

Pierce County

2011 Budget In Brief

This document is a “brief” look at the adopted 2011 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

Pat McCarthy

County Council

Roger Bush

Shawn Bunney

Joyce McDonald

Timothy Farrell

Barbara Gelman

Dick Muri

Terry Lee

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Pierce County, Washington for its annual budget for the fiscal year beginning January 1, 2010. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications device.

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

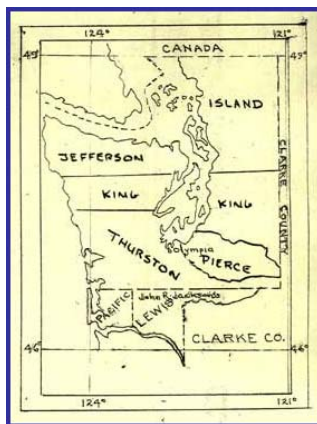
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Pierce County Profile

OVERVIEW

The first settlers of the land that is now Pierce County were the ancestors of today's Nisqually, Puyallup, Squaxin, Steilacoom, and Muckleshoot Indians. These tribes settled the area many thousands of years ago, where the saltwater, lakes, and rivers made for an abundant selection of food. These same tribes were all in place when English sea captain George Vancouver sailed the inland waters as far south as what would one day be Seattle. He instructed his lieutenant, Peter Puget, to continue exploring southward in smaller boats. The inland waters were named Puget's Sound in the young naval officer's honor.

On Dec. 22, 1852, the Territorial Legislature of Oregon determined that Thurston County, which stretched from Olympia to the Canadian border and from the Cascades to the Pacific Ocean, was far too large. In response, the Legislature portioned out of it King, Jefferson, and Pierce County. The Legislature also passed laws appointing the first county officers and located the county seat at Steilacoom, which was chosen largely because it was the only town in Washington with its own jail.



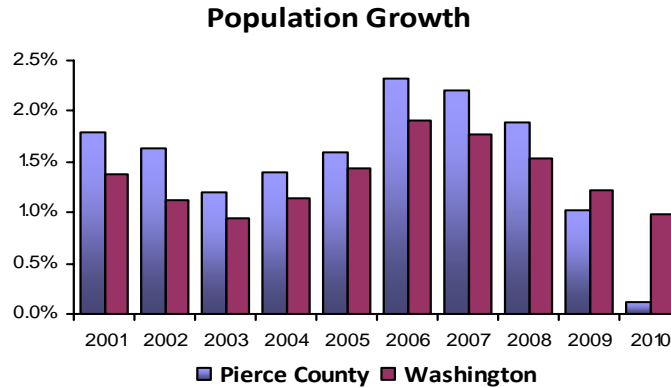
Pierce County became a Home Rule County by a vote of the people in 1981. The County is governed by an elected County Executive and seven elected Council Members. The Prosecutor, Assessor/Treasurer, Auditor, Superior Court Judges, Sheriff, and District Court Judges are also elected by the people.

Pierce 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). The county boasts ten hospitals, fifteen public school districts, a large number of private schools, two vocational technical colleges, two community colleges, and six four-year colleges or universities.

The county provides certain services on a countywide basis and other services only to unincorporated areas of the county. Within the appropriate jurisdictions, the county provides law enforcement, criminal detention, fire prevention, judicial administration, parks and recreation facilities, planning and zoning, road maintenance and construction, a sewage disposal system, human services, tax assessments and collections, community development, and general administrative functions.

DEMOGRAPHICS

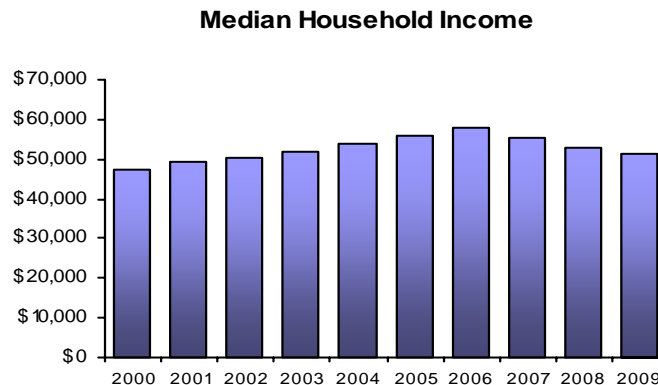
Pierce County is home to an estimated 814,600 people, the second largest county in Washington. County population increased 16.2% since 2000 at an annual average growth rate of 1.5%. However, the growth rate slowed to just 0.1% in 2011.



Source: Office of Financial Management

Approximately 53% of Pierce County residents live in cities and towns. The four largest cities are Tacoma (204,200), Lakewood (58,840), Puyallup (38,900), and University Place (31,550).

From 2000 to 2009, the median household income for residents of Pierce County increased by approximately 8%. During this period, the Seattle/Tacoma inflation rate was 28%. However, median household income has declined in 2007, 2008, and 2009 reflecting the effects of the recent economic conditions.



Source: Office of Financial Management

Pierce County Profile

ECONOMIC CONDITIONS

“The Pierce County economy withstood some of the negative effects from the national recession for much of 2008. But growth did slow. Pierce County’s slower growth was significantly better than the national experience principally due to Pierce County’s military and health care sectors. The slowing Pierce County economy in late 2008 indicated more problems on the horizon. The Pierce County slowdown became a recession in 2009. Economic activity in Pierce County will continue downward, but more moderately as this year [2009] comes to a close. The recession in Pierce County will continue through the first half of 2011. It will come to an end during the third quarter of the year.



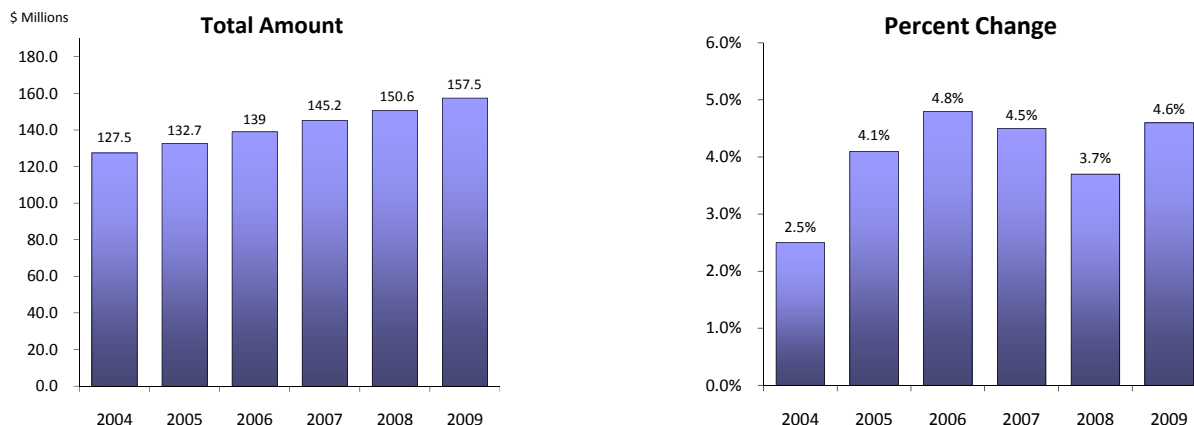
The current recession then, will be the deepest, longest and most severe in the past forty years. A recovering U.S. economy combined with expansionary fiscal and monetary programs will help the local economy. Most of Pierce County’s trading partners will be growing again, helping the trade sector. But a stronger dollar will offset some of those gains. Single-family housing activity will improve during the year, as mortgage markets recover and credit becomes available. However, commercial and industrial real estate activity will be depressed for most of 2011. The local health care and military sectors will continue to fuel economic activity, but at a slower rate. The benefits of the national recovery, increased trade flows, some new military construction spending and a recovering housing market will be enough to offset the negative effects of Russell Investments moving out of the area.” (Quote from Tacoma-Pierce County Chamber, *Pierce County Economic Index Report*, 2011)

The following indicators are key elements for evaluating current economic conditions and are useful when developing projections or economic forecasts.

