundation and lead to significant reductions in the public safety, the justice system, road maintenance, health services, and other vital county programs.

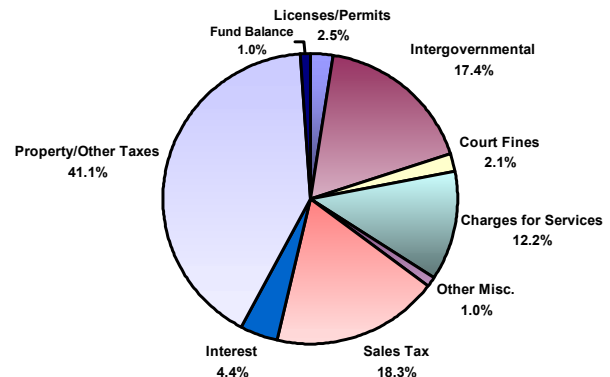
General Fund

Revenue Sources

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

- ◇ General and Law Levy Property Taxes are both projected to increase by just over 4% in 2002. This increase is based upon two factors. The first factor is a 3.3% growth due to new construction and improvements. The second reflects the limitation to 1% on revenue growth from existing properties per the 1747 initiative.
- ◇ Other Taxes will simply grow by close to the level of inflation.
- ◇ Sales Taxes are projected to increase very little in 2002. This is based upon the actual revenue patterns for 2001 Y-T-D, coupled with projections for a weak economy in the next 12-16 months.
- ◇ Licenses and Permits are projected to grow by a modest 1.7% in 2002. This is dues almost entirely to projected increases in Cable Franchise and Passport Application revenues.
- ◇ Intergovernmental Revenues – this category of revenue is projected to show a bottom-line decrease of 1.8% in 2002. This is because Federal and State Grants will be well under the 2001 level. The loss of these grants will often, but not always, result in a corresponding decrease in expenses which were related to these grants.
- ◇ Charges for Service Revenues are also estimated to be below the 2001 budget. This bottom-line change is composed of many dramatic changes in specific revenue sources, both increases and decreases:
 - **Recording Fee revenues** are currently running well above the 2001 budgeted levels, and we are projecting that increased level of activity to continue in the new year.
 - **Election revenues** will be significantly below 2001, because the state is required to reimburse us for their election costs only in odd numbered years. Also, special elections are reflected in 2001, but not in 2002 (will be added later if necessary).
 - **Indirect Cost Charges** to other funds will increase by 4.5% due to the figures generated bu the plan methodology.
- ◇ Fines and Forfeits are projected to be above the 2001 Budget by 6.1%, based mostly upon the actual revenue pattern in the current year.
- ◇ Interest Revenues are projected to show a slight decrease versus 2001, due to the recent decreases in interest rates.
- ◇ Miscellaneous Revenues will decrease by 11% in 2002, due largely to a projected decrease in timber sales, a decrease in support from the new Behavioral Health fund for administrative staff in the General Fund, and the elimination of the trauma project funding.
- ◇ **Prior Fund Balance** use was budgeted at \$3.1 million in 2001. For next year we are recommending that we allocate only \$2,262,000; which will be used for one time expenditures.

2002 General Fund Revenues



Expenditures

The .8% resource growth discussed in the preceding section will be insufficient to allow us to continue most programs and staff at the 2001 level, or to significantly enhance any priority services. However as indicated in the following chart, the recent changes in the state pension rates plus “very tight budget allowances” resulted in the necessary budget reductions being far less than would otherwise be the case.

| | 2001 Budget | 2002 Budget | Change |
|-------------------------|-----------------------|-----------------------|---------------------|
| Salaries | \$ 106,484,045 | \$ 110,320,760 | \$ 3,836,715 |
| Medical/Dental Premiums | 11,862,274 | 13,877,860 | 2,015,586 |
| Pension | 4,696,370 | 2,312,190 | (2,384,180) |
| All Other Expenses | 89,842,589 | 87,993,630 | (1,848,959) |
| Total | \$ 212,885,278 | \$ 214,504,440 | \$ 1,619,162 |

The implications for fiscal 2003 are of major concern. It is unlikely that there will be any additional pension rate decreases in the next year. Even if the rates hold constant, there will be no **additional** \$2.4million decrease in 2003 pension costs, and hence no dollars will be “freed up” to pay for other expenses. This means that a similar modest revenue growth in the 2003 budget, which is probable given the impact of I-747, will almost certainly result in significant additional staff and service reductions.

The following table summarizes the 2002 General Fund Expenditure Budget, and compares it with the 2001 budget.

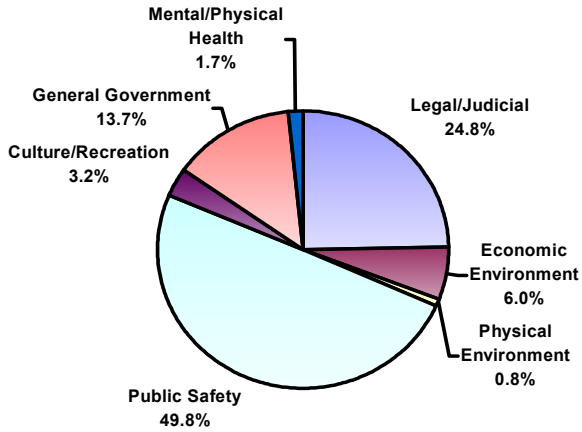
| GENERAL FUND EXPENDITURES BY FUNCTION | | | | |
|--|-----------------------|----------------------|---------------------|----------------|
| | 2002 Budget | 2001 Budget | Absolute Change | Percent Change |
| General Government | \$ 29,490,510 | \$ 29,579,790 | \$ (89,280) | (0.3) % |
| Public Safety | 106,882,109 | 105,298,925 | 1,583,184 | 1.5 |
| Physical Environment | 1,629,050 | 1,835,000 | (205,950) | (11.2) |
| Legal & Judicial | 53,131,691 | 52,161,223 | 970,468 | 1.9 |
| Economic Environment | 12,907,000 | 13,055,940 | (148,940) | (1.1) |
| Mental/Physical Health | 3,569,990 | 4,046,760 | (476,770) | (11.8) |
| Cultural & Recreation | 6,894,090 | 6,907,640 | (13,550) | (0.2) |
| Total General Fund | \$ 214,504,440 | \$212,885,278 | \$ 1,619,162 | 0.8 % |

As indicated by the functions table, the emphasis in 2002 continues to be Public Safety and Legal/Judicial services, where the only increases in budget over 2001 occurred. The total General Fund increase is only \$1.6 million, while these two major functions increased by \$2.6, (158% of the total increase). Consequently a reduction in other functions was necessary to continue funding these two vital services. In total, over 74% of the General Fund budget is now allocated to these priority services. This percentage continues to expand 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 have been in the Public Safety and Justice Services departments, including the 47 new public safety positions (mostly New Jail related) contained in the 2002 Budget.

As shown in the following table below the 0.8% budget increase for expenditures is significantly less than all previous years in the last decade. The 2001 budget increase is very large because: 1) we used a large amount of fund balance to support the budget; and 2) it includes the first year of the law levy transfer being included in the General Fund.

General Fund

2002 General Fund Expenditures



Percent Change in General Fund Expenditures

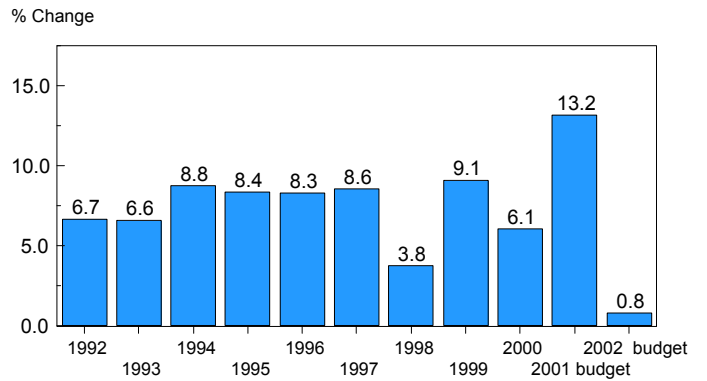


Figure 2

The major 2002 budget and program changes by functional category and department are listed as follows:

2002 Service & Program Changes

Public Safety And Justice Services:

Sheriff

- ◇ 2 new deputies assigned to peninsula and east county patrol
- ◇ 1 office assistant for the property room computer system
- ◇ elimination of the Air Operations Unit and the Special Parks Patrol program

Corrections

- ◇ 44 new positions plus the operating costs for the New Jail (effective September 1, 2002)
- ◇ monies to rent an additional 50 beds at the Yakima jail facility for city prisoners, financed through city jail billings.

Probation Division

- ◇ the addition of one new clerical aide position
- ◇ elimination of 1 work crew chief

Prosecutor

- ◇ one new legal assistant position (felony division)
- ◇ elimination of the information technology specialist position

Juvenile

- ◇ the addition of 2 detention officers to reduce overtime and extra hire expenses
- ◇ 1 additional probation supervisor for the CASA Volunteer program (funded under Prevention Services)
- ◇ County funding for staff and services for the previously funded community corrections program

District Court Tacoma

- ◇ elimination of 2 legal assistant positions
- ◇ closure of Hosmer facility for public access one day a week

Medical Examiner

- ◇ an additional medical investigator position

Jail Construction Reserve

- ◇ funding for the fourth phase of the Jail financing plan

Clerk

- ◇ elimination of 1 legal assistant

Emergency Management

- ◇ elimination of 1 office assistant position

District Court Eatonville

- ◇ the reduction of 1.5 positions in light of a decline in caseload

General Fund

All Other Programs & Services:

Planning and Land Services

- ◇ one new support staff in the development center
- ◇ elimination of 1 environmental biologist position and 1 planner position

Assessor-Treasurer

- ◇ elimination of 1 project analyst and 1 cartographer

Auditor

- ◇ an additional license clerk position

Special Projects

- ◇ one new environmental biologist position

Budget and Finance

- ◇ elimination of a 50% office assistant position

County Executive

- ◇ elimination of a position

Economic Development

- ◇ elimination of the supervisory administrative assistant position

Building Remodel Projects

- ◇ a one-time allocation of \$1,500,000 from prior fund balance for building remodel projects (e.g. 950 Fawcett, County-City Building).

