



# EXECUTIVE MESSAGE

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# Pierce County

## Office of the County Executive

930 Tacoma Avenue South, Room 737  
Tacoma, Washington 98402-2100

(253) 798-7477 • FAX (253) 798-6628  
www.piercecountywa.org

**BRUCE F. DAMMEIER**

Executive

(253) 798-7477

Bruce.Dammeier@co.pierce.wa.us

December 14, 2021

To the Residents of Pierce County,

Pierce County confirmed its first case of COVID-19 on March 6, 2020. Since then, we have battled to contain the virus and respond to its destructive effects.

I am proud of our response to the emergency. We tested and vaccinated our residents. We supported struggling small businesses. And we helped people keep food on their table and a roof over their heads.

This biennial budget supports our continued emergency response, but its primary focus is on strengthening our communities long-term.

Our top priority is public safety and justice. This budget makes key investments in our Sheriff's Department to hire more deputies, build community trust, and support the wellbeing of our law enforcement officers. We also fund a new mental health court and add a new team of behavioral health professionals to respond to non-criminal calls for help.

Another critical priority is addressing homelessness and housing instability. This budget creates more shelter and affordable housing on a scale that is unprecedented in Pierce County. Funding is provided so those on the street have a safe place to live and the support they need to stay housed. For the encampments left behind, resources are provided to clean them up. This budget also provides a significant investment to help our chronically homeless through a planned restorative community.

With this budget, we continue to make Pierce County a place people are proud to call home. We make key investments in a variety of areas, ranging from environmental sustainability and equity to new infrastructure and economic development. I encourage you to read the details in the pages that follow.

Thank you for the opportunity to serve.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Dammeier".

Bruce F. Dammeier  
Pierce County Executive

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## Budget Summary Highlights

Our mission is to build strong communities. We do this by focusing on building and sustaining vibrant communities, creating an entrepreneurial climate that fosters family-wage careers, and operating County government efficiently and effectively.

### Vibrant Communities

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Most County funding is dedicated to keeping residents safe, administering equitable criminal justice, and staying accountable to County residents. The 2022-23 biennial budget advances our objective of **Safe and Just Communities** by addressing rising crime levels while taking further steps to build community trust.

Our Sheriff's deputies are tasked with challenging and stressful work. Recently we have seen a significant increase in incidents of post-traumatic stress and other workplace injuries. The addition of a wellness program manager is intended to support our deputies so they can keep our community safe. Recent legislative changes have also increased the complexity of policing, which drives the need for more training and supervisory support. This budget adds new patrol major and lieutenant positions in response to these needs. Additionally, hiring incentives for deputies are added to increase the number of officers patrolling our streets.

To promote equitable justice and build community trust, this budget finishes the deployment of body-worn and dashboard cameras in the Sheriff's Department. Furthermore, a new internal affairs detective is added to ensure all citizen complaints are appropriately investigated and acted upon.

People often call the police when they see trouble and don't know where to turn. This budget creates a rapid response team of behavioral health professionals overseen by the Human Services Department to respond to non-criminal situations. Another behavioral health co-responder is also added to support our law enforcement responding to those experiencing a behavioral health crisis.

Our goal is to get people with behavioral health challenges connected to the most appropriate treatment option for them. This budget funds a criminal diversion program manager in the Clerk's Office and creates a new Mental Health Court in District Court to achieve this goal.

The 2022-23 budget advances our objective of **Healthy and Happy People** in a few key ways. First, it continues American Rescue Plan Act (ARPA) funding to combat the COVID-19 virus through ongoing testing. Second, it supports a partnership among healthcare providers, government, and the community known as "Blue Zones" that is designed to improve longevity and wellness in Parkland/Spanaway. Third, it expands access to trails and recreational activities, including for people with disabilities. Fourth, it provides more case managers to support seniors who choose to live independently.

Pierce County is investing significant resources to implement our Sustainability 2030 Plan. This is part of ensuring we have a **Clean, Sustainable Environment** locally. We are making progress to electrify the County's transportation fleet. We are also preserving farmland and open space, and we are continuing our efforts to remove barriers to fish passage. To ensure decisions and actions are inclusive, the budget includes funding to conduct an environmental equity assessment.

This budget makes an unprecedented investment in **Attainable Housing**. Over \$200 million is dedicated to addressing homelessness and housing instability. Key elements of our plan include expanding shelter availability, providing on-site behavioral health and vocational services, developing and preserving stable and affordable housing options, and cleaning up the encampments left behind. These resources will significantly

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increase the number of available shelter beds in Pierce County. Funding is also provided to support an innovative “Community First” restorative housing community that is based on trusted relationships and a family-like environment. This planned community of microhomes and RVs, patterned after the stunningly successful Community First! Village (CFV) near Austin, Texas, will address the biggest challenge to homelessness: providing permanent supportive housing for the chronically homeless.