PROPERTY TAXES

Property taxes and other related taxes are a major revenue source for Pierce County. Beginning in 2002, property tax revenue was impacted by the I-747 limit of a 1% increase from existing property. Revenue growth in excess of 1% is due to property taxes from new construction and the settlement of large tax appeal cases in 2003.

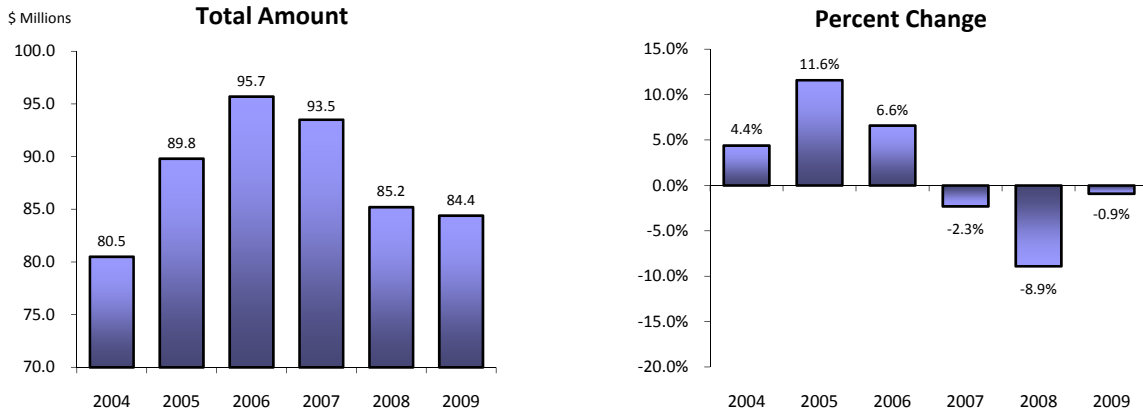
Property Taxes, 2004–2009
(Total Revenues)



SALES TAXES

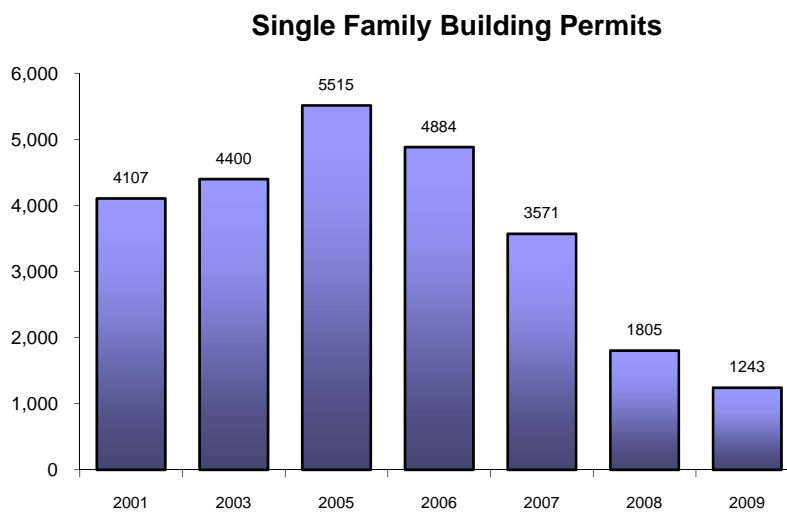
Revenues from sales and use taxes also provide a stable source of funding. Growth occurs in “normal” years simply because of inflation, population increase, and fluctuations in the strength of the local economy. Total sales and use taxes have increased annually, though the average annual rate of growth has decreased each year since 2005, a trend expected to continue into 2011.

Sales and Other Taxes, 2004–2009
(Total Revenues)



HOUSING AND REAL ESTATE

Pierce County, like the rest of the state and nation, experienced a “hot” housing market until recently. Single family residential building activity declined from the recent high of 5,515 in 2005 to 1,243 in 2009.

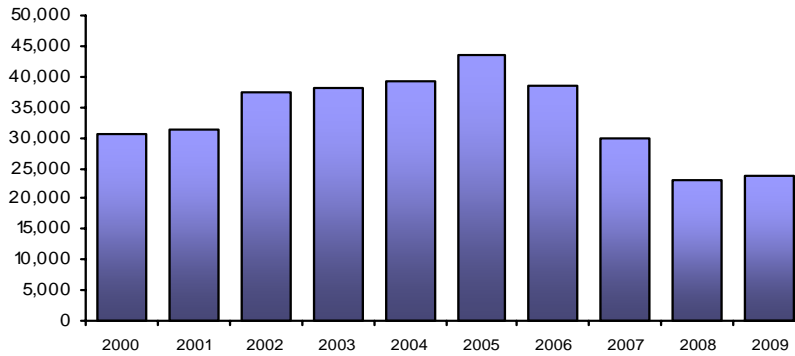


Source: Washington Center for Real Estate Research, Washington State University

Pierce County Profile

Real estate sales activity is an important economic indicator that greatly impacts property tax revenues and effects operations and workload in areas such as planning, permits, land services, public works, and public construction. After significant declines in 2006 – 2008, the number of excise tax affidavits processed in 2009 increased 3%.

Excise Tax Affidavits Processed

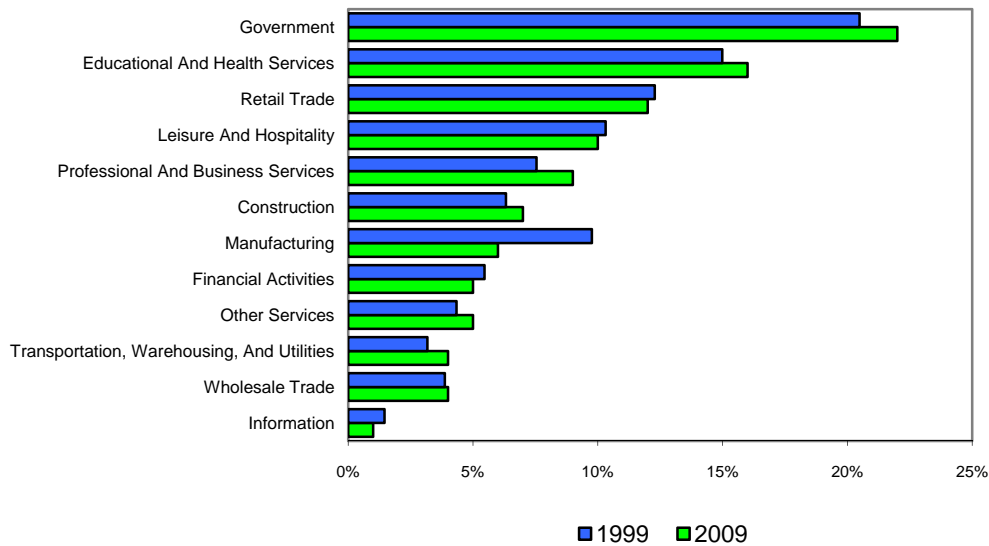


Source: Pierce County Auditor

EMPLOYMENT

Historically the economy of Pierce County has been manufacturing and resource based. However, current local, regional, state, and national trends all indicate a shift from manufacturing to government, educational and health services, professional and business services, and construction. The shift in nonagricultural employment is evident in the comparative graph of 1999 and 2009 presented on the following page.