Several other non-staff line item reductions were made throughout the General Fund budgets in response to I -747. In addition, prior fund balance was used to fund several non-reoccurring expenses.

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 were growing (or decreasing) from the prior year. This is often the case because:

- ◇ Many departments had grants or service contracts in 2001 which are not renewed in 2002, or vice versa.
- ◇ Several departments have other unique items in 2001 which are not present in 2002 (special election costs, capital equipment purchases, severance payments, etc.)

It is necessary to review each department's situation in some detail to determine the operational impact of the 2002 budget.

Use of Prior Fund Balance

The tables below present the financial results for the General Fund during the 1991-2000 period.

As indicated in the table, the trend during the last decade has been largely positive. Both a strong economy and prudent fiscal policies have produced positive financial results. However, in fiscal 2001, we have budgeted a \$3.1 million dollar deficit, not all of which is for one-time expense. The 2002 budget reflects a \$2.3 million deficit.

If the 2001 and 2002 actual results match the budget, the General Fund balance will be approximately \$21.0 million at the end of 2002. 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 2002 (as shown in the table).

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

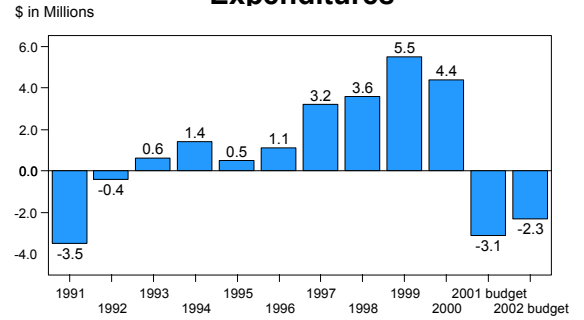


Figure 3

Unreserved General Fund Balance

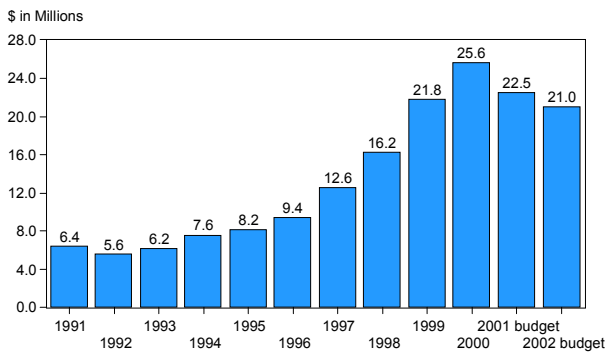


Figure 4

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

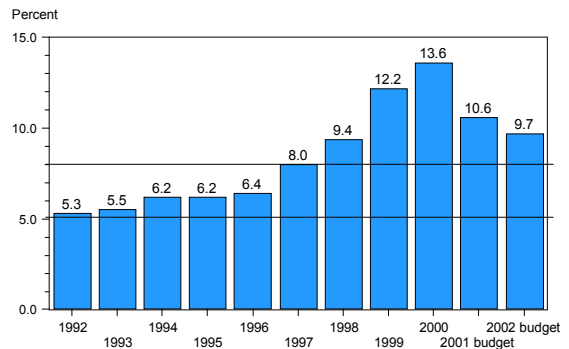


Figure 5

We need to emphasize that the above charts for 2001 represent the budgeted figures. Our late summer projections indicated that fiscal 2001 actual results will be slightly more positive than budgeted. However, the recent events since September 11 have placed those estimates in jeopardy.

Other County Funds

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

Community & Human Services Funds

The County is a major provider of community and human state and federal grant allocations which vary for each fiscal period. The reduction in **Community Action** is due primarily to fluctuations in the spending limits from HUD and Welfare to Work grants. The 2002 budget for **Community Development** anticipates a reduction in the federal CDBG allocation. The 2002 budget for the **Housing Repair Program** is significantly less than 2001 due to the fluctuation in the federally funded Supportive Housing and Home Programs. **Human Services** shows a slight decrease in funding overall, with Mental Health programs pending the most significant reduction. The **Puget Sound Behavioral Health** fund separately accounts for the

services through programs funded primarily from

| Community & Human Services | | |
|-----------------------------|-----------------------|-----------------------|
| Fund | 2002 Budget | 2001 Budget |
| Community Action | \$ 5,289,720 | \$ 6,134,353 |
| Community Development | 7,408,040 | 6,721,299 |
| Housing Repair Program | 8,159,240 | 10,378,956 |
| Human Services | 81,981,800 | 82,805,630 |
| Puget Sound Behavioral Hlth | 19,949,680 | 19,668,430 |
| Total | \$ 122,788,480 | \$ 125,708,668 |

The **Puget Sound Behavioral Health** fund separately accounts for the community inpatient program which is a service under the Mental Health unit of the Human Services Department. The 2002 budget reflects anticipated remodeling, an increase in psychiatric patients, while also reflecting the elimination of its chemical dependency outpatient, detoxification center, and associated services. Please keep in mind that the Behavioral Health facility is self-supporting (federal and state grants, commercial insurance and private payments).

It needs to be emphasized that in many programs, the funding by state and federal sources is simply not adequate to finance the service level which ought to be provided. We are working with state and federal agencies in an attempt to increase the funding levels, and it is possible that additional grant monies will be secured in 2002. However, even these 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.

| General Fund Contributions | |
|---|--------------------|
| AIDS Foundation | \$21,340 |
| Alliance Against Domestic Violence | 7,000 |
| Breast Cancer Awareness Center | 24,250 |
| Centro Latino | 48,500 |
| Community Action Grant Match..... | 48,500 |
| Day Care Referral Program..... | 21,340 |
| Domestic Violence Commission | 83,420 |
| D.U.I. Program | 8,730 |
| Emergency Food Network..... | 13,580 |
| Family Counseling Services | 3,640 |
| Involuntary Commitment Program..... | 98,000 |
| Mental Health Services in the Corrections operations | 613,140 |
| Pierce County Alliance – CRESTOS | 8,730 |
| Salvation Army- So Hill Senior Ctr..... | 20,000 |
| Senior Centers | 209,040 |
| Sexual Assault – Allenmore..... | 10,670 |
| Social Service Programs (earmarked property taxes)..... | 1,004,400 |
| Social Service (substance abuse program from liquor taxes) | 17,870 |
| TACID..... | 27,480 |
| | \$2,450,470 |

County Road Funds

The County Road activities are actually divided into two separate funds - one for Maintenance and the other for Construction projects. The **Maintenance Fund** provides for all the administrative, general engineering, and roadway maintenance activities, and is budgeted at 7.4% above the 2001 level. This budget level will provide for a moderate increase in maintenance activity, and includes monies for new facilities and capital projects.

The **Roads Construction** fund is budgeted at a total of \$54.4 million in 2002, which is well above the 2001 budget. This increase will provide for a strong road construction and improvement program next year.

| Road Maintenance Expenditures | |
|-------------------------------|---------------|
| 1996 Actual | \$ 41,465,215 |
| 1997 Actual | \$ 43,956,810 |
| 1998 Actual | \$ 41,540,239 |
| 1999 Actual | \$ 43,414,053 |
| 2000 Actual | \$ 47,104,468 |
| 2001 Budget | \$ 50,404,110 |
| 2002 Budget | \$ 54,116,410 |

Enterprise Funds

The County operates six enterprise funds, so named because they function as business enterprises which charge their customers for the services provided. These funds are **Sewer Utility, Golf Courses, Solid Waste, Airport, Ferry Services, and Water Utility** funds. Also related to the Sewer Utilities fund are several other funds which provide resources for, or are used to account for, activities of the overall Sewer Utility (usually construction and debt service funds). The comparative budget figures for both 2002 and 2001 are as follows: The decrease in the Sewer Utility is due to a reduction in debt service expenses. The Golf Courses fund increase resulted from the budgeting of several course and facility improvements in fiscal 2002. The large increase in the 2002 Airport fund is due to capital and repair items. The Water Utility reduction reflects a smaller allocation for plans and system studies in the "start-up" phase of the new utility.

| Fund | Enterprise Funds | | |
|------------------|------------------|----------------|-------------|
| | 2002 Budget | 2001 Budget | % Change |
| Sewer Utility | \$ 101,611,260 | \$ 104,960,990 | (3.2)% |
| Golf Courses | 1,229,950 | 958,900 | 28.3 % |
| Airport | 1,034,770 | 585,360 | 76.8 % |
| Solid Waste Mgmt | 4,807,950 | 4,721,180 | 1.8 % |
| Ferry Services | 2,507,521 | 2,432,780 | 3.1 % |
| Water Utility | 432,880 | 592,060 | (26.9)% |

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 any **significant** changes in the 2002 budgets:

- ◇ Facilities Maintenance fund – reflects a significant increase due to the facility maintenance expenses at the New Jail, plus recent energy rate increases.
- ◇ Information Services – reflects an 8 hour day for the remaining staff positions which did not move to that schedule in 2001.
- ◇ Self Insurance and Worker Compensation funds reflect sharp increases in 2002 based upon case filing activity in 2000/2001.
- ◇ Many of these internal service funds will rely upon prior fund balance in order to support their 2002 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.

Other County Funds

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 2002 budget highlights are:

- ◇ The **Conservation Futures** fund reflects a very large land acquisition program.
- ◇ The **Imaging System** fund contains major allocations to preserve the oldest records in the Auditor's Office, image the "property cards" in the Assessor's office, initiate an imaging project for official county records in the Executive's Office, and acquire a new recording system for the Auditor's Office.
- ◇ The **Jail Construction** fund includes the previously budgeted monies necessary to complete the project.
- ◇ The **Parks Sales Tax/Parks Construction** funds contain significant amounts for the construction of new park and recreational facilities,
- ◇ This budget contains the creation of the **Second Real Estate Excise Tax (REET)** fund for accounting of the second REET which can only be used for infrastructure projects (e.g. roads, sewers, parks, water systems). The Council approved a general allocation of 75% for Transportation projects and 25% for Parks and Recreation projects. Specific projects will be determined later in the year.

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 2002.