## **Entrepreneurial Climate**

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Particularly with the impact of COVID-19, creating a positive and supportive environment for businesses to survive and thrive is critical. The budget includes resources for **Jobs and Entrepreneurship**.

A key tool for creating new jobs and encouraging people to create new businesses is an ARPA-funded initiative to foster entrepreneurship among residents who are Black, Indigenous, and People of Color (BIPOC). This budget continues that work, bringing greater economic opportunity and prosperity throughout our communities.

**Reliable and Accessible Infrastructure** is another key strategic area in fostering an entrepreneurial climate. When remote work became mandatory—and student learning during the pandemic went from taking place in classrooms to kitchens and living rooms—the gap in Internet connectivity and access became clearer and more distressing. In partnership with the state and private providers, the 2022-23 budget continues investments designed to bring high-speed internet to underserved areas.

Providing reliable roads in good condition and safely treating wastewater are some of the basic but critical ways Pierce County supports its residents. The budget dedicates significant new resources to building and preserving our roads, while also funding key expansions to the County’s sewer system.

Pierce County is working with community partners to help businesses have access to a **Skilled Workforce**. ARPA funds in the budget have been earmarked for the Washington Service Corps, an AmeriCorps affiliate. Corps members help local non-profits, schools, government agencies, tribal nations, and faith-based organizations meet community needs in a variety of fields, including environmental stewardship, education, health, disaster preparedness, and financial literacy.

The budget also includes resources for workforce development programs designed to expand living-wage job training for in-demand skills for those in marginalized communities.

## **Effective Government**

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**Regional Leadership and Tribal Partnership** are key components of our strategic plan. One critical regional service Pierce County provides is elections administration. To accommodate increased population and voter turnout, this budget provides resources to move the elections center to a more functional and accessible location. This will improve registration, ballot processing and security, and other voter services.

Funds have also been allocated to increase the County’s engagement and collaboration with local tribes. There are many important aspects of government-to-government relations that benefit from respectful cooperation with these sovereign nations, including vital environmental priorities.

**Accountability for Results** and **Customer Focused Services** are critical for a government to be effective. This budget adds new diversity, equity, and inclusion analysts to ensure County services are delivered equitably and barriers to equity are identified and addressed. These positions will complement the work requested by Council Resolutions 2021-108s and 2021-109.

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The budget also includes several projects designed to make it easier and more convenient for residents to get what they need from the County. One of these projects is the launch of a portal that allows residents to report and track issues from potholes to nuisance properties via mobile devices.

Additional projects will allow better public access to County records. For example, the budget includes resources for documents to be converted to searchable, digital formats. In addition, the Assessor Treasurer's Office is replacing its outdated property tax system.

Finally, several initiatives in support of **Talented and Diverse Employees** are included in the budget. The County has been implementing a diversity, equity, and inclusion initiative for several years. The budget proposal for the next two years includes funding to broaden and enhance the work that is underway to foster a welcoming, respectful, and rewarding workplace for everyone.

An expanded internship program will provide valuable learning opportunities for young adults of color in the County and create a potential path to full-time employment.

With the goal of continuous learning for County employees, the budget also includes support for a broad suite of online learning classes and an expanded leadership development program.

As the County is experiencing a sizable number of employees completing their careers and retiring, the budget provides support for planned knowledge transfer, cross training, and workload surges.

## **2022-23 Biennial Budget**

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The 2022-23 biennial budget maintains a fund balance that meets our 15% goal and provides a stable six-year outlook of County finances. Strong revenue projections allow us to make key investments in our strategic objectives, ultimately building strong communities to make Pierce County a place people are proud to call home.

You can learn more about the progress being made in meeting specific goals at Open Pierce County ([www.open.piercecountywa.gov](http://www.open.piercecountywa.gov)), an interactive series of online dashboards that offers detailed information and data about County operations.

## 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 most of the traditional services associated with County government.

### A. GENERAL FUND REVENUES

A more detailed listing of General Fund revenues is presented in the Financial Overview section of this budget document. A summary of the 2022-23 revenues, with a comparison to the 2020-21 Biennium, is shown in the table below.

While tax revenues remain strong in 2022-23 and are projected to continue growing, General Fund revenues are 4.7% below the 2020-21 biennial budget level due to the receipt and distribution of one-time federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and other relief funding in 2020-21.