Percentage Employment by NAICS Category



Pierce County Profile

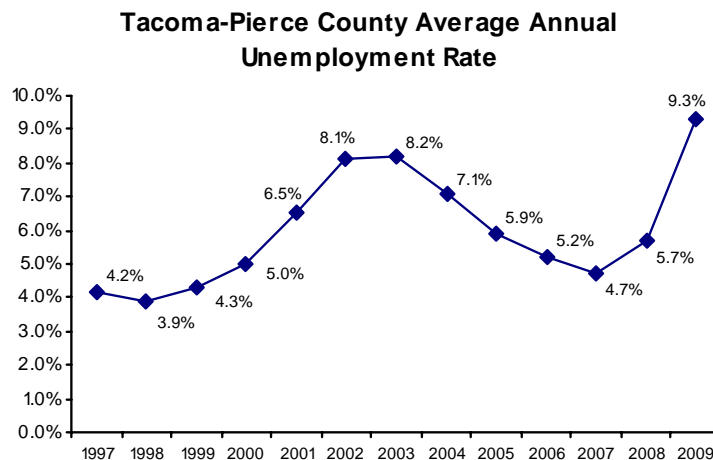
Based on estimates from the *Economic Development Board*, the top twenty employers in Pierce County for 2011 are:

RANK	ORGANIZATION	EMPLOYEES	INDUSTRY
1	JOINT BASE LEWIS MCCORD (formerly listed separately as Fort Lewis and McChord Air Force Base)	49,674	MILITARY
2	LOCAL PUBLIC SCHOOL DISTRICTS (k-12)	13,381	EDUCATION
3	WASHINGTON STATE EMPLOYEES	7,448	PUBLIC SECTOR
4	MULTICARE HEALTH SYSTEM	6,410	HEALTH CARE
5	US ARMY MADIGAN HOSPITAL	5,554	HEALTH CARE
6	FRANCISCAN HEALTH SYSTEM	5,028	HEALTH CARE
7	PIERCE COUNTY GOVERNMENT	3,059	PUBLIC SECTOR
8	WASHINGTON STATE HIGHER EDUCATION	2,604	EDUCATION
9	WASHINGTON STATE NATIONAL GUARD	2,476	MILITARY
10	CITY OF TACOMA (Does not include TPU)	2,383	PUBLIC SECTOR
11	EMERALD QUEEN CASINO	2,105	GAMING
12	THE BOEING COMPANY (Frederickson Site)	1,440	AEROSPACE
13	WAL-MART	1,406	RETAIL
14	FRED MEYER STORES	1,301	RETAIL
15	TACOMA PUBLIC UTILITIES	1,253	PUBLIC SECTOR
16	US POSTAL SERVICE	1,192	PUBLIC SECTOR
17	COSTCO	1,151	RETAIL
18	SAFEGWAY STORES, INC.	1,123	RETAIL
19	STATE FARM INSURANCE COMPANIES	1,117	INSURANCE
20	PIERCE TRANSIT	971	PUBLIC SECTOR

UNEMPLOYMENT

For 2009, the average annual unemployment rate for the Tacoma/Pierce County area was 9.3%, which is 0.3% higher than the rate of 9.0% for the State of Washington.

The local unemployment rate had experienced a steady decline prior to the downturn in the economy, decreasing from 8.2% in 2003 to 4.7% in 2007.



Source: Washington Employment Security

Pierce County Profile

PORT FACILITIES

A major gateway to Asia and Alaska, the Port of Tacoma is a leading North American seaport, the seventh largest container port in North America. Located on Commencement Bay, a natural, deep-water harbor in south Puget Sound, the port has 2,400 acres used primarily for shipping terminal activity, warehousing, distributing, and manufacturing. The Port of Tacoma is an independent municipal corporation created by Pierce County citizens in 1918 and authorized to operate under state-enabling legislation.



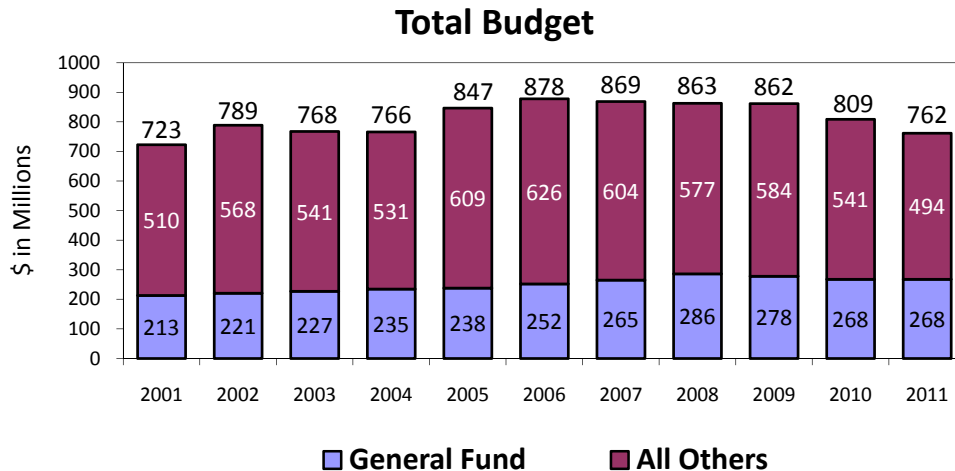
Reflecting the global recession and its effects on US consumer demand and shipping, the Port of Tacoma's container volumes during 2009 were down 17 percent, with the Port handling 1.5 million TEU's. Additional indicators of Port activity during 2009 follow.