- ◇ Office Space – we will be renting at least 160,000 sq. ft. of office space and 40,000 sq. ft. of storage space next year (excluding the Health Department), at an estimated cost in excess of \$2,000,000. This problem 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. That need is likely to grown in the next several years.
- ◇ Medical Insurance – preliminary rate quotes for medical insurance are well in excess of what is budgeted, and what we can reasonably afford. We are in the process of analyzing alternative plans which we hope can maintain our basic benefit program at rates that are affordable.
- ◇ Endangered Species Act – 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, and locally adopted regulations and practices. 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.
- ◇ 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 plan to partner with the City of Tacoma (and perhaps other jurisdictions) to co-locate a permanent joint site. In the mean time, we hope to move to a temporary location in the near future. Since both options have not yet been finalized, the proposed budget does not include monies for these projects.
- ◇ Union Negotiations – several of our major union contracts remain unsettled for 2001 and beyond (e.g. deputies guild, corrections). If the final settlement is beyond the amounts included in the budget, further budget adjustments may be necessary.
- ◇ Breaking the Cycle grant – this grant (approximately \$1.1 million per year) is scheduled to lapse on July 1, 2002. Early data indicates that this is a successful program, and we may need to address funding options during the spring of 2002.

Overview

The 2002 budget is being developed at a time of great uncertainty. Issues surrounding the general state of the economy, the impact of the September 11th events, and a crippling tax initiative argue for a cautious approach to next year. In mid-summer the County Executive had instructed the budget staff to be conservative regarding revenue estimates for next year, and the budget reflects that approach. However, recent events have led us to the view that these conservative estimates may in fact be too optimistic (e.g. sales tax, development fees, interest revenues), even without taking into consideration I-747.

We are also advising caution with regard to the use of any fund balance reserves. It is our view that the use of reserves should be only for one-time activities or projects (e.g. new facilities, building remodeling, major technology projects), or for emergencies. They should not be allocated for ongoing staff and programs. One of the reasons for the difficult balancing process for fiscal 2002 was the fact that the 2001 budget did in fact use such one-time monies for ongoing programs.

That being said, we still have a responsibility to move forward with pressing issues and make the best use of the resources available to us. We believe that this budget does that.

Summation

Prognosis for Fiscal 2003

It now appears that both the national and local economies are in for a period of uncertainty and, at best, moderate growth. This will in turn place great pressure on our major revenue sources.

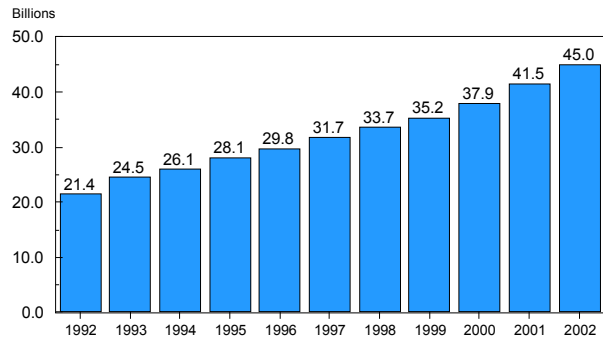
The major service contracts with the new cities (sheriff services, corrections, and road maintenance) will likely be maintained at least through 2003. However, an additional incorporation (Frederickson) is being considered within the next 18 months. The impact of this potential incorporation would be uncertain, but not as significant as was the case with the University Place-Lakewood-Edgewood incorporations in 1995-1996.

The most immediate concern for fiscal 2002 and beyond lies with the impact of I-747 (property tax limitation). Property taxes represent our largest source of revenue, and the 1% limit will result in severe service reductions.

Property Taxes and Assessed Valuation

Property tax is the largest source of revenue in the General Fund and is a major source of revenue for the Road Fund. The growth in this revenue is dependent upon both the actual growth in assessed valuation and the tax rate. The growth in assessed valuation from 2001 to 2002 was approximately \$3.6 billion (8.6%), which is slightly less than the percentage growth experienced last year (9.1%). Approximately 38% of the growth is due to new construction, and 62% is due to the revaluation of existing properties.

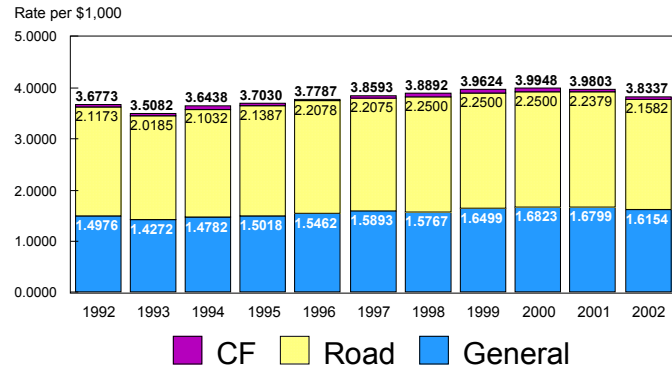
Total Assessed Valuation



Property Tax Levy Rates

Levy rates determine the amount of tax that a property owner pays per thousand dollars of assessed value. The November 2001 passage of Initiative 747 limits the maximum growth in property taxes from existing property to the lesser of 1% or the percentage increase in the Implicit Price Deflator (IPD), which is 1.89% in 2002. With a 1% limit in revenues, and a large growth in existing property revaluations, the tax rate for next year must necessarily decline as shown in the table below. It should be noted that the County's General Fund share of the total property tax is only 11% of the total. Most of the property taxes paid by our citizens are allocated to the State (Schools), Cities, and Local Schools.

Combined Property Tax Millages



| Property Tax Levies | | | | |
|--|-----------------------|---|---|-----------------------|
| | 2001 | | 2002 | |
| | Tax Rate ¹ | Revenue | Tax Rate ¹ | Revenue |
| | | Assessed Value: \$41,464,254,654 | Assessed Value: \$45,040,154,410 | |
| A. County Levy (\$1.80 maximum) | | | | |
| General Fund | \$ 1.6450 | \$ 68,208,699 | \$ 1.5824 | \$ 71,270,800 |
| Veteren's Relief | 0.0116 | 480,985 | 0.0107 | 480,000 |
| Social Services | 0.0233 | 966,117 | 0.0223 | 1,004,400 |
| Total County Levy | 1.6799 | 69,655,801 | 1.6154 | 72,755,200 |
| B. Conservation Futures (\$.0625 Maximum) | 0.0625 | 2,591,516 | 0.0601 | 2,706,420 |
| | | Assessed Value: \$17,699,926,766 | Assessed Value: \$19,187,484,085 | |
| C. Road District Levy (\$2.25 Maximum) | | | | |
| Allocated to Road Fund | 1.7978 | 31,820,928 | 1.7356 | 33,302,720 |
| Law Enforcement Levy | 0.4377 | 7,747,258 | 0.4226 | 8,108,270 |
| Court Ordered Refund RCW 84.68 ² | 0.0024 | 42,480 | - | - |
| Total Road District Levy | 2.2379 | 39,610,666 | 2.1582 | 41,410,990 |
| TOTAL COUNTY TAX LEVIES | \$ 3.9803 | \$ 111,857,983 | \$ 3.8337 | \$ 116,872,610 |

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 Capacity as of September 30, 2001

| | |
|---|--------------------------|
| 2001 Assessed Valuation for 2002 Tax Collections | \$ 45,063,694,899 |
| A. Inside Levy (issued without vote of the people) | |
| Legal Limit (1.5% of property value) | \$ 675,955,423 |
| <i>Amount of Debt Applicable to Debt Limit:</i> | |
| Net Limited General Obligation Bonds | \$ 60,555,000 |
| Net Limited General Obligation Proprietary Type Bonds | 3,930,000 |
| Estimated Compensated Absences (12/31/2000) | 11,056,100 |
| Installment Contract - Ferry (12/31/2000) | 2,324,115 |
| Bond Anticipation Note | - |
| Total Limited Tax General Obligation Debt | <u>77,865,215</u> |
| Limited Tax General Obligation Debt Margin Available | \$ 598,090,208 |
| B. Outside Levy (issued with vote of the people) | |
| Legal Limit (2.5% of property value) | \$ 1,126,592,372 |
| <i>Amount of Debt Applicable to Debt Limit:</i> | |
| Net Limited General Obligation Debt | <u>\$ 77,865,215</u> |
| Total General Obligation Debt Margin Available | \$ 1,048,727,157 |

Pierce County Bonded Debt Ratios Estimated at September 30, 2001

| | |
|--|-----------|
| General Obligation Bonded Debt per Capita (excluding Proprietary GO/Debt, Compensated Absences, & Installment Contract) | \$ 84.88 |
| Ratio of direct G.O. Bonded Debt to Assessed Value (including Proprietary GO/Debt) | 0.14% |
| Assessed Valuation per Capita | \$ 63,168 |

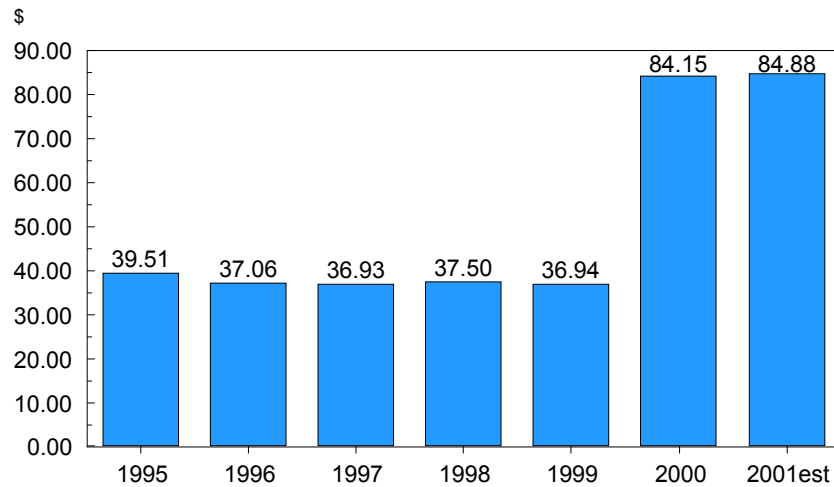
Pierce County Bond Ratings

| | General Obligation | Sewer Revenue (Uninsured) |
|--------------------|-----------------------|------------------------------|
| Moody's | Aa3 | A-1 |
| Standard and Poors | AA- | A+ |