<b>GENERAL FUND REVENUE SUMMARY</b>				
	<b>2020-21 Budget</b>	<b>2022-23 Budget</b>	<b>Absolute Change</b>	<b>Percent Change</b>
<b>Tax Revenue</b>				
General Property Taxes	266,179,110	280,391,840	14,212,730	5.3
Law Enforcement Property Taxes	29,540,030	31,034,930	1,494,900	5.1
Sales Tax	197,666,380	255,102,520	57,436,140	29.1
Excise Taxes	1,400,000	1,500,000	100,000	7.1
Gambling Taxes	539,000	599,600	60,600	11.2
License & Permit Revenue	11,318,840	11,178,560	(140,280)	(1.2)
Intergovernmental Revenue	81,400,290	53,709,300	(27,690,990)	(34.0)
Charges for Services Revenue	111,406,380	117,016,340	5,609,960	5.0
Court Fine & Penalty Revenue	7,670,230	6,713,220	(957,010)	(12.5)
Miscellaneous Revenue	27,544,530	14,450,720	(13,093,810)	(47.5)
Proceeds from Sale of Assets	8,510,000	8,510,000	—	—
Transfers In	138,218,340	11,353,780	(126,864,560)	(91.8)
Use of Fund Balance	22,345,060	69,741,360	47,396,300	212.1
<b>Total Available Resources</b>	<b>903,738,190</b>	<b>861,302,170</b>	<b>(42,436,020)</b>	<b>(4.7)</b>

2022-23 revenue projections are largely based upon the following assumptions:

1. Increased consumption drove significant growth in Sales Tax revenue in 2020-21 and is projected to continue growing throughout 2022-23.
2. Short term interest rates will continue to be at lower levels throughout 2022-23, resulting in a decline in interest revenue.
3. Contract revenues for several major services (principally jail operations) will be at similar levels as 2020-21.
4. Court Fine and Penalty revenue continues to decline due to a prior Supreme Court ruling limiting the extent to which fines can be imposed on individuals based on their financial status.
5. New construction will continue to drive modest increases in Property Tax revenue.

The growth in taxes from existing property has been limited to only 1.0% per year since 2002. This threshold is below the rate of inflation over this period and has resulted in a higher reliance upon sales tax revenue to fund essential County services.

The following summarizes the changes in each major category of revenue:

- ❖ **Property Tax** revenue collections are projected to increase by 5.3%, or \$14.2 million, in 2022-23. This level is based upon the 1.0% growth available under state law and growth resulting from new construction and improvements.
- ❖ **Sales Tax** revenue is projected to increase by 29.1%, or \$57.4 million, from the 2020-21 biennial budget. Projected growth above actual sales tax collections in 2020-21 is 4.9% in 2022 and 3.4% in 2023. The increase is primarily associated with strong online retail sales tax collections and new construction.
- ❖ **Other Taxes** are at levels similar to 2020-21.
- ❖ **Licenses and Permits** revenues are projected to decrease by \$140,280, or 1.2%.
- ❖ **Intergovernmental Revenues** are projected to decrease by \$27.7 million, or 34.0%. The reduction in 2022-23 is attributed to COVID-19 relief funding received in 2020-21.
- ❖ **Charges for Services** are estimated to be 5.0%, or \$5.6 million, above 2020-21. This change is comprised of many increases or decreases in specific revenue sources (recording fees, planning fees, indirect cost charges, contractual services, etc).
- ❖ **Court Fine and Penalty Revenue** is projected to be 12.5%, or \$1.0 million, below the 2020-21 biennial budget.
- ❖ **Miscellaneous Revenues** are projected to decrease by 47.5%, or \$13.1 million, in 2022-23, primarily due to lower levels of interest revenue.
- ❖ **Use of Fund Balance** is 212.1%, or \$47.4 million, above the 2020-21 level. Strong economic conditions and managing to lower expenditure levels during the pandemic resulted in an increase in the General Fund balance. The 2022-23 budget invests these resources in strategic, one-time projects and capital expenditures.

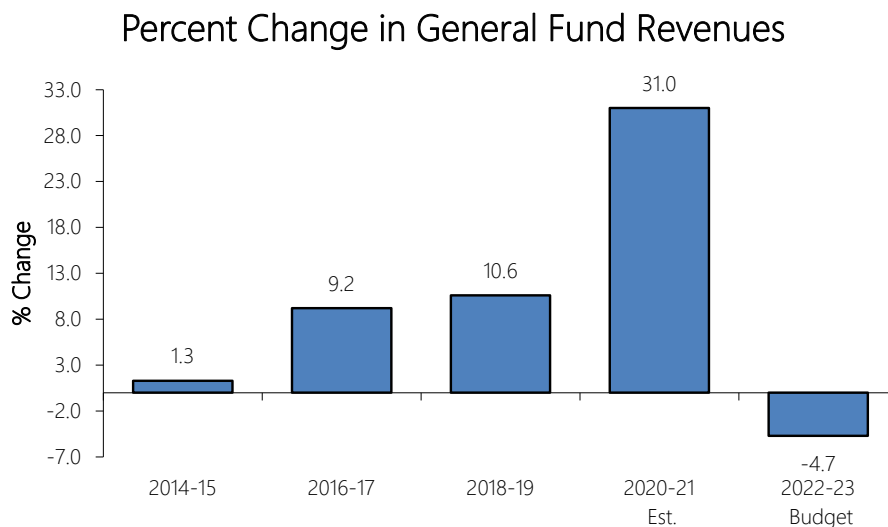


Figure 1

Comparative revenue changes for the last four biennia are shown in Figure 1. The increase of 31.0% in 2020-21 is largely due to the receipt of CARES Act and other relief funding.