2009 Trade Highlights:

Total TEUs:	1.5 million
Intermodal lifts:	283820
Total tonnage:	17.4 million short tons
Auto units:	117357
Grain:	6.5 million short tons
Break-bulk cargo:	92,501 short tons
Vessel calls:	1221
Value of foreign trade:	\$25.27 billion
Value of domestic trade:	\$3.5 billion

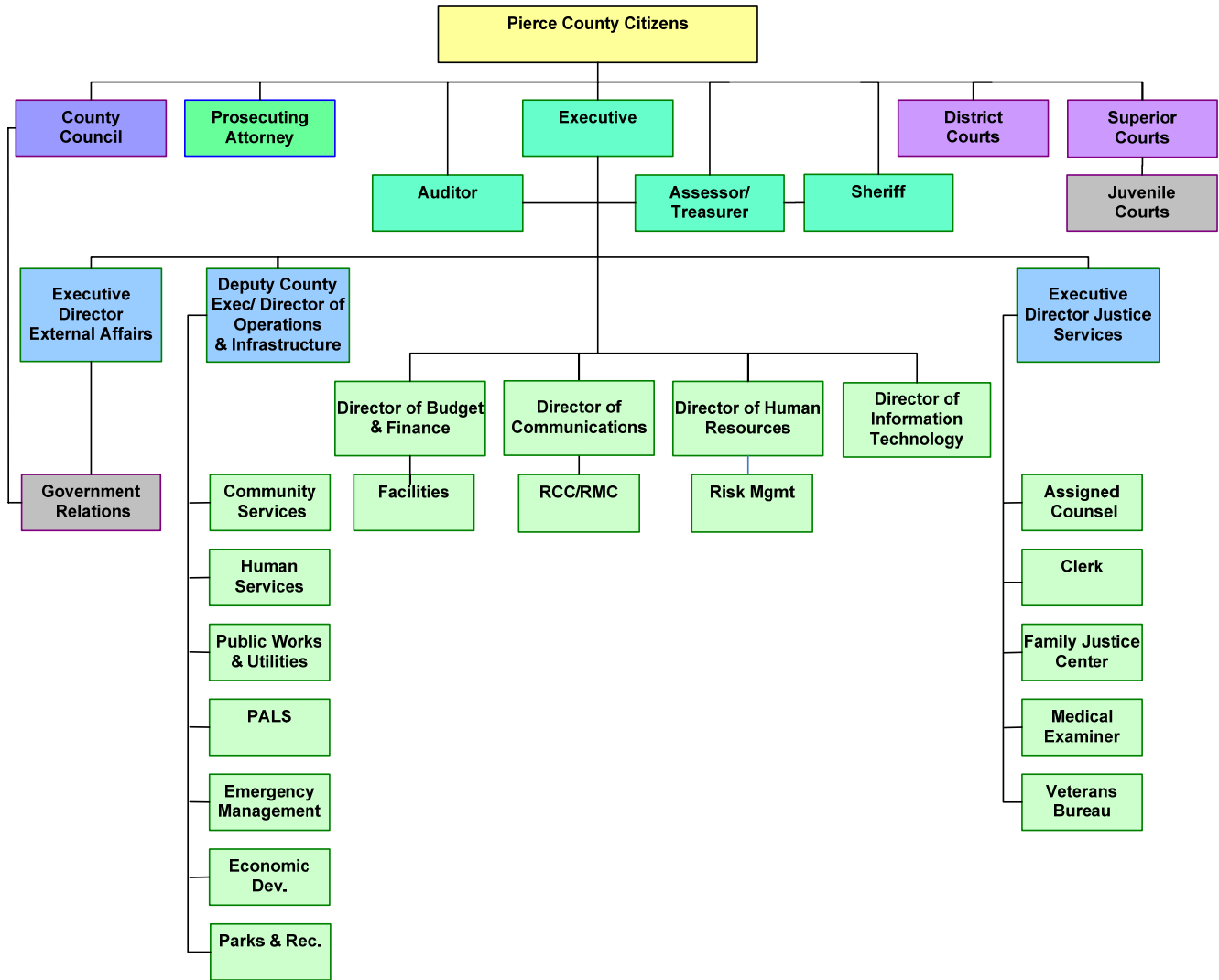
BUDGET HISTORY

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



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.



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 Councilmembers 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 three currently elected positions (Assessor/Treasurer, Auditor and Sheriff) 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

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

I. *The Mission Statement*

“Pierce County government, in partnership with the citizens, will enhance the livability of our community through responsive services which address our current and future needs.”

II. **Executive Goals** (listed at the bottom of this page) guide the County in the development of appropriate policies and procedures, and form the basis of each year’s Budget and related Performance Measures.

III. **Performance Measures** are developed for each departmental or fund budget as appropriate. These measures are specific and quantifiable statements of what major items will be accomplished in this fiscal year and are **listed in each department’s section of the 2011 Budget Document.**



Executive Goals

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

Budget Highlights

The 2011 proposed Pierce County Budget totals **\$762,293,570** which is **\$46.9** million (5.8%) **below** the 2010 budget. The main reasons for this decrease are a) the decline in federal and state grants, and b) the reduction in capital project expenditures.

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

First, challenges involving general criminal activity, gangs, domestic violence and drug activity will place increased pressure on **public safety and justice services**. To the extent possible we have prioritized and maintained our Public Safety and Judicial System staff and services, which now consume 78.7% of our General Fund budget.

Second, we will continue to **emphasize prevention programs**. The 2011 budget still funds many alternatives to incarceration programs including: Breaking the Cycle, Drug Court, Alternative to Detention programs for juveniles, Adult Probation, Day Reporting, Offender Work Crews, county contributions for the Judson Family Justice Center and the sales tax Prevention Programs. These programs help to decrease criminal activity and reduce future jail costs.

Third, our **capital facility program** (even though reduced) still includes improvements for parks and recreation facilities (including Sprinker Recreation Center), our transportation infrastructure, surface water management system, the sewer utility, and other county facilities.

Fourth, we remain committed to promoting **economic development** in Pierce County. In addition to the business recruitment and retention efforts by the Economic Development division, the projects and priorities in other departments also emphasize the importance of creating family-wage jobs in our communities.

Fifth, in an effort to look for governmental efficiencies, we have reviewed many of our operations for cost effective **reorganizational** possibilities, and the proposed budget reflects several such changes.

However, the overriding consideration affecting the 2011 Budget, especially the General Fund, has been the impact of the severe recession upon county revenues. This recession has produced a major downturn in economic activity; and has negatively affected sales taxes, development fees, interest revenues, and property taxes from new construction. At this time we see little evidence of a major positive change in this situation in the near future. Consequently we have already imposed budget cutbacks in 2009 and 2010, and are proposing further cutbacks in the 2011 Budget. The details surrounding those revenue concerns and the associated expenditure reductions are presented in the next several sections.

Budget Highlights

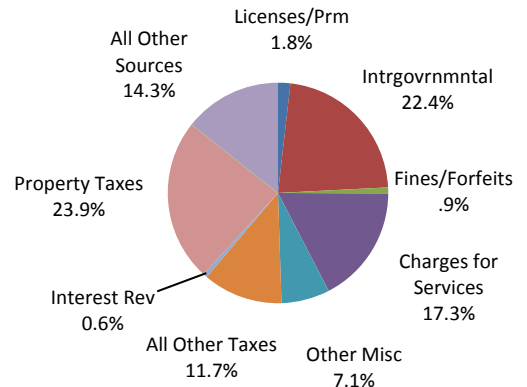
TOTAL PIERCE COUNTY REVENUE & EXPENDITURE OVERVIEW

Total revenues and expenditures projected for all 2011 Pierce County operations are summarized and compared to prior years on the following pages and are also discussed throughout the Executive Message. In total, the County's budget will be 5.8% less the 2010 level.