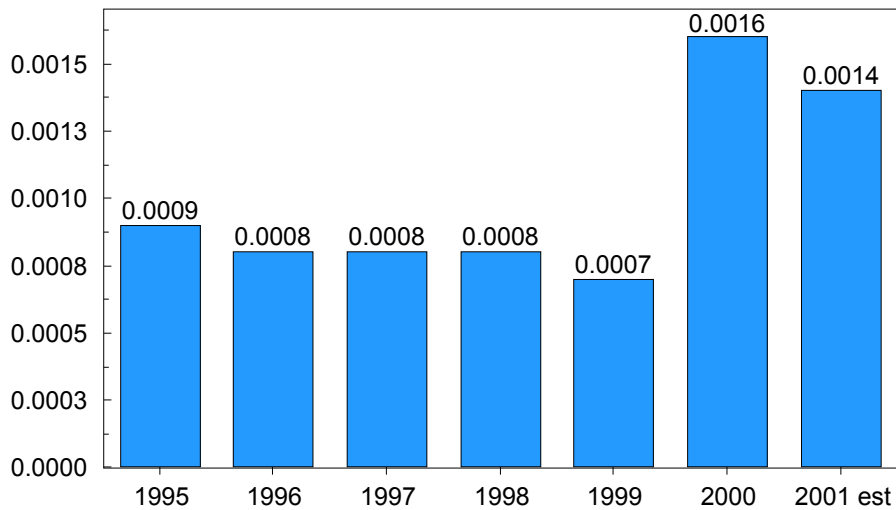
Other Financial Information

Pierce County has historically maintained consistently low bonded debt obligations, as shown in the ratio table below. The ratios of Net Bonded Debt per Capita and Net Bonded Debt to Assessed Valuation has not changed appreciably in the last five years, prior to December 2000, 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 all of the above 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)



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 2002 through 2007 was adopted by the County Council in November of 2001. State legislation requires the County's Capital Facilities Plan to include certain public facilities which are not governed, owned, financed or constructed by Pierce County such as school districts, water districts, fire districts, library districts, and public transportation systems.

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

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

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

Definition of Capital Improvement

In order to be considered a "capital improvement", 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 \$25,000. 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 2002 Operating Budget

The 2002 budget includes capital improvement projects related to roads, utilities, parks, general government buildings, and river and surface water systems as shown in the following summary. When completed, these capital projects will impact 2002 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).

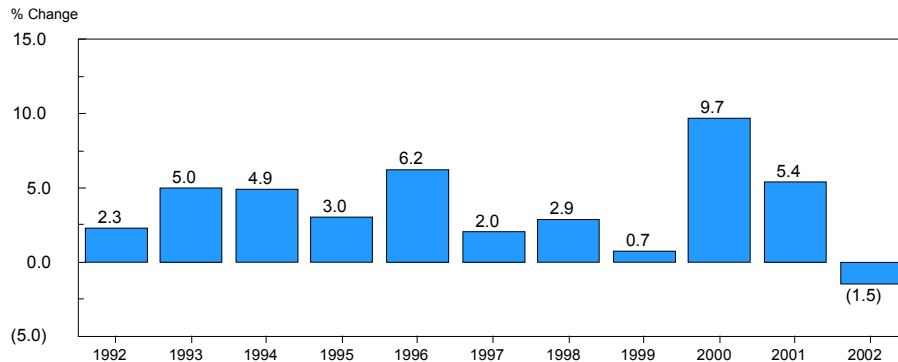
| | |
|---|----------------|
| Airport - improvement projects | \$ 662,700 |
| Adult Detention Center - new facility | 10,000,000 |
| General Administration Buildings- improvement projects and major repairs | 3,761,000 |
| Juvenile Detention Facilities - improvement projects and major repairs | 150,000 |
| Parks and Recreation - regional parks/paths and trails | 26,867,200 |
| River Improvement- various projects | 1,536,000 |
| County Roads - Transportation Improvement Plan projects | 54,428,110 |
| County Roads – facility improvements | 7,370,000 |
| Sewer Utilities - system capital improvements | 32,255,000 |
| Solid Waste Management - Prarie Ridge Capacity Expansion | 185,000 |
| Surface Water Management - stormwater systems | 5,543,500 |
| Total Capital Project Appropriation–2002 | \$ 142,758,510 |

Other Financial Information

Staffing Information

As the population of Pierce County has increased, the demand for county services has risen correspondingly. General Fund staffing has increased by 604 FTEs (42%) since 1992 while staffing in all other funds (special revenue, enterprise, and internal services) has increased by 402 FTEs (51%). Overall, 1,006 FTEs have been added since 1992, which represents an increase of (45%).

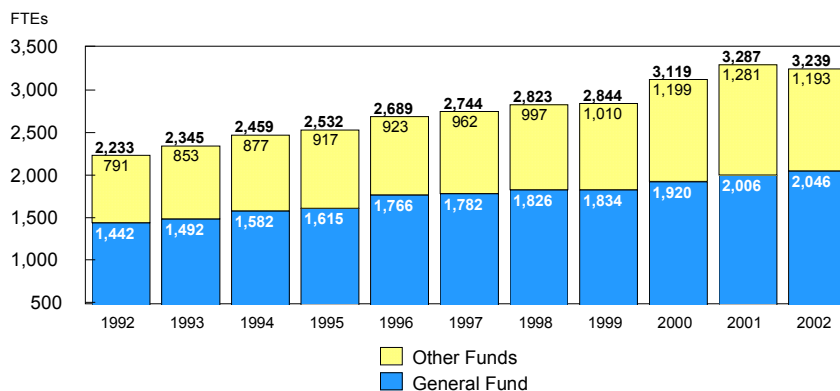
Percent Change in County-wide Staffing



In 1993 and 1994 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 1996 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 will subsequently drop to 171 in 2002 as service centers are finalized; and with the chemical dependency outpatient, detoxification center and associated services being eliminated. This is a major cause for the 2002 percentage decline in Countywide staffing totals. The other cause is Initiative 747 (1% property tax limitation). These two factors will result in a decrease in total County staffing levels in 2002 for the first time in at least 15 years.

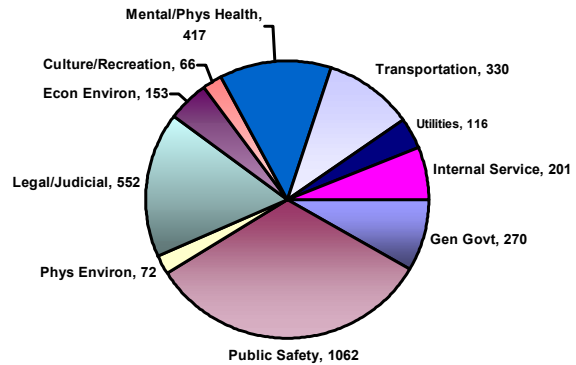
County-wide Staffing Summary



Other Financial Information

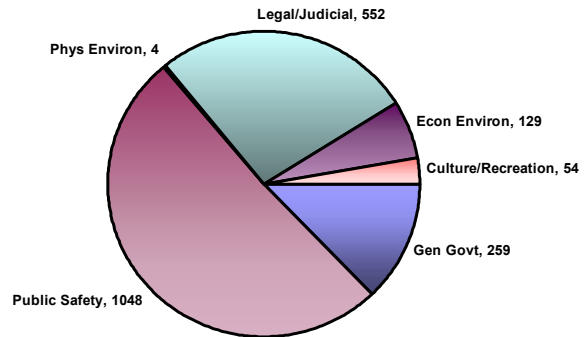
2002 Total County Staffing Summarized by Function

The Public Safety and Justice Services systems combined accounts for 50% of the total County staff, with the Mental and Physical Health system at 13%. Sixteen percent of the total staff support Transportation, Utilities, and the Physical Environment. Almost five percent are involved in Economic Environment activity, and 14% provide general government and internal service functions.



2002 General Fund Staffing Summarized by Function

The Public Safety and Justice Services systems combined accounts for 78% of all General Fund staff. Almost 13% provide General Governmental services. A little over 6% of the General Fund staff support Economic Environment activities and just over 3% are involved in Culture and Recreation, and Physical Environment activities.