## B. GENERAL FUND EXPENDITURES

The 2022-23 General Fund expenditure budget is 4.7%, or \$42.4 million, below the 2020-21 level. The decrease is due to the accounting of \$120.5 million in CARES Act funding in the General Fund in 2020-21. Excluding CARES Act funding, the 2022-23 General Fund biennial budget is 10.0%, or \$78.1 million, above the 2020-21 level.

Public Safety and Legal and Judicial functions continue to receive the highest percentage of General Fund expenditures in 2022-23, comprising 74% of the total General Fund budget. Public Safety functions account for 45.9% of the budget with Legal and Judicial functions at 27.9%

The 2022-23 biennial budget adds new positions to meet growing service demands, returning staffing to pre-recession levels. The General Fund has a total increase of 53.44 FTEs compared to 2020-21.

Most departments show an increase in spending authority in 2022-23. This reflects investments in new programs, expanded service delivery, and increased costs associated with salaries and benefits. The budgets for Economic Development, Emergency Management, and Finance and Performance Management show significant variability due to the receipt of CARES Act and other relief funding in 2020-21.

The "Budget Highlights" section in each department budget provides a more detailed explanation of the significant changes included in the 2022-23 biennial budget.

<b>GENERAL FUND EXPENDITURES BY DEPARTMENT</b>				
	<b>2020-21 Budget</b>	<b>2022-23 Budget</b>	<b>Absolute Change</b>	<b>Percent Change</b>
Assessor/Treasurer	24,176,260	30,011,300	5,835,040	24.1
Assigned Counsel	44,055,170	49,448,730	5,393,560	12.2
Auditor	23,268,020	33,778,300	10,510,280	45.2
Bond Debt Service	672,080	679,120	7,040	1.0
Capital Improvement Projects	330,000	200,000	(130,000)	(39.4)
Clerk of the Superior Court	15,144,340	16,530,030	1,385,690	9.1
Communications	4,183,570	4,701,680	518,110	12.4
County Council	13,127,750	13,374,060	246,310	1.9
County Executive	5,388,480	6,135,290	746,810	13.9
District Court	32,219,530	35,358,100	3,138,570	9.7
Economic Development	50,471,100	3,777,090	(46,694,010)	(92.5)
Emergency Management	83,812,350	10,888,580	(72,923,770)	(87.0)
Finance and Performance Management	48,356,230	21,708,380	(26,647,850)	(55.1)
Health Services	9,315,340	7,456,670	(1,858,670)	(20.0)
Human Resources	10,578,560	11,922,180	1,343,620	12.7
Juvenile Court	47,230,350	49,132,580	1,902,230	4.0
Medical Examiner	10,117,460	12,716,410	2,598,950	25.7
Miscellaneous Current Expense	28,851,000	40,035,470	11,184,470	38.8
Parks and Recreation	18,825,990	23,685,450	4,859,460	25.8
Planning and Land Services	12,357,860	13,268,210	910,350	7.4
Prevention Services	4,036,220	5,228,750	1,192,530	29.5
Prosecuting Attorney	73,498,640	84,576,510	11,077,870	15.1
Sheriff's Corrections	121,944,920	130,703,320	8,758,400	7.2
Sheriff's Law Enforcement	175,376,090	206,164,290	30,788,200	17.6
Special Projects	3,514,850	3,637,100	122,250	3.5
State Auditor	430,830	473,960	43,130	10.0
Superior Court	41,643,340	44,769,390	3,126,050	7.5
WSU PC Extension	811,860	941,220	129,360	15.9
<b>Total General Fund</b>	<b>903,738,190</b>	<b>861,302,170</b>	<b>(42,436,020)</b>	<b>(4.7)</b>

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### C. FUND BALANCE

Figures 2 and 3 present the actual financial results for the General Fund during the 2014-15 to 2018-19 period, and the budgeted amounts for 2020-21 and 2022-23. A strong economy and favorable revenues allowed unassigned fund balance to increase in recent years. Fund balance further increased in 2020-21 due to departments managing to lower expenditure levels during the COVID-19 pandemic.

Based upon estimated revenues and expenditures, the 2021 unassigned General Fund balance will be \$148.7 million, a fund balance reserve of 32.8%. The 2022-23 biennial budget assumes \$69.7 million in use of fund balance for targeted, one-time investments towards the County's strategic plan. The 2023 unassigned General Fund balance will be approximately \$77.9 million (see Figure 3).