2011 Total County Revenues

Summarized by Source

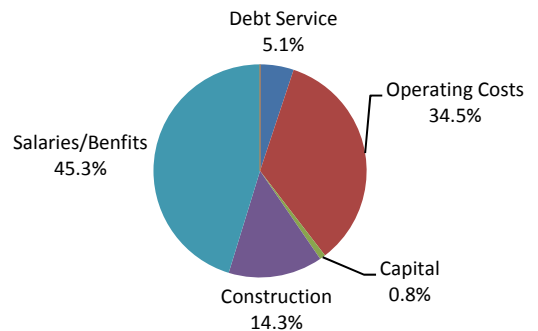
Just over 22% of the County's funding comes from Intergovernmental Revenues. Property and Other Taxes equals just under 36% of the total revenues. Service Charges, Licenses/Permits, and Fines/Forfeits provide 20%. Roughly 14% in All Other Sources category is primarily made up of the use of prior fund balance. Just over 7% 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 1%. The revenues for Internal Service Funds have been excluded from the totals used to calculate the percentages shown on the pie chart.



2011 Total County Expenditures

Summarized by Object Classification

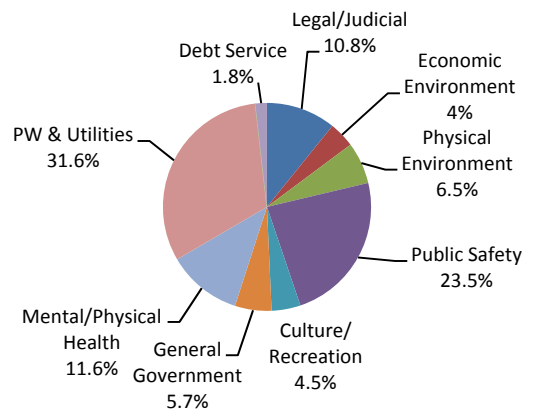
Roughly 45% of the County's total budget line item is allocated to personnel costs. All other operating costs consume just under 35%. The remaining 20% is for capital purchases, construction, and debt service.



2011 Total County Expenditures

Summarized by Function

The Public Safety and Legal/Judicial Services combined accounts for roughly 34% of the total County expenditures, with the Mental and Physical Health system absorbing roughly 12%. Just over 38% of the total expenditures are invested in the support of Public Works and Utilities, and the Physical Environment and just roughly 4% is related to Culture and Recreation. Four percent is expended for Economic Environment activity and roughly 8% supports general government functions and debt service. The revenues for Internal Service Funds have been excluded from the totals used to calculate the percentages shown on the pie chart.



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

A. GENERAL FUND REVENUES

A more detailed listing of General Fund Revenues is presented in the General Overview section of this budget document. A summary of the 2011 revenues, with a comparison to the current year, is shown in the table below.

GENERAL FUND REVENUE SUMMARY				
	2011 Budget	2010 Budget	Absolute Change	Percent Change
Property Taxes	\$ 111,307,800	\$ 109,033,980	\$ 2,273,820	2.1 %
Sales Taxes	51,976,000	49,805,000	2,171,000	4.4
Other Taxes	10,234,610	9,790,770	443,840	4.5
Licenses and Permits	8,556,200	6,871,770	1,684,430	24.5
Intergovernmental Revenue	37,606,870	40,685,688	(3,078,818)	(7.6)
Charges for Services	32,320,450	32,609,761	(289,311)	(0.9)
Fines and Forfeitures	6,475,450	8,148,020	(1,672,570)	(20.5)
Interest Revenue	3,611,910	4,013,370	(401,460)	(10.0)
Other Miscellaneous Revenue	5,868,890	6,587,300	(718,410)	(10.9)
Total Available Resources	\$ 267,958,180	\$ 267,545,659	\$ 412,521	0.2 %

Our revenue projections are based largely upon the following assumptions:

1. The local economy will remain sluggish, but we expect to see a gradual but modest improvement over the next 15 months.
2. Inflation will be moderate next year, thus giving only a modest boost to Sales Taxes, Intergovernmental Revenues, and Charges for Services.
3. Short term interest rates will remain at their current historically low levels, with perhaps only a small increase in late 2011.
4. We will continue to receive city contract revenues for several major services (principally sheriff law enforcement and jail operations).

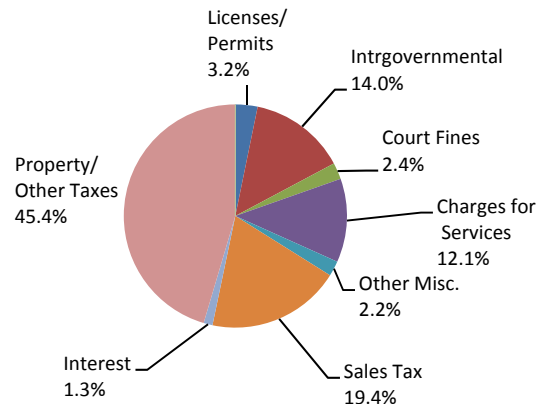
Based upon the above assumptions, and with an in-depth review of our revenue patterns, we are projecting an **increase** in General Fund revenues of only .2% over the 2010 Budget. This is obviously an extraordinarily small increase, and reflects both the state of the economy and circumstances unique to Pierce County.

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

- ❖ **Property Tax** revenue collections are projected to increase by 2.1% in 2011. This increase is based upon two factors. The first is the 1% available under I-747. The second is the tax growth resulting from new construction and improvements (which is much less than prior years).
- ❖ **Sales Tax** revenues are projected to increase by 4.4% over the 2010 budget. However, this is actually only a 2.4% increase over our **revised 2010 estimates**.
- ❖ **Other Taxes** will grow slightly over the 2010 budget.
- ❖ **Licenses and Permits** are projected to be almost 25% above the 2010 budget due to projected activity levels at PALS.

General Fund

- ❖ **Intergovernmental Revenues** reflect a 7.6% reduction, due mostly to projected decreases in “stimulus” monies and other grants.
- ❖ **Charges for Services** are estimated to be about the same bottom line level as 2010. However, there are many significant increases or decreases in specific revenue sources (recording fees, planning fees, indirect cost charges, election reimbursements, etc.).
- ❖ **Fines and Forfeits** are projected to be 20.5% below the 2010 Budget based upon the discontinuance of our involvement in the bridge toll fine activity in early 2011.
- ❖ **Interest Revenues** are projected to generate a 10% decrease in 2011, as higher rate investments mature and funds are re-invested at lower interest rates.
- ❖ **Miscellaneous Revenues** are projected to decrease by almost 11% in 2011, which mostly reflects a reduction in the transfer from the Surface Water Management Fund as the NPDES staff in PALS are now being directly charged to the SWM fund.



Percent Change in General Fund Revenues

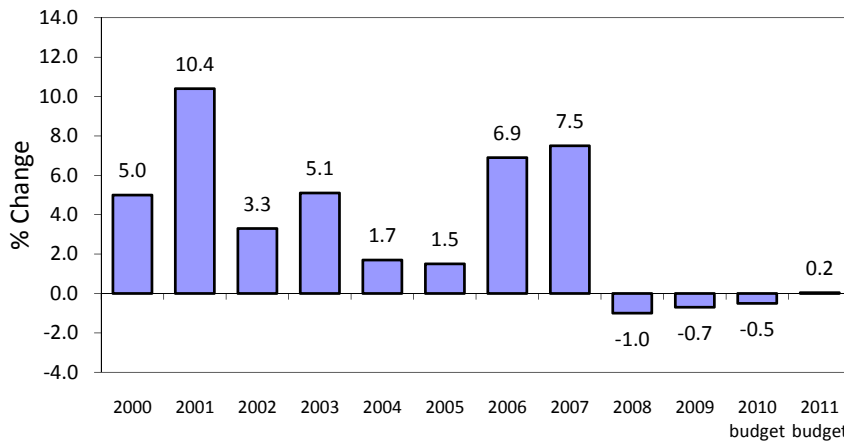


Figure 1

Comparative **revenue** increase figures for the last decade are shown in Figure 1. The increase of .2% in 2011 is clearly well below the average for the early part of the decade, but is the first actual increase (albeit small) since 2007.