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

Other Financial Information

STAFFING SUMMARY

| | 1994 FTE | 1996 FTE | 1998 FTE | 1999 FTE | 2000 FTE | 2001 FTE | 2002 FTE | Change from 1994 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------|
| General Fund: | | | | | | | | |
| Assessor/Treasurer | 96.25 | 96.50 | 97.80 | 97.80 | 98.80 | 100.30 | 98.30 | 2.05 |
| Assigned Counsel | 71.31 | 87.77 | 92.70 | 88.80 | 89.50 | 85.90 | 84.90 | 13.59 |
| Auditor | 41.00 | 41.00 | 41.00 | 40.00 | 41.00 | 42.00 | 43.00 | 2.00 |
| Budget & Finance | 42.20 | 42.65 | 42.85 | 41.85 | 43.95 | 43.95 | 43.45 | 1.25 |
| Clerk of the Superior Court | 45.00 | 49.50 | 50.00 | 52.00 | 52.50 | 54.50 | 53.50 | 8.50 |
| Communication Services | - | - | - | - | - | 5.00 | 5.00 | 5.00 |
| Cooperative Extension | 3.60 | 3.60 | 3.60 | 3.60 | 3.60 | 3.60 | 3.60 | - |
| Corrections | 234.00 | 331.60 | 341.30 | 343.30 | 347.80 | 349.80 | 393.80 | 159.80 |
| County Council | 31.00 | 31.00 | 32.00 | 31.00 | 31.00 | 29.50 | 29.50 | (1.50) |
| County Executive | 8.75 | 8.75 | 6.75 | 6.75 | 6.75 | 8.75 | 8.00 | (0.75) |
| District Court 1 - Tacoma | 64.00 | 69.10 | 68.20 | 68.20 | 65.50 | 64.50 | 62.50 | (1.50) |
| District Court 2 - Gig Harbor | 6.00 | 6.00 | 6.77 | 6.20 | 6.00 | 6.00 | 6.00 | - |
| District Court 3 - Eatonville | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 3.75 | 2.25 | (1.50) |
| District Court 4 - Buckley | 1.10 | 1.10 | 1.25 | 1.30 | 1.30 | 1.30 | 1.30 | .20 |
| District Court Probation | 16.50 | 22.00 | 29.00 | 30.00 | 35.00 | 37.00 | 37.00 | 20.50 |
| Economic Development | 2.75 | 2.15 | 3.58 | 3.45 | 3.80 | 5.80 | 4.80 | 2.05 |
| Emergency Management | 23.30 | 23.30 | 21.30 | 21.30 | 21.40 | 22.40 | 21.12 | (2.18) |
| Facilities Management | 3.56 | - | - | - | - | - | - | (3.56) |
| Juvenile | 142.40 | 167.20 | 173.22 | 171.02 | 174.52 | 178.82 | 180.12 | 37.72 |
| Medical Examiner | 12.00 | 14.00 | 12.00 | 12.00 | 13.00 | 13.00 | 14.00 | 2.00 |
| Parks & Recreation Services | 46.00 | 47.23 | 47.95 | 49.20 | 49.68 | 50.68 | 50.63 | 4.63 |
| Personnel | 19.00 | 22.00 | 22.00 | 22.00 | 24.00 | 24.60 | 24.60 | 5.60 |
| Planning & Land Services | 135.00 | 123.00 | 121.50 | 119.20 | 127.75 | 125.50 | 124.50 | (10.50) |
| Prevention Services & Pgms | - | - | - | - | .80 | .73 | .73 | .73 |
| Prosecuting Attorney | 176.50 | 207.00 | 215.60 | 213.07 | 219.07 | 221.57 | 223.37 | 46.87 |
| River Improvement | 11.77 | - | - | - | - | - | - | (11.77) |
| Sheriff | 267.00 | 273.00 | 293.50 | 309.50 | 357.00 | 428.00 | 430.00 | 163.00 |
| Special Projects | 6.25 | 11.54 | 14.63 | 14.63 | 14.99 | 9.89 | 10.69 | 4.44 |
| Superior Court | 72.40 | 81.40 | 83.38 | 84.38 | 87.38 | 88.88 | 88.88 | 16.48 |
| Total General Fund | 1,582.39 | 1,766.14 | 1,825.63 | 1,834.30 | 1,919.84 | 2,005.72 | 2,045.54 | 463.15 |
| Special Revenue Funds: | | | | | | | | |
| Anti-profiteering Revolv. Fd | - | 1.00 | - | - | - | - | - | - |
| Auditor Maint. & Operations | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | .50 | .50 | (0.50) |
| Community Action | 47.91 | 35.82 | 47.88 | 55.31 | 59.31 | 59.56 | 60.07 | 12.16 |
| Community Development | 9.80 | 12.75 | 13.32 | 11.45 | 9.96 | 12.00 | 12.00 | 2.20 |
| Conservation Futures Fund | .85 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | .15 |
| County Road Fund | 327.00 | 329.00 | 329.20 | 327.02 | 326.35 | 328.70 | 328.03 | 1.03 |
| Criminal Justive Fund | - | - | 1.00 | 1.00 | - | 1.00 | 1.00 | 1.00 |
| Detention Center Commissary | - | - | - | - | - | - | 2.40 | 2.40 |
| Drug Investigation Fund | 2.00 | 2.00 | - | - | - | - | - | (2.00) |
| Endangered Species Act | - | - | - | - | - | - | .62 | .62 |
| Geographical Info.System | 6.00 | 17.00 | 18.00 | 18.00 | 19.00 | 19.00 | 19.00 | 13.00 |
| Housing Repair Program | 10.00 | 10.00 | 10.00 | 12.00 | 12.00 | 12.00 | 12.00 | 2.00 |

Other Financial Information

STAFFING SUMMARY

| | 1994 FTE | 1996 FTE | 1998 FTE | 1999 FTE | 2000 FTE | 2001 FTE | 2002 FTE | Change from 1994 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------|
| Human Services | 94.00 | 116.30 | 134.12 | 136.62 | 143.74 | 185.23 | 185.23 | 91.23 |
| Law Enforcement Fund | 86.30 | 71.50 | 72.00 | 73.00 | 47.00 | - | - | (86.30) |
| Paths and Trails | 1.50 | 1.25 | 2.05 | 2.05 | 1.47 | 1.47 | 1.52 | .02 |
| Pierce County Arts Comm. | 3.10 | 3.10 | 3.10 | 2.10 | 1.79 | 1.79 | 1.64 | (1.46) |
| Puget Sound Behavioral Health | - | - | - | - | 183.29 | 238.59 | 170.71 | 170.71 |
| Rainier Commun. Comm. | - | 2.00 | 5.00 | 5.00 | 5.00 | 6.00 | 6.00 | 6.00 |
| RI Est Exc Tax Rvr | 3.48 | 3.73 | 3.91 | 3.09 | 2.02 | 1.72 | 1.79 | (1.69) |
| Safe Streets Fund | .86 | - | - | - | - | - | - | (0.86) |
| Surface Water Mgmt. Fd. | 15.00 | 30.15 | 35.05 | 35.78 | 43.15 | 43.50 | 46.11 | 31.11 |
| Tourism, Promo., Cap. Fac. | - | - | - | - | .13 | .16 | .16 | .16 |
| 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 | 1.00 | - | - | (1.00) |
| 911 System | 3.70 | 3.70 | 4.35 | 4.45 | 4.50 | 4.50 | 4.78 | 1.08 |
| Total Spc Rev Funds | 616.50 | 645.30 | 684.98 | 692.87 | 864.71 | 919.72 | 857.56 | 241.06 |
| Capital Projects: | | | | | | | | |
| Admin Bldg & Fac. Fund | .35 | .10 | .13 | .13 | .17 | .16 | .16 | (0.19) |
| Interim Jail Construction | - | .78 | - | - | - | - | - | - |
| Parking Facility Fund | - | - | .64 | .64 | .56 | - | - | - |
| Permanent Jail Const. | - | - | 1.43 | 1.41 | 8.51 | 35.10 | 4.90 | 4.90 |
| REET-Capital Projects | 1.23 | 1.27 | 1.07 | 1.27 | 1.07 | 1.69 | 2.69 | 1.46 |
| Remann Hall Improv. Fund | 1.72 | 1.10 | - | - | - | - | - | (1.72) |
| 1% for Arts Construction | - | - | - | - | - | - | .15 | .15 |
| Total Capital Proj | 3.30 | 3.25 | 3.27 | 3.45 | 10.31 | 36.95 | 7.90 | 4.60 |
| Enterprise Funds: | | | | | | | | |
| Airport | 1.00 | 1.00 | 2.02 | 2.00 | 1.50 | 1.60 | 1.60 | .60 |
| Golf Courses | 8.65 | 8.65 | 8.45 | 8.45 | 8.45 | 8.45 | 8.45 | (0.20) |
| P.C. Ferry Services | - | - | - | - | .67 | 1.32 | 1.32 | 1.32 |
| Sewer Utilities Fund | 86.00 | 86.02 | 98.65 | 101.06 | 103.26 | 102.11 | 104.66 | 18.66 |
| Sewer Utility Construction | - | 2.00 | 1.10 | - | - | - | - | - |
| Solid Waste Mgmt. Fund | 10.00 | 12.35 | 12.61 | 12.61 | 11.11 | 11.21 | 11.21 | 1.21 |
| Water Utility Fund | - | - | - | - | .90 | 1.00 | .30 | .30 |
| Total Enterp Funds | 105.65 | 110.02 | 122.83 | 124.12 | 125.89 | 125.69 | 127.54 | 21.89 |
| Internal Srv Funds: | | | | | | | | |
| Equipment Rental & Rev. | 24.00 | 24.00 | 24.12 | 24.10 | 24.10 | 24.10 | 24.43 | .43 |
| Facilities Management | 20.14 | 27.40 | 36.45 | 36.77 | 41.86 | 42.82 | 44.62 | 24.48 |
| Fleet Rental | 3.30 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | 3.15 | (0.15) |
| General Services | 6.76 | 7.20 | 7.20 | 8.20 | 8.20 | 8.20 | 8.20 | 1.44 |
| Information Services Fund | 85.98 | 89.04 | 99.64 | 101.64 | 104.00 | 105.00 | 103.00 | 17.02 |
| Radio Communic. Fund | 4.50 | 5.50 | 6.35 | 6.25 | 7.10 | 7.10 | 8.10 | 3.60 |
| Self Insurance Fund | 5.65 | 5.80 | 6.30 | 6.30 | 6.30 | 6.30 | 6.30 | .65 |
| Workers Compensation | 1.35 | 2.20 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 | 1.35 |
| Total Int Serv Fnds | 151.68 | 164.29 | 185.91 | 189.11 | 197.41 | 199.37 | 200.50 | 48.82 |
| TOTAL FUNDS | 2,459.52 | 2,689.00 | 2,822.62 | 2,843.85 | 3,118.16 | 3,287.45 | 3,239.04 | 779.52 |

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 2002 Revenues and Expenditures 33

The most comprehensive presentation of the functional expenditures and their related funding sources can be found in the All Funds Comparison of 2002 Revenues and Expenditures which displays this information by fund type.