It is the County's policy to maintain a fund balance for bond rating, emergencies, and working capital purposes which is 10% of the budget, with a long-term goal of 15%. The County has been able to maintain a level higher than 15% in recent years and expects to be at 18.5% at the end of 2023 (see Figure 4). This level will enable the County to draw upon these resources to cover projected growth in General Fund expenditures and the impact of an economic downturn.

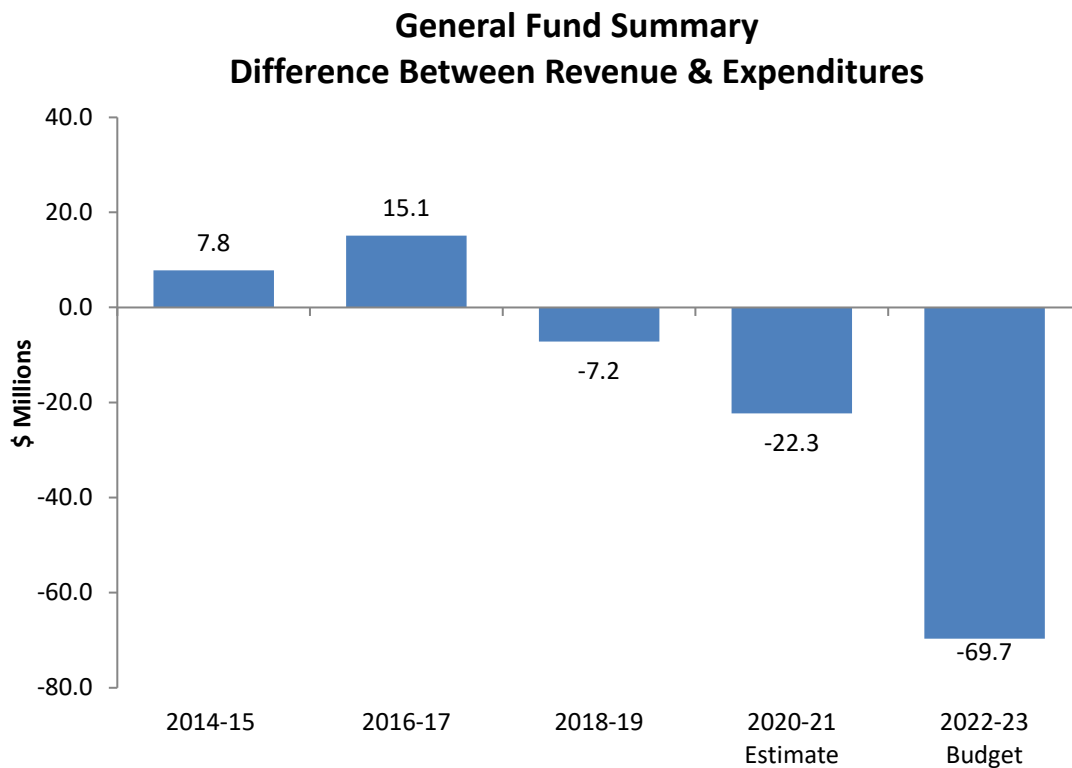


Figure 2

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## Unassigned General Fund Balance