Initiative 747 – In addition to the general state of the economy, it must be stressed that I-747 casts a major shadow over our finances. This initiative limits the growth in taxes from existing property to only 1% per year (in place of the previously available 6%). Such a limitation is well below the long term level of inflation, and imposes severe fiscal constraints on the county. The inevitable result is that service cutbacks and staff reductions in even an average economy become unavoidable.

GENERAL FUND I-747 ANNUAL LOSS		
2002	\$	3,482,800
2003		7,325,500
2004		10,903,900
2005		14,801,800
2006		20,071,000
2007		26,304,000
2008		33,100,000
2009		40,600,000
2010		48,600,000
2011		55,000,000 est.
Total		\$ 260,189,000

The annual revenue loss for the first ten years affected by this initiative is shown in the adjacent table. These are very significant revenue losses, with the **annual amount in just fiscal 2011 equal to almost 21% of our General Fund budget**. The Road levy is also affected by I-747, with the 2011 loss estimated at \$25,000,000 (\$20,000,000 for the Road Fund, and \$5,000,000 for the law enforcement levy in the General Fund).

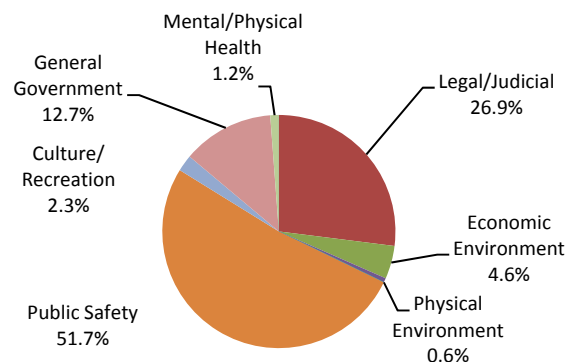
This initiative is causing an inexorable erosion in our financial foundation. It will likely lead to further significant long term reductions in public safety, the justice system, road maintenance, health services, and other vital county programs. This will be the case even when the economy returns to a more normal level.

B. GENERAL FUND EXPENDITURES

The projected Revenue Budget increase of only .2% will obviously not be sufficient to fund all programs and staff at even the reduced 2010 levels. We estimate that, other things like “fixed costs” being equal, it would require a budget increase of approximately 3% to fund existing staff and operating costs for 2011. Major cutbacks are unavoidable.

The Expenditure tables which follow summarize the 2011 General Fund Expenditure Budget, and compare it with the 2010 Budget. The first table presents the General Fund according to **functional** category, while the second table simply lists each **departmental** budget.

As indicated in the **Functional** table, the combined total percentage allocated to Public Safety and Legal/Judicial Services is 78.7% of the budget. The increase in the 2011 General Fund budget allocated to Public Safety and Legal/Judicial Services is \$3.5 million, which causes a resulting decrease of \$3.1 million in all the other functions in order to balance the budget. To the maximum extent possible, we have continued to prioritize Public Safety and the Judicial System. However, given that these 2 categories consume almost 79% of the budget, it is not possible or reasonable to exclude them entirely from budget cutbacks.



As shown in the **Department Expenditures** listing, several of the General Fund departments have a proposed 2011 budget which is below the 2010 level. Almost all other departments have an increase which is less than the level needed to maintain current staff and services (approximately 3%).

General Fund

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

1. Many departments had grants or service contracts in 2010 which are not renewed in 2011, or vice versa.
2. Several departments have other unique items in 2010 which are not present in 2011 (special election costs, capital equipment purchases, one time projects, etc.).
3. There could be significant changes in such annual "fixed costs" as insurance, information technology or space rental.

It is necessary to review each department's situation in some detail to determine what is happening in 2011. I would refer the reader to the "Budget Highlights" section in each departmental budget for a more detailed explanation of any budgetary changes.

GENERAL FUND EXPENDITURES BY DEPARTMENT

	2011 Budget	2010 Budget	Absolute Change	Percent Change
Assessor/Treasurer	\$ 9,629,100	\$ 9,675,200	\$ (46,100)	(0.5) %
Assigned Counsel	15,209,130	15,407,652	(198,522)	(1.3)
Auditor	8,740,990	8,772,503	(31,513)	(0.4)
Bond Debt Service	420,490	419,410	1,080	0.3
Budget & Finance	5,009,960	4,983,250	26,710	0.5
Capital Improvement Projects	50,000	50,000	—	—
Clerk	4,955,390	4,902,675	52,715	1.1
Communications	571,270	562,420	8,850	1.6
Corrections	50,642,710	47,336,830	3,305,880	7.0
County Council	3,913,970	3,866,960	47,010	1.2
County Executive	1,359,550	1,340,790	18,760	1.4
District Court	12,007,140	11,991,040	16,100	0.1
Economic Development	1,075,940	1,048,780	27,160	2.6
Emergency Management	3,307,700	3,263,600	44,100	1.4
Health Services	2,613,070	2,613,070	—	—
Human Resources	3,225,840	3,240,110	(14,270)	(0.4)
Juvenile	19,572,860	19,867,562	(294,702)	(1.5)
Medical Examiner	2,310,960	2,115,310	195,650	9.2
Miscellaneous Current Expense	2,684,090	2,781,560	(97,470)	(3.5)
Parks and Recreation Services	5,798,080	5,945,250	(147,170)	(2.5)
Planning and Land Services	10,883,380	12,686,420	(1,803,040)	(14.2)
Prevention Services & Programs	1,475,000	1,461,250	13,750	0.9
Prosecuting Attorney	26,272,030	26,146,767	125,263	0.5
Reserve For Fund Balance	—	1,053,160	(1,053,160)	(100.0)
Sheriff	60,171,970	60,171,970	—	—
Special Projects	1,745,810	1,788,680	(42,870)	(2.4)
State Auditor	182,110	173,980	8,130	4.7
Superior Court	13,842,890	13,573,040	269,850	2.0
WSU PC Extension	286,750	306,420	(19,670)	(6.4)
Total General Fund	\$ 267,958,180	\$ 267,545,659	\$ 412,521	0.2 %

GENERAL FUND EXPENDITURES BY FUNCTION

	2011 Budget	2010 Budget	Absolute Change	Percent Change
General Government	\$ 33,973,860	\$ 35,060,452	\$ (1,086,592)	(3.1) %
Public Safety	138,594,910	135,421,900	3,173,010	2.3
Physical Environment	1,724,100	1,700,151	23,949	1.4
Legal & Judicial	72,169,320	71,868,906	300,414	0.4
Economic Environment	12,256,590	13,972,820	(1,716,230)	(12.3)
Mental/Physical Health	3,097,570	3,161,570	(64,000)	(2.0)
Cultural & Recreation	6,141,830	6,359,860	(218,030)	(3.4)
Total General Fund	\$267,958,180	\$267,545,659	\$ 412,521	0.2 %

2011 MAJOR STAFFING CHANGES

The following chart summarizes the **major** 2011 budget staff reductions (at least .10 FTE) from the current 2010 budget. Given our fiscal circumstances these are moderate reductions, and total only a 1.5% staffing decrease in the General Fund from 2010. However, these staff decreases are in addition to those cutbacks which occurred in fiscal 2008 and 2009, or which resulted from the cutbacks approved by Council early in 2010. In total the General Fund staffing reductions from 2008 to 2011 now equal 280 (13%).