Total Expenditures/Expenses 34

The total 2002 budget for each Fund, or each department in the General Fund, can be found in the Total Expenditures/Expenses table

Departmental Expenditures/Expenses By Function..... 36

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 2002 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 | \$ 26,081,360 | \$ 18,219,650 | \$ — | \$ 2,122,000 | \$ 25,933,920 | \$ 27,215,640 | \$ 3,168,544 | \$ 102,741,114 |
| Fines and Forfeitures | 4,488,270 | 65,000 | — | — | — | — | — | 4,553,270 |
| Intergovernmental Rev | 37,394,910 | 134,986,280 | — | 24,790,130 | 1,077,540 | 245,920 | 19,783,025 | 218,277,805 |
| Licenses and Permits | 5,382,110 | 62,200 | — | — | — | — | 3,013,971 | 8,458,281 |
| Other Financing Sources | — | 270,000 | — | — | 6,664,440 | — | — | 6,934,440 |
| Other Miscellaneous Rev | 11,577,720 | 25,912,470 | 5,937,660 | 41,936,010 | 41,480,180 | 22,106,640 | 1,164,060 | 150,114,740 |
| Other Taxes | 16,788,270 | 4,712,850 | — | 7,050,000 | 110,000 | — | — | 28,661,120 |
| Property Taxes | 71,289,800 | 37,493,540 | — | — | — | — | — | 108,783,340 |
| Sales Taxes | 39,240,000 | 2,250,000 | — | — | — | — | — | 41,490,000 |
| Use of Fund Balance | 2,262,000 | 22,145,380 | 89,730 | 36,353,090 | 36,358,250 | 1,824,550 | 1,117,145 | 100,150,145 |
| Total Revenues | \$ 214,504,440 | \$ 246,117,370 | \$ 6,027,390 | \$ 112,251,230 | \$ 111,624,330 | \$ 51,392,750 | \$ 28,246,745 | \$ 770,164,255 |
| Expenditures/Expenses: | | | | | | | | |
| Cultural & Recreation | \$ 6,894,090 | \$ 28,748,690 | \$ — | \$ 26,112,140 | \$ 1,229,950 | \$ — | \$ — | \$ 62,984,870 |
| Debt Service | — | — | 6,027,390 | — | — | — | — | 6,027,390 |
| Economic Environment | 12,907,000 | 15,567,280 | — | — | — | — | — | 28,474,280 |
| General Government | 29,490,510 | 1,835,500 | — | 2,256,080 | — | — | — | 33,582,090 |
| Internal Service | — | — | — | — | — | 51,392,750 | — | 51,392,750 |
| Legal & Judicial | 53,131,691 | 373,120 | — | 625,080 | — | — | — | 54,129,891 |
| Mental/Physical Health | 3,569,990 | 107,712,820 | — | 3,759,100 | — | — | 28,246,745 | 143,288,655 |
| Physical Environment | 1,629,050 | 28,954,830 | — | — | — | — | — | 30,583,880 |
| Public Safety | 106,882,109 | 5,108,720 | — | 22,033,220 | — | — | — | 134,024,049 |
| Transportation | — | 57,816,410 | — | 57,465,610 | 3,542,290 | — | — | 118,824,310 |
| Utilities | — | — | — | — | 106,852,090 | — | — | 106,852,090 |
| Total Expenditures | \$ 214,504,440 | \$ 246,117,370 | \$ 6,027,390 | \$ 112,251,230 | \$ 111,624,330 | \$ 51,392,750 | \$ 28,246,745 | \$ 770,164,255 |

This table presents a comprehensive view of resources and services provided by fund type. Refer to the Total Expenditures/Expenses summary table for a detailed list of the funds by fund type.

Internal Services are those services provided to ourselves, such as data processing, telecommunications, self insurance, vehicle and equipment pools, facilities maintenance, routing, mail processing, etc. 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 any revenues from non-county sources). The “netted” 2002 Budget for Pierce County is \$720,841,975 (total budget of \$770,164,225 less Internal Service Funds of \$51,392,750 plus \$245,920 in Intergovernmental Revenue from non-county sources and \$1,824,550 in use of fund balance).

Other Financial Information

TOTAL EXPENDITURES/EXPENSES

| | 2000 Actual | 2001 Budget | 2001 Estimate | 2002 Budget | Absolute Change | Percent Change |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|-------------------|
| General Fund | | | | | | |
| Assessor/Treasurer | \$ 8,998,950 | \$ 9,456,520 | \$ 9,456,520 | \$ 9,908,690 | \$ 452,170 | 4.8 % |
| Assigned Counsel | 8,770,866 | 9,583,960 | 9,583,560 | 9,485,640 | (98,320) | (1.0) |
| Auditor | 5,968,640 | 5,844,330 | 5,807,620 | 5,575,060 | (269,270) | (4.6) |
| Bond Debt Service | 2,035,770 | 2,041,680 | 2,041,680 | 1,936,260 | (105,420) | (5.2) |
| Budget & Finance | 3,911,637 | 4,141,990 | 4,140,700 | 4,169,300 | 27,310 | 0.7 |
| Building Remodel Projects | — | 1,250,000 | 1,250,000 | 1,500,000 | 250,000 | 20.0 |
| Clerk | 3,428,358 | 4,031,040 | 4,020,754 | 3,662,020 | (369,020) | (9.2) |
| Communications | — | 540,000 | 508,490 | 542,920 | 2,920 | 0.5 |
| Cooperative Extension | 507,948 | 548,880 | 548,880 | 566,780 | 17,900 | 3.3 |
| Corrections | 30,459,326 | 31,136,050 | 31,124,623 | 31,371,700 | 235,650 | 0.8 |
| County Council | 2,704,862 | 2,996,900 | 2,992,240 | 3,087,480 | 90,580 | 3.0 |
| County Executive | 628,079 | 928,410 | 928,410 | 928,630 | 220 | — |
| District Court # 1 Tacoma | 5,385,962 | 5,562,810 | 5,562,810 | 5,558,400 | (4,410) | (0.1) |
| District Court # 2 Gig Harbor | 603,615 | 664,580 | 659,233 | 645,030 | (19,550) | (2.9) |
| District Court # 3 Eatonville | 305,981 | 336,840 | 330,406 | 265,530 | (71,310) | (21.2) |
| District Court # 4 Buckley | 113,331 | 124,020 | 123,900 | 125,830 | 1,810 | 1.5 |
| District Court Probation | 1,998,381 | 2,384,660 | 2,317,988 | 2,404,820 | 20,160 | 0.8 |
| Economic Development | 374,528 | 538,140 | 514,100 | 664,930 | 126,790 | 23.6 |
| Emergency Management | 2,240,222 | 2,412,200 | 2,382,954 | 2,296,640 | (115,560) | (4.8) |
| Health Services | 3,624,174 | 3,434,590 | 3,434,590 | 3,080,340 | (354,250) | (10.3) |
| Jail Construction Reserve | 3,663,000 | 4,863,000 | 4,863,000 | 5,563,000 | 700,000 | 14.4 |
| Juvenile | 13,974,644 | 15,612,348 | 15,592,908 | 15,097,870 | (514,478) | (3.3) |
| Medical Examiner | 1,401,296 | 1,679,580 | 1,678,302 | 1,718,220 | 38,640 | 2.3 |
| Miscellaneous Current Expense | 3,644,995 | 4,678,000 | 4,675,910 | 4,137,320 | (540,680) | (11.6) |
| Parks and Recreation Services | 5,569,957 | 5,858,260 | 5,808,250 | 6,019,770 | 161,510 | 2.8 |
| Personnel | 2,004,364 | 2,201,430 | 2,201,430 | 2,361,160 | 159,730 | 7.3 |
| Planning and Land Services | 10,933,507 | 12,129,950 | 12,092,298 | 11,865,810 | (264,140) | (2.2) |
| Prevention Services & Programs | 903,714 | 1,100,000 | 1,100,000 | 1,125,000 | 25,000 | 2.3 |
| Prosecuting Attorney | 17,053,978 | 18,051,620 | 18,044,680 | 18,789,790 | 738,170 | 4.1 |
| Reserve - CJ Task Force | 4,023 | — | — | — | — | — |
| Sheriff | 35,065,813 | 46,581,930 | 46,568,977 | 47,934,690 | 1,352,760 | 2.9 |
| Special Projects | 2,477,955 | 2,304,650 | 2,232,633 | 1,897,250 | (407,400) | (17.7) |
| State Auditor | 130,390 | 150,770 | 150,770 | 182,110 | 31,340 | 20.8 |
| Superior Court | 8,813,768 | 9,716,140 | 9,694,878 | 10,036,450 | 320,310 | 3.3 |
| Total General Fund | 187,702,034 | 212,885,278 | 212,433,494 | 214,504,440 | 1,619,162 | 0.8 |
| Special Revenue Funds | | | | | | |
| Antiprofitereing Revolving Fnd | 375 | — | — | — | — | — |
| Auditor's Maint & Operation | 381,442 | 516,470 | 524,190 | 877,600 | 361,130 | 69.9 |
| Community Action | 5,225,625 | 6,134,353 | 6,134,353 | 5,289,720 | (844,633) | (13.8) |
| Community Development Fund | 4,873,403 | 6,721,299 | 4,147,772 | 7,408,040 | 686,741 | 10.2 |
| Conservation Futures Fund | 416,778 | 2,713,410 | 1,277,130 | 7,853,590 | 5,140,180 | 189.4 |
| County Road Fund | 47,104,468 | 50,404,110 | 42,637,697 | 54,116,410 | 3,712,300 | 7.4 |
| Criminal Justice Fund | 394,689 | 690,250 | 444,727 | 617,310 | (72,940) | (10.6) |
| Detention Center Commissary | — | — | — | 638,950 | 638,950 | — |
| Dispute Resolution Center Fund | 138,800 | 146,000 | 145,870 | 146,000 | — | — |
| Drug Investigation Fund | 147,605 | 189,720 | 189,720 | 151,270 | (38,450) | (20.3) |
| Emergency Managemt Grants Fd | 444,159 | 584,190 | 583,950 | — | (584,190) | (100.0) |
| Endangered Species Act | 905,493 | 1,032,040 | 1,050,120 | 380,620 | (651,420) | (63.1) |
| GIS Fund | 2,019,132 | 2,622,970 | 2,431,680 | 2,669,000 | 46,030 | 1.8 |
| Housing Repair Program | 4,877,385 | 10,378,956 | 10,378,956 | 8,159,240 | (2,219,716) | (21.4) |
| Human Services | 83,419,087 | 82,805,630 | 82,690,790 | 81,981,800 | (823,830) | (1.0) |
| Law Enforcement Fund | 7,333,059 | — | — | 675,010 | 675,010 | — |
| Marine Services Fund | 133,410 | 164,730 | 164,730 | 170,150 | 5,420 | 3.3 |
| Park Impact Fee Fund | — | — | — | 3,545,000 | 3,545,000 | — |
| Parks Sales Tax | — | 450,600 | 5,600 | 22,350,000 | 21,899,400 | 4,860.1 |
| Paths and Trails Fund | 713,951 | 3,010,640 | 2,274,970 | 1,969,290 | (1,041,350) | (34.6) |
| Pierce County Arts Commission | 332,806 | 267,140 | 280,380 | 315,000 | 47,860 | 17.9 |
| Pierce County Fair | 138,400 | 158,410 | 158,410 | 169,400 | 10,990 | 6.9 |
| Puget Sound Behavioral Health | 6,900,936 | 19,668,430 | 19,639,150 | 19,949,680 | 281,250 | 1.4 |
| Rainier Communications Commiss | 723,980 | 957,480 | 927,590 | 957,900 | 420 | — |
| Real Estate Ex Tx River Imp Fd | 1,446,173 | 2,133,990 | 2,129,390 | 1,536,350 | (597,640) | (28.0) |
| Surface Water Management Fund | 10,000,421 | 18,847,430 | 18,476,360 | 16,515,270 | (2,332,160) | (12.4) |
| Tourism, Promotion, Facilities | 345,297 | 341,210 | 342,240 | 400,000 | 58,790 | 17.2 |
| Vehicle License Fee Fund | 3,950,000 | 5,077,000 | 5,077,000 | 3,700,000 | (1,377,000) | (27.1) |
| Veterans Relief | 430,321 | 483,440 | 483,060 | 491,620 | 8,180 | 1.7 |
| Wellness Program | 84,773 | — | — | — | — | — |
| 911 System | 2,507,745 | 4,191,510 | 4,110,880 | 3,083,150 | (1,108,360) | (26.4) |
| Total Special Revenue Funds | \$ 185,389,713 | \$ 220,691,408 | \$ 206,706,715 | \$ 246,117,370 | \$ 25,425,962 | 11.5 % |