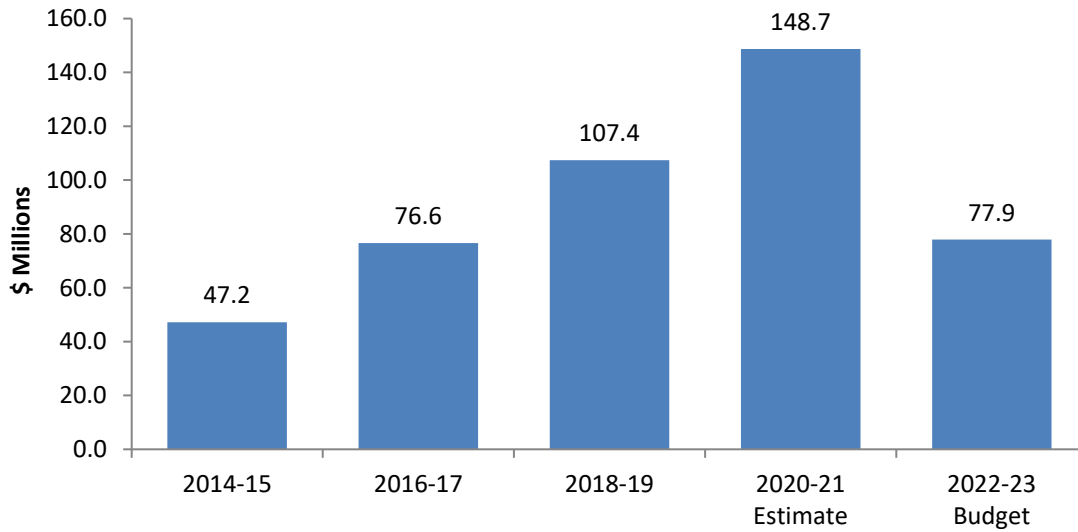


Figure 3

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

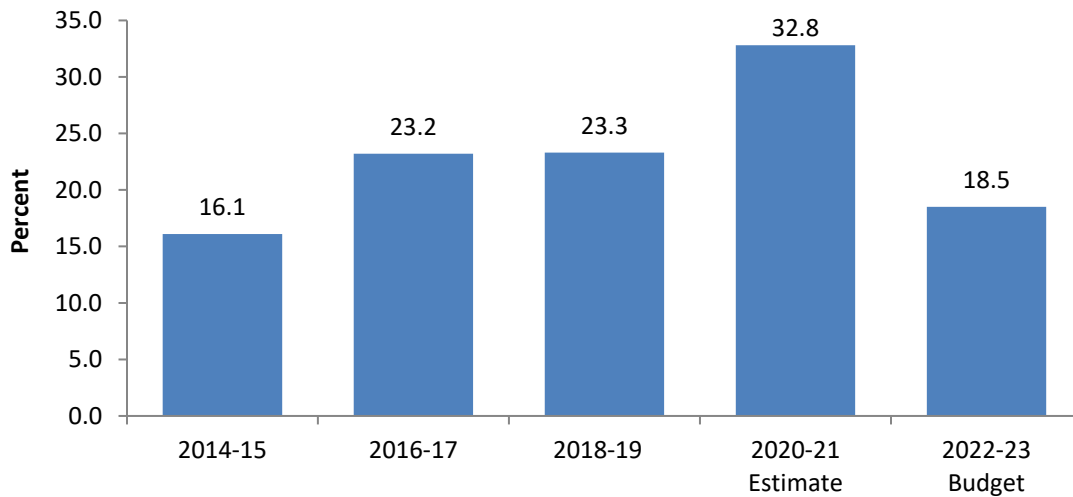


Figure 4

### D. TAX RATES AND ASSESSED VALUATIONS

In 2022 the County's assessed valuation total will rise from \$137.7 billion to \$159.2 billion, which includes an increase in the value of existing properties plus new construction and improvements.

## Percent Change in Assessed Valuation

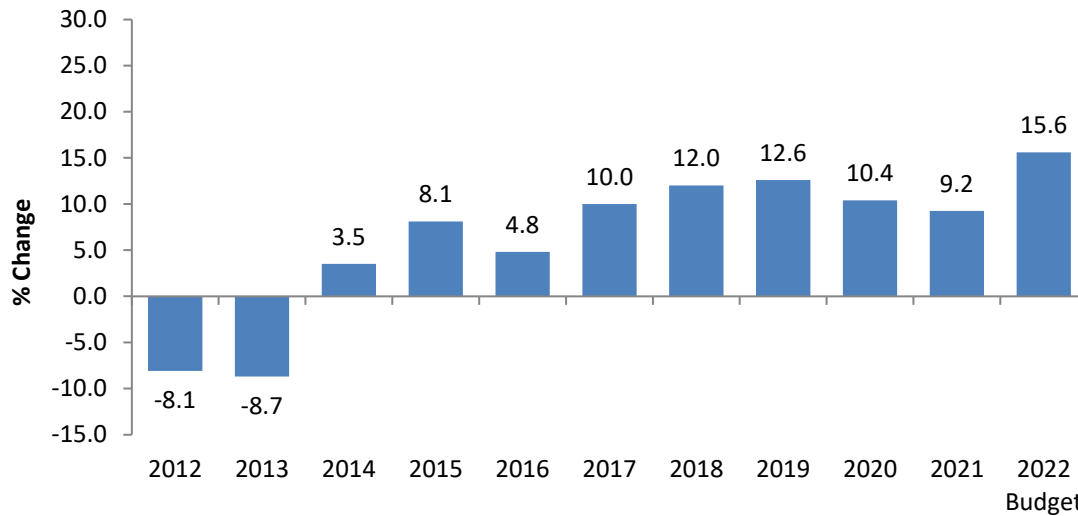


Figure 5

The rise in the valuation of existing property will result in tax rate decreases in 2022 as shown in the accompanying table. The County will be able to generate the legally permitted 1.0% growth in revenues.

Only 11.0% of all property taxes go to the County's General Fund. Most of the total property taxes are by law distributed to the State of Washington, cities, and local school districts.

PROPERTY TAX RATES		
	2021 Rates	2022 Rates
<b>General Levy (\$1.80 max.)</b>		
General Fund	0.9225	0.8205
Veterans Relief	0.0137	0.0137
Social Services	0.0132	0.0119
<b>Total General Levy</b>	<b>0.9494</b>	<b>0.8461</b>
<b>Road Levy (\$2.25 max.)</b>		
	1.3097	1.1587

### E. OUTLOOK FOR 2022-23

Overall, the General Fund biennial budget for 2022-23 is balanced with adequate reserves. The outlook for 2022-23 shows a strong regional economy that should continue to experience growth throughout the period. Significant increases in sales tax revenue associated with retail sales and construction in 2020-21 are anticipated to continue growing, but at a more modest level, in 2022-23.