As of mid November we would estimate that **approximately half of the 28 position reductions for 2011 would result in actual lay-offs**. The remaining positions are currently vacant.

Although not reflected in this table, **several other departments will achieve budget savings through planned furloughs**. It is also possible that the Planning and Land Services Department will need to reduce staffing to comply with the final Council enacted reduction of \$250,000 in that department's budget.

Other Expenses

It needs to be emphasized that almost all departmental budgets also include significant reductions in many non-personnel accounts such as extra hire, overtime, equipment purchases, training, consulting, support for "outside programs", etc.

Also, there are simply cutbacks in programs and services which are not directly related to staff or operating line-items.

Finally, in order to balance the General Fund budget and still keep priority programs intact, it was deemed necessary and appropriate to use fund balance in other funds to reduce charges to our General Fund departments. These funds included Information Technology, G.I.S., Self Insurance, and Facilities Management.

A review of the "Budget Highlights" and "Program Expenditures" sections of each department or fund budget is recommended for detail regarding many of the proposed budget changes.

STAFFING REDUCTION SUMMARY

Department	2011 Reductions
Assessor-Treasurer	(1.00)
Prosecuting Attorney	(6.00)
Auditor	(1.00)
Emergency Management	(2.00)
Clerk	(1.00)
Executive	(0.12)
Budget and Finance	(1.00)
District Court	(1.00)
Juvenile Court	(10.00)
Corrections	(1.50)
Superior Court	(0.50)
Special Projects	(1.00)
Parks & Recreation	(1.00)
Assigned Counsel	(1.20)
Direct General Fund	(28.32)

General Fund

C. USE OF PRIOR FUND BALANCE

Figure 3 and Figure 4 present the actual financial results for the General Fund during the 2000-2009 period, and the budgeted amounts for 2010-2011. As indicated in Figure 3, the trend through most of the decade had been very mixed. Both a strong economy and prudent fiscal policies produced favorable financial results through 2007. However, the actual results for 2008 and 2009 reflect a much different environment, with major deficits in both years. The 2010 budget reflects no more use of fund balance, and neither does our proposed 2011 Budget.

If the 2010 actual results match the budget, the Unreserved General Fund balance will be approximately \$23.9 million at the end of 2010 (see Figure 4). It is the county's policy to maintain a fund balance for emergency and working capital purposes which is 10% of the budget. We were at that level at the end of 2008, and should be close to that goal (at almost 9%) at the end of 2011 (see figure 5).

Unreserved General Fund Balance

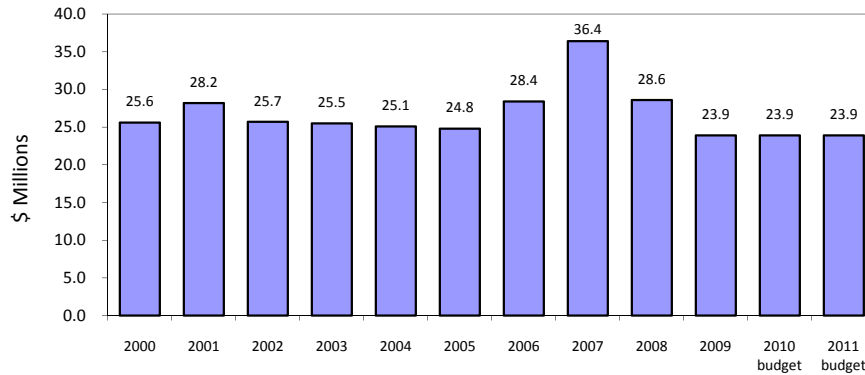


Figure 4

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

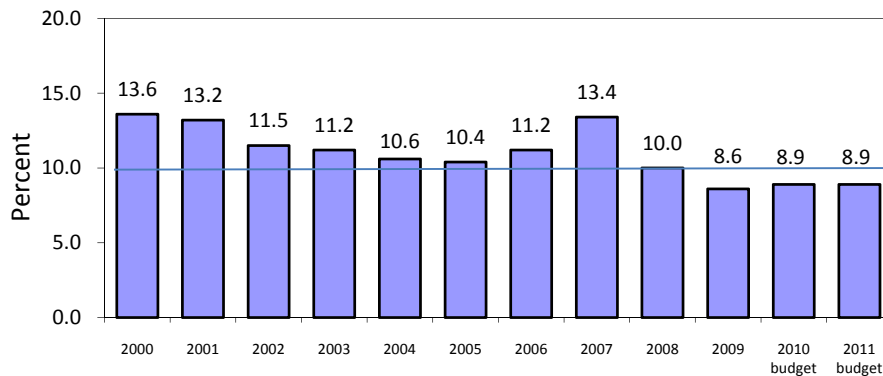


Figure 5

OTHER COUNTY FUNDS

A great 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. COMMUNITY SERVICES & HUMAN SERVICES FUNDS

The County is a major provider of Community and Human Services through programs funded primarily from state and federal grants, and in recent years the new recording fees for housing programs. Due to the vagaries of the grant funding process, these budgets often vary significantly from year to year. The following summarizes the **major funds** and the significant **changes from the 2010 budgets**:

1. The **Mental Health Fund** simply reflects close-out expenses.
2. **Human Services** reflects the positive impact of closing the PSBH building.
3. The **"Housing"** program changes often reflect grant fluctuations, major multi-year project impacts, and/or conservative grant estimates.

COMMUNITY SERVICES & HUMAN SERVICES			
Fund	2011 Budget	2010 Budget	Percent Change
Community Action	\$ 8,489,610	\$ 12,016,956	(29.4) %
Community Development	3,553,380	3,830,770	(7.2)
Homeless Housing Program	3,636,390	4,956,050	(26.6)
Housing Repair Program	6,821,250	9,172,020	(25.6)
Human Services	35,311,200	36,244,290	(2.6)
Low Income Housing Fee	979,340	999,420	(2.0)
Mental Health Fund	220,000	1,500,000	(85.3)

It is our belief that the funding from state and federal sources is not adequate to finance the service levels that should 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 2011. However, federal and state budget difficulties may result in future cutbacks in funding levels.

B. TRANSPORTATION SERVICES

The Public Works and Utilities Department has major transportation responsibilities, and accounts for these responsibilities and service costs in seven major funds.

The 2011 budgets, with comparisons to 2010, are shown in the table to the right.

The major items of note for next year are:

TRANSPORTATION SERVICES FUNDS			
Fund	2011 Budget	2010 Budget	Percent Change
County Roads Fund	\$61,717,460	\$ 62,133,180	(0.7) %
PW Construction Fund	35,902,000	35,670,000	0.7
Ferry Service Fund	4,612,150	5,662,800	(18.6)
Airport Fund	7,174,400	6,361,020	12.8
Roads Second REET	5,855,500	24,386,000	(76.0)
Traffic Impact Fee Fund	4,337,870	4,985,380	(13.0)
Transportation Facilities	752,000	252,000	198.4

The **County Road fund** and **Traffic Impact Fees fund** reflect diminished activity and staffing as projects are completed and as revenue sources are reduced.