Other Financial Information

| TOTAL EXPENDITURES/EXPENSES | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|--------------|
| | 2000 | 2001 | 2001 | 2002 | Absolute | Percent |
| | Actual | Budget | Estimate | Budget | Change | Change |
| Debt Service Fund | | | | | | |
| CRID Bond Fund, No 2-88 Et Al | 38,443 | 16,320 | 16,320 | 5,410 | (10,910) | (66.9) |
| Limited Tax GOB Fund 1992 | 287,008 | 285,910 | 285,910 | 284,110 | (1,800) | (0.6) |
| Ltd Tax GO Bond Fund 1994 | 1,093,898 | 1,087,510 | 1,087,510 | 1,094,490 | 6,980 | 0.6 |
| Ltd Tax GO Bond Fund 1997B | 172,780 | 168,790 | 168,790 | 174,710 | 5,920 | 3.5 |
| Ltd Tax GO Bond Fund 1999 | 416,518 | 414,320 | 414,320 | 416,900 | 2,580 | 0.6 |
| Ltd Tax GO Bond Fund 2000 | — | 1,497,180 | 1,497,180 | 2,396,240 | 899,060 | 60.1 |
| Ltd Tax GO Refund Bd Fd 1992 | 661,655 | 661,580 | 661,580 | 664,610 | 3,030 | 0.5 |
| Ltd Tax GO Refund Bd Fd 1997 | 957,970 | 971,240 | 971,240 | 990,920 | 19,680 | 2.0 |
| RID 78-1 Bond Fund | 18,088 | — | — | — | — | — |
| RID 83-1 Bond Fund | 24,082 | — | — | — | — | — |
| Total Debt Service Fund | 3,670,442 | 5,102,850 | 5,102,850 | 6,027,390 | 924,540 | 18.1 |
| Capital Projects Fund | | | | | | |
| Admin. Bldg & Facilities Fund | 13,916 | 17,600 | 17,470 | 17,550 | (50) | (0.3) |
| Bonded Parks Const Projects | — | — | — | 22,100,000 | 22,100,000 | — |
| DAC Building Acquisition | 175,797 | — | — | — | — | — |
| Parking Facility Fund | 1,095,626 | 59,600 | 60,460 | — | (59,600) | (100.0) |
| Parks Construction Fund | 221,447 | 2,286,420 | 1,520,410 | 2,627,490 | 341,070 | 14.9 |
| Permanent Jail Construction | 8,785,955 | 40,338,000 | 24,997,230 | 20,883,380 | (19,454,620) | (48.2) |
| PSBH Facilities Construction | — | — | — | 3,759,100 | 3,759,100 | — |
| Public Works Construction Fund | 16,359,516 | 46,110,000 | 46,110,000 | 54,428,110 | 8,318,110 | 18.0 |
| Real Estate Ex Tax Cap Improv | 2,010,543 | 4,779,920 | 4,865,950 | 3,813,450 | (966,470) | (20.2) |
| RID Construction Fund | 52,050 | 30,000 | 30,000 | — | (30,000) | (100.0) |
| Second Reet Fund | — | — | — | 4,050,000 | 4,050,000 | — |
| 1% For Arts Construction | 119,093 | 480,000 | 240,980 | 372,150 | (107,850) | (22.5) |
| 950 Building Acquisition | 60,382 | 300,000 | 275,000 | 200,000 | (100,000) | (33.3) |
| Total Capital Projects Fund | 28,894,325 | 94,401,540 | 78,117,500 | 112,251,230 | 17,849,690 | 18.9 |
| Enterprise Funds | | | | | | |
| Airport Fund | 314,664 | 585,360 | 511,438 | 1,034,770 | 449,410 | 76.8 |
| Golf Courses | 821,088 | 958,900 | 929,390 | 1,229,950 | 271,050 | 28.3 |
| Pierce County Ferry Services | 2,139,348 | 2,432,780 | 2,532,720 | 2,507,520 | 74,740 | 3.1 |
| Sewer Bond Funds | 8,830,762 | 16,477,800 | 16,477,800 | 6,634,340 | (9,843,460) | (59.7) |
| Sewer Facil Restricted Reserve | 7,154,461 | 16,382,060 | 12,479,060 | 21,759,880 | 5,377,820 | 32.8 |
| Sewer ULID Construction Funds | 3 | 732,030 | 300,230 | — | (732,030) | (100.0) |
| Sewer Utilities Fund | 28,497,154 | 41,533,900 | 39,541,690 | 40,962,040 | (571,860) | (1.4) |
| Sewer Utility Const Funds | 5,918,322 | 29,835,000 | 23,008,000 | 32,255,000 | 2,420,000 | 8.1 |
| Solid Waste Mgmt Fund | 3,685,595 | 4,721,180 | 4,634,600 | 4,807,950 | 86,770 | 1.8 |
| Water Utility Fund | 228,805 | 592,060 | 146,160 | 432,880 | (159,180) | (26.9) |
| Total Enterprise Funds | 57,590,202 | 114,251,070 | 100,561,088 | 111,624,330 | (2,626,740) | (2.3) |
| Intragovernmental Service Fund | | | | | | |
| Equipment Services Division | 8,028,169 | 9,884,830 | 9,705,390 | 11,026,990 | 1,142,160 | 11.6 |
| Facilities Management | 6,519,482 | 8,522,460 | 8,565,020 | 8,762,410 | 239,950 | 2.8 |
| Fleet Rental | 4,022,373 | 3,455,510 | 3,407,906 | 3,435,860 | (19,650) | (0.6) |
| General Services | 2,262,607 | 2,472,850 | 2,531,946 | 2,598,990 | 126,140 | 5.1 |
| Information Services Fund | 12,053,102 | 13,183,350 | 13,007,570 | 13,961,100 | 777,750 | 5.9 |
| Radio Communications Fund | 2,020,140 | 2,189,820 | 2,021,490 | 1,867,840 | (321,980) | (14.7) |
| Self Insurance Fund | 5,662,857 | 7,062,640 | 8,035,512 | 7,642,260 | 579,620 | 8.2 |
| Workers Compensation | 1,577,963 | 1,779,900 | 2,333,027 | 2,097,300 | 317,400 | 17.8 |
| Total Intragovernmental Service Fund | 42,146,693 | 48,551,360 | 49,607,861 | 51,392,750 | 2,841,390 | 5.9 |
| Health Department | 24,260,377 | 27,348,802 | 27,348,802 | 28,246,745 | 897,943 | 3.3 |
| Grand Total | \$ 529,653,786 | \$ 723,232,308 | \$ 679,878,310 | \$ 770,164,255 | \$ 46,931,947 | 6.5 % |