Short-term interest rates are expected to remain at lower levels seen during the pandemic in 2020-21, and Charges for Services revenue, such as program fees and jail services, may be impacted by the ongoing pandemic and economic recovery.

Actions yet to be taken by other governments may also impact the County budget. Many local governments who purchase services from the County are preparing budgets and may change prior practices. In addition, the state and federal governments may change grant allocations.

Similar to prior years, some budget issues may arise during 2022-23 that will need to be addressed at the time they occur. The County will continue to monitor economic indicators such as interest rates, property values, and building permit activity to determine if any significant variations will have an impact upon anticipated revenue collections.

## OTHER COUNTY FUNDS

Many of the County's programs are financed from sources outside of the General Fund. These funds have combined expenditures well in excess of the General Fund budget. However, the nature of the revenue sources mandate that these monies can only be used for specific activities. Hence, they are budgeted and accounted for in separate funds. Summary figures for each fund can be found in the Total Expenditures/Expenses table of the General Overview section.

### A. HUMAN SERVICES

The Human Services Department is the County's major provider of community and human services programs funded primarily from state and federal grants and recording fees for housing programs. Due to changes in state and federal grant funding levels, these budgets often vary significantly from year to year. The following summarizes the significant changes from 2020-21:

1. The Human Services budget reflects federal and state funding to continue administration of an Emergency Rental Assistance program in response to the pandemic.
2. An increase in document recording fee revenue provides expanded resources for homeless services.
3. Strong sales tax projections allow for significant investments in behavioral health services and Therapeutic Court programs.
4. Resources for the Human Services Fund reflects an increase in grant funding in 2022-23, particularly in the Aging and Disability Resources and Development Disabilities programs.

HUMAN SERVICES			
Fund	2020-21 Budget	2022-23 Budget	Percent Change
Afford Housing Dev Fund	2,231,720	3,363,010	50.7
Afford Housing Doc Rec Fee	8,521,700	5,519,260	(35.2)
Behav Hlth & Therapeutic Crts Fd	2,703,000	27,506,190	917.6
Behavioral Health Partnership	16,295,040	6,200,540	(61.9)
Community Action	27,932,730	18,723,570	(33.0)
Community Development	11,143,150	16,429,800	47.4
Homeless Doc Rec Fee	15,799,800	34,837,860	120.5
Housing and Homeless	158,526,400	128,112,930	(19.2)
Human Services	88,728,120	100,456,870	13.2
Mental Health	68,120	—	(100.0)
Veterans Relief Fund	5,445,990	4,519,690	(17.0)
<b>Total Budget</b>	<b>337,395,770</b>	<b>345,669,720</b>	<b>2.5</b>

### B. TRANSPORTATION SERVICES

The Planning and Public Works Department has major transportation responsibilities which are supported by a variety of funds.

The 2022-23 program budgets, with comparisons to 2020-21, are shown in the table to the right. The major items of note for 2022-23 are:

1. The County Road Fund maintains funding for road preservation and capital construction.
2. The Public Works Construction Fund budget reflects an increase in anticipated project expenses.

TRANSPORTATION SERVICES FUNDS			
Fund	2020-21 Budget	2022-23 Budget	Percent Change
County Road Fund	173,264,560	183,065,000	5.7
PW Construction Fund	64,278,000	96,204,380	49.7
Ferry Services Fund	12,005,790	23,201,370	93.3
Airport Fund	4,674,120	13,981,710	199.1
Second REET Roads Fund	18,332,600	27,693,280	51.1
Traffic Impact Fee Fund	16,556,490	18,917,400	14.3
Transportation Facilities	2,147,500	1,000,000	(53.4)
<b>Total Budget</b>	<b>291,259,060</b>	<b>364,063,140</b>	<b>25.0</b>

- The Ferry Services Fund increase reflects capital expenditures for the ferry system and expanded service during the peak season.
- The Airport Fund includes General Fund support and grant funding for capital projects at the County's two airports.
- The Second REET Roads Fund reflects increased revenue attributed to a strong housing market.

### C. PARKS AND RECREATION FUNDS

Although the County's General Fund provides a direct allocation for parks and recreation services, \$23.6 million in 2022-23, there are also several other County funds which provide support for Parks programs and services. The 2022-23 biennial budgets for these funds are shown to the right.