The **Ferry Services fund** reflects reduced repair and capital project expenses.

Airport Fund — reflects the fact that 2011 includes major construction projects.

Roads Second REET — 2011 simply reflects capital project allocations from current revenues, while 2010 also reflects bond proceeds.

Transportation Facilities — simply includes minor design costs for proposed new facilities.

Other County Funds

C. PARKS AND RECREATION FUNDING

Although the County's General Fund provides a direct allocation for parks and recreation services (\$5.8 million in 2011), there are several other county funds which provide park and recreation services or which construct, repair or enhance park and recreation facilities. The 2011 Budgets for these funds are shown to the right.

As the figures indicate these funds are mostly experiencing a decrease in budget resources, from \$15.8 million in 2010 down to \$14.5 million in 2011. This is due to a variety of circumstances: decline in available fund balances, decrease in annual revenues due to the economic

slowdown, completion of major projects in 2010. It is likely that this lower level of expenditures will continue to be the pattern for at least the next few years.

PARKS FUND			
Fund	2011 Budget	2010 Budget	Percent Change
Conservation Futures	\$ 6,253,200	\$ 6,715,730	(6.9) %
Parks Impact Fees	325,020	579,880	(44.0)
Parks Sales Tax	2,954,990	3,218,550	(8.2)
Parks Second REET	773,000	690,860	11.9
Paths & Trails	1,162,480	1,321,280	(12.0)
Parks Construction Fund	1,090,000	1,250,000	(12.8)
Golf Courses	1,897,720	1,990,000	(4.6)

D. ENVIRONMENTAL SERVICES

The County Public Works and Utilities Department has five funds which deal with environmental issues. These funds and budgets are listed below:

Major changes in these funds can be summarized as follows:

Surface Water Management — the budget reflects additional staffing (two), major allocations for capital projects, and a proposed 5% rate increase.

Sewer Utility — the budget includes:

1. A significant bonded capital improvement program.
2. A rate increase is proposed to match the impact of inflation on operating costs and provide resources for future planned capital improvements.

River REET — includes a sizeable land acquisition program utilizing anticipated grant funds, and infrastructure improvements.

Solid Waste – fewer monies needed for post-closure expenses.

ENVIRONMENTAL SERVICES FUNDS			
Fund	2011 Budget	2010 Budget	Percent Change
Surface Water Management	\$ 25,472,650	\$ 20,714,940	23.0 %
Sewer Utility	89,904,210	106,298,600	(15.4)
Solid Waste	6,714,150	7,171,520	(6.4)
Water Utility	326,360	285,080	14.5
River - REET	7,684,530	5,652,610	35.9

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. In essence, these funds operate under the enterprise fund business model, except that their customers are other county departments.

INTERNAL SERVICE FUNDS			
Fund	2011 Budget	2010 Budget	Percent Change
Equipment Services	\$16,702,700	\$15,554,080	7.4 %
Information Technology	19,446,090	18,832,350	3.3
Facilities Management	12,309,350	13,156,030	(6.4)
Radio Communications	3,844,860	3,448,390	11.5
Fleet Rental	4,787,150	4,752,740	0.7
General Services	3,006,820	3,345,690	(10.1)
Self Insurance	8,751,870	9,182,790	(4.7)
Workers Comp	4,552,930	4,288,660	6.2

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.

For the most part these funds are showing either decreased budgets, or budgets which reflect only a moderate increase. In light of revenue constraints in the county as a whole, we are also recommending staff cutbacks in several of those funds (e.g., Information Technology, Facilities Management and General Services).

Many of these Internal Service Funds will rely upon prior fund balance in order to support their 2011 budgets. This results from both the scheduled replacement of capital assets using reserves, and our desire to keep charges to other funds to a minimum.

SUMMATION

Pierce County provides vital public services to a growing population of 813,000+. Our 1 to 271 ratio of staff to citizens served is among the leanest in the state, and we strive to make every dollar count.

The deep and long-lasting recession has presented a number of challenges, to be sure; but it also has provided some opportunities to push for more efficiencies. In some cases, we are going for a reset – a chance to stop doing something the old way just because we've always done it that way, or to seize an opportunity to combine resources and improve service delivery.

Still, the 2011 County Budget is based on a set of highly unfavorable economic conditions. The recession's impact on revenues has been the sharpest since the Great Depression. Cutbacks in programs and staffing are unavoidable. We continue to prioritize budget cuts to minimize the impact on public safety and judicial services, which comprise 78.7% of the General Fund.

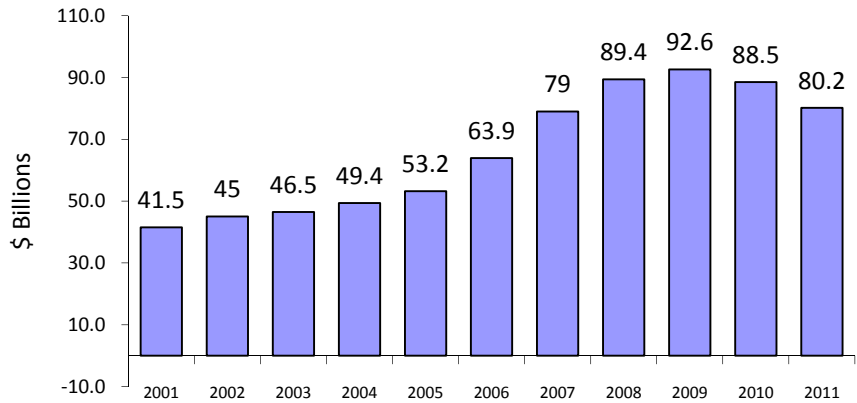
We will need to closely monitor our 2011 revenues as the months unfold to see if our revenue estimates are holding true. It is also possible that the situation could improve in mid to late 2011, thus allowing us to restore some of these cutbacks. However, it is very unlikely that our revenues will return to the levels seen in the 2006 - 2007 period (or before I-747); and as indicated earlier fiscal 2012 could present even more budgetary challenges.

Other Financial Information

PROPERTY TAXES AND ASSESSED VALUATION

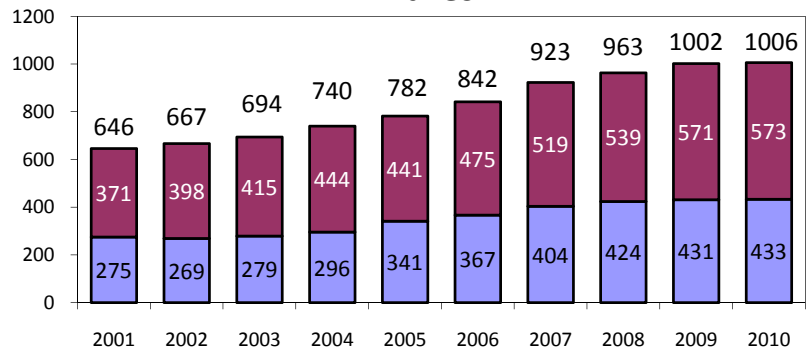
Property tax is the largest source of revenue in the General Fund and is a major source of revenue for the Road Fund. The Assessor/Treasurer values and provides