Other Financial Information

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

| | 2002 Budget | 2001 Budget | Absolute Change | Percent Change |
|-----------------------------------|----------------------|----------------------|---------------------|-------------------|
| General Government | | | | |
| Admin. Bldg & Facilities Fund | \$ 17,550 | \$ 17,600 | \$ (50) | (0.3) % |
| Assessor/Treasurer | 9,908,690 | 9,456,520 | 452,170 | 4.8 |
| Auditor | 5,575,060 | 5,844,330 | (269,270) | (4.6) |
| Auditor'S Maint & Operation | 877,600 | 516,470 | 361,130 | 69.9 |
| Bond Debt Service | 578,010 | 700,230 | (122,220) | (17.5) |
| Budget & Finance | 4,169,300 | 4,141,990 | 27,310 | 0.7 |
| Communications | 542,920 | 540,000 | 2,920 | 0.5 |
| County Council | 3,087,480 | 2,996,900 | 90,580 | 3.0 |
| County Executive | 928,630 | 928,410 | 220 | — |
| Miscellaneous Current Expense | 1,161,800 | 1,566,320 | (404,520) | (25.8) |
| Parking Facility Fund | — | 59,600 | (59,600) | (100.0) |
| Personnel | 2,361,160 | 2,201,430 | 159,730 | 7.3 |
| Rainier Communications Commiss | 957,900 | 957,480 | 420 | — |
| Real Estate Ex Tax Cap Improv | 2,238,530 | 3,298,900 | (1,060,370) | (32.1) |
| Special Projects | 995,350 | 1,052,890 | (57,540) | (5.5) |
| State Auditor | 182,110 | 150,770 | 31,340 | 20.8 |
| Total General Government | 33,582,090 | 34,429,840 | (847,750) | (2.5) |
| Public Safety | | | | |
| Bond Debt Service | 950,780 | 939,020 | 11,760 | 1.3 |
| Corrections | 31,371,700 | 31,136,050 | 235,650 | 0.8 |
| Criminal Justice Fund | 390,190 | 324,080 | 66,110 | 20.4 |
| Detention Center Commissary | 638,950 | — | 638,950 | — |
| District Court Probation | 2,404,820 | 2,384,660 | 20,160 | 0.8 |
| Drug Investigation Fund | 151,270 | 189,720 | (38,450) | (20.3) |
| Emergency Management | 2,296,640 | 2,412,200 | (115,560) | (4.8) |
| Emergency Managemt Grants Fd | — | 584,190 | (584,190) | (100.0) |
| Jail Construction Reserve | 5,563,000 | 4,863,000 | 700,000 | 14.4 |
| Juvenile | 13,062,339 | 13,689,565 | (627,226) | (4.6) |
| Law Enforcement Fund | 675,010 | — | 675,010 | — |
| Marine Services Fund | 170,150 | 164,730 | 5,420 | 3.3 |
| Medical Examiner | 1,718,220 | 1,679,580 | 38,640 | 2.3 |
| Miscellaneous Current Expense | 360,920 | 423,920 | (63,000) | (14.9) |
| Permanent Jail Construction | 20,883,380 | 40,338,000 | (19,454,620) | (48.2) |
| Prevention Services & Programs | 1,125,000 | 1,100,000 | 25,000 | 2.3 |
| Sheriff | 47,934,690 | 46,581,930 | 1,352,760 | 2.9 |
| Special Projects | 89,000 | 89,000 | — | — |
| 911 System | 3,083,150 | 4,191,510 | (1,108,360) | (26.4) |
| Total Public Safety | 134,024,049 | 152,217,765 | (18,193,716) | (12.0) |
| Physical Environment | | | | |
| Conservation Futures Fund | 7,853,590 | 2,713,410 | 5,140,180 | 189.4 |
| Endangered Species Act | 380,620 | 1,032,040 | (651,420) | (63.1) |
| GIS Fund | 2,669,000 | 2,622,970 | 46,030 | 1.8 |
| Miscellaneous Current Expense | 1,054,040 | 995,910 | 58,130 | 5.8 |
| Real Estate Ex Tx River Imp Fd | 1,536,350 | 2,133,990 | (597,640) | (28.0) |
| Special Projects | 575,010 | 839,090 | (264,080) | (31.5) |
| Surface Water Management Fund | 16,515,270 | 18,847,430 | (2,332,160) | (12.4) |
| Total Physical Environment | 30,583,880 | 29,184,840 | 1,399,040 | 4.8 |
| Legal & Judicial | | | | |
| Assigned Counsel | 9,485,640 | 9,583,960 | (98,320) | (1.0) |
| Bond Debt Service | 407,470 | 402,430 | 5,040 | 1.3 |
| Building Remodel Projects | 1,500,000 | 1,250,000 | 250,000 | 20.0 |
| Clerk | 3,662,020 | 4,031,040 | (369,020) | (9.2) |
| Criminal Justice Fund | 227,120 | 366,170 | (139,050) | (38.0) |
| Dispute Resolution Center Fund | 146,000 | 146,000 | — | — |
| District Court # 1 Tacoma | 5,558,400 | 5,562,810 | (4,410) | (0.1) |
| District Court # 2 Gig Harbor | 645,030 | 664,580 | (19,550) | (2.9) |
| District Court # 3 Eatonville | 265,530 | 336,840 | (71,310) | (21.2) |
| District Court # 4 Buckley | 125,830 | 124,020 | 1,810 | 1.5 |
| Juvenile | 2,035,531 | 1,922,783 | 112,748 | 5.9 |
| Miscellaneous Current Expense | 625,000 | 515,000 | 110,000 | 21.4 |
| Prosecuting Attorney | 18,784,790 | 18,051,620 | 733,170 | 4.1 |
| Real Estate Ex Tax Cap Improv | 425,080 | 354,410 | 70,670 | 19.9 |
| Superior Court | 10,036,450 | 9,716,140 | 320,310 | 3.3 |
| 950 Building Acquisition | 200,000 | 300,000 | (100,000) | (33.3) |
| Total Legal & Judicial | \$ 54,129,891 | \$ 53,327,803 | \$ 802,088 | 1.5 % |

Other Financial Information

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

| | 2002 Budget | 2001 Budget | Absolute Change | Percent Change |
|--|-----------------------|-----------------------|----------------------|-------------------|
| Economic Environment | | | | |
| Community Development Fund | 7,408,040 | 6,721,299 | 686,741 | 10.2 |
| Economic Development | 664,930 | 538,140 | 126,790 | 23.6 |
| Housing Repair Program | 8,159,240 | 10,378,956 | (2,219,716) | (21.4) |
| Miscellaneous Current Expense | 138,370 | 157,500 | (19,130) | (12.1) |
| Planning And Land Services | 11,865,810 | 12,129,950 | (264,140) | (2.2) |
| Special Projects | 237,890 | 230,350 | 7,540 | 3.3 |
| Total Economic Environment | 28,474,280 | 30,156,195 | (1,681,915) | (5.6) |
| Mental/Physical Health | | | | |
| Community Action | 5,289,720 | 6,134,353 | (844,633) | (13.8) |
| Health Department | 28,246,745 | 27,348,802 | 897,943 | 3.3 |
| Health Services | 3,080,340 | 3,434,590 | (354,250) | (10.3) |
| Human Services | 81,981,800 | 82,805,630 | (823,830) | (1.0) |
| Miscellaneous Current Expense | 489,650 | 518,850 | (29,200) | (5.6) |
| PSBH Facilities Construction | 3,759,100 | — | 3,759,100 | — |
| Puget Sound Behavioral Health | 19,949,680 | 19,668,430 | 281,250 | 1.4 |
| Special Projects | — | 93,320 | (93,320) | (100.0) |
| Veterans Relief | 491,620 | 483,440 | 8,180 | 1.7 |
| Total Mental/Physical Health | 143,288,655 | 140,487,415 | 2,801,240 | 2.0 |
| Cultural & Recreation | | | | |
| Bonded Parks Const Projects | 22,100,000 | — | 22,100,000 | — |
| Cooperative Extension | 566,780 | 548,880 | 17,900 | 3.3 |
| Golf Courses | 1,229,950 | 958,900 | 271,050 | 28.3 |
| Miscellaneous Current Expense | 307,540 | 500,500 | (192,960) | (38.6) |
| Park Impact Fee Fund | 3,545,000 | — | 3,545,000 | — |
| Parks And Recreation Services | 6,019,770 | 5,858,260 | 161,510 | 2.8 |
| Parks Construction Fund | 2,627,490 | 2,286,420 | 341,070 | 14.9 |
| Pierce County Arts Commission | 315,000 | 267,140 | 47,860 | 17.9 |
| Pierce County Fair | 169,400 | 158,410 | 10,990 | 6.9 |
| Second Reet Fund | 1,012,500 | — | 1,012,500 | — |
| Tourism, Promotion, Facilities | 400,000 | 341,210 | 58,790 | 17.2 |
| 1% For Arts Construction | 372,150 | 480,000 | (107,850) | (22.5) |
| Total Cultural & Recreation | 62,984,870 | 14,860,960 | 48,123,910 | 323.8 |
| Debt Service | | | | |
| CRID Bond Fund, No 2-88 Et Al | 5,410 | 16,320 | (10,910) | (66.9) |
| Limited Tax GOB Fund 1992 | 284,110 | 285,910 | (1,800) | (0.6) |
| Ltd Tax GO Bond Fund 1994 | 1,094,490 | 1,087,510 | 6,980 | 0.6 |
| Ltd Tax GO Bond Fund 1997B | 174,710 | 168,790 | 5,920 | 3.5 |
| Ltd Tax GO Bond Fund 1999 | 416,900 | 414,320 | 2,580 | 0.6 |
| Ltd Tax GO Bond Fund 2000 | 2,396,240 | 1,497,180 | 899,060 | 60.1 |
| Ltd Tax GO Refund Bd Fd 1992 | 664,610 | 661,580 | 3,030 | 0.5 |
| Ltd Tax GO Refund Bd Fd 1997 | 990,920 | 971,240 | 19,680 | 2.0 |
| Total Debt Service | 6,027,390 | 5,102,850 | 924,540 | 18.1 |
| Transportation | | | | |
| Airport Fund | 1,034,770 | 585,360 | 449,410 | 76.8 |
| County Road Fund | 54,116,410 | 50,404,110 | 3,712,300 | 7.4 |
| Pierce County Ferry Services | 2,507,520 | 2,432,780 | 74,740 | 3.1 |
| Public Works Construction Fund | 54,428,110 | 46,110,000 | 8,318,110 | 18.0 |
| RID Construction Fund | — | 30,000 | (30,000) | (100.0) |
| Second Reet Fund | 3,037,500 | — | 3,037,500 | — |
| Vehicle License Fee Fund | 3,700,000 | 5,077,000 | (1,377,000) | (27.1) |
| Total Transportation | 118,824,310 | 104,639,250 | 14,185,060 | 13.6 |
| Utilities | | | | |
| Sewer Bond Funds | 6,634,340 | 16,477,800 | (9,843,460) | (59.7) |
| Sewer Facil Restricted Reserve | 21,759,880 | 16,382,060 | 5,377,820 | 32.8 |
| Sewer ULID Construction Funds | — | 732,030 | (732,030) | (100.0) |
| Sewer Utilities Fund | 40,962,040 | 41,533,900 | (571,860) | (1.4) |
| Sewer Utility Const Funds | 32,255,000 | 29,835,000 | 2,420,000 | 8.1 |
| Solid Waste Mgmt Fund | 4,807,950 | 4,721,180 | 86,770 | 1.8 |
| Water Utility Fund | 432,880 | 592,060 | (159,180) | (26.9) |
| Total Utilities | 106,852,090 | 110,274,030 | (3,421,940) | (3.1) |
| Internal Service | | | | |
| Equipment Services Division | 11,026,990 | 9,884,830 | 1,142,160 | 11.6 |
| Facilities Management | 8,762,410 | 8,522,460 | 239,950 | 2.8 |
| Fleet Rental | 3,435,860 | 3,455,510 | (19,650) | (0.6) |
| General Services | 2,598,990 | 2,472,850 | 126,140 | 5.1 |
| Information Services Fund | 13,961,100 | 13,183,350 | 777,750 | 5.9 |
| Radio Communications Fund | 1,867,840 | 2,189,820 | (321,980) | (14.7) |
| Self Insurance Fund | 7,642,260 | 7,062,640 | 579,620 | 8.2 |
| Workers Compensation | 2,097,300 | 1,779,900 | 317,400 | 17.8 |
| Total Internal Service | 51,392,750 | 48,551,360 | 2,841,390 | 5.9 |
| County Fund Total | \$ 770,164,255 | \$ 723,232,308 | \$ 46,931,947 | 6.5 % |

Other Financial Information