As the figures indicate, strong revenue projections support investments in Pierce County's parks and trails systems. Significant items to note are:

- Conservation Futures includes \$11.5 million for the purchase of open space and funding to support the County's 2030 Sustainability Plan.
- Increased revenue collections from impact fees, sales tax, and Second REET support higher levels of capital projects for the County's parks system and trail system.
- Chambers Creek Regional Park Fund provides funding for capital improvements at the Chambers Bay Golf Course.

PARKS AND RECREATION FUNDS			
Fund	2020-21 Budget	2022-23 Budget	Percent Change
Conservation Futures	9,781,760	14,184,895	45.0
Conservation Futures Const	9,750,000	11,462,222	17.6
Parks Construction Fund	16,377,940	33,675,540	105.6
Parks Impact Fees	9,744,500	25,361,430	160.3
Parks Sales Tax	9,868,950	13,540,520	37.2
Second REET Parks Fund	8,206,730	11,218,980	36.7
Paths & Trails	1,427,900	1,753,550	22.8
Paths & Trails Const	6,212,000	16,786,000	170.2
Golf Courses	3,882,640	3,798,990	(2.2)
Chambers Cr Regional Park	21,831,110	23,612,040	8.2
<b>Total Budget</b>	<b>97,083,530</b>	<b>155,394,167</b>	<b>60.1</b>

### D. ENVIRONMENTAL SERVICES

The Planning and Public Works Department has five funds which address environmental issues. These funds and budgets are listed to the right. Items to highlight are as follows:

- Surface Water Management includes allocations for capital expenditures and operations.
- The Sewer Utility budget reflects an increase for operations and capital projects.
- The Blighted Property Maintenance Fund includes increased support for nuisance property clean up.
- The Solid Waste Management Fund finances waste reduction, recycling programs, and environmental education services to youth and adults. The 2022-23 budget provides support for implementation of the County's 2030 Sustainability Plan.

ENVIRONMENTAL SERVICES FUNDS			
Fund	2020-21 Budget	2022-23 Budget	Percent Change
Blighted Property Maint	5,106,930	8,003,710	56.7
In-Lieu Fee Wetlands Mitg	—	388,600	—
Surface Water Mgmt	65,362,220	69,971,500	7.1
Surface Water Mgmt Const	40,997,880	47,212,300	15.2
Sewer Utility	290,506,320	330,166,830	13.7
Solid Waste Management	14,230,240	17,103,100	20.2
<b>Total Budget</b>	<b>416,203,590</b>	<b>472,846,040</b>	<b>13.6</b>

## E. INTERNAL SERVICE FUNDS

Internal Service Funds provide services, supplies, and equipment to other County departments, which pay for these services through various billing systems. These funds operate under the enterprise fund business model, except that customers are other County departments. The goal is to establish rates which will pay all operating and capital costs and to ensure that the General Fund does not subsidize these activities.

Some of these internal service funds rely upon prior fund balances to support their 2022-23 biennial budgets. Significant changes include:

1. The budget for Equipment Services reflects capital expenditures planned in 2022-23.
2. Fleet Rental includes General Fund support to accelerate the purchase of electric vehicles for the County's fleet.
3. General Services includes \$1.5 million in General Fund support for a countywide project to digitize records and files.
4. The budget for Medical Self Insurance reflects the County's transition from a self-insured medical plan to the Public Employees Benefits Board (PEBB) program.
5. Radio Communications includes funding for capital projects in 2022-23.
6. Workers Compensation reflects an increase associated with a higher level of workers compensation claims and costs.

INTERNAL SERVICE FUNDS			
Fund	2020-21 Budget	2022-23 Budget	Percent Change
Equipment Services	31,693,940	39,124,690	23.4
Facilities Management	41,917,840	45,242,780	7.9
Fleet Rental	11,970,580	12,986,410	8.5
General Services	6,129,300	12,314,070	100.9
Information Technology	76,846,840	84,335,790	9.7
Medical Self Insurance	38,616,220	2,301,380	(94.0)
Radio Communications	12,573,040	18,317,310	45.7
Self Insurance	21,852,720	22,748,660	4.1
Workers Compensation	13,385,380	17,620,650	31.6
<b>Total Budget</b>	<b>254,985,860</b>	<b>254,991,740</b>	—

## Conclusion

Despite the impacts of the COVID-19 pandemic, a strong regional economy supports continued revenue growth in 2022-23. Overall, the 2022-23 biennial budget is fiscally stable and financially strong.

A General Fund biennial budget of \$861.3 million, and a total funds biennial budget of \$3.0 billion, make strategic investments to help Pierce County recover from the pandemic, create vibrant communities, foster an entrepreneurial climate, and deliver an effective government for the residents of Pierce County.

The budget also continues to focus on the County's priorities of public safety, criminal justice, homelessness, affordable housing, behavioral health services, sustainability, and parks and recreation programs.

An overview of the County's strategic plan is included in the General Overview section and additional detail is available at [open.piercecountywa.gov](https://open.piercecountywa.gov).

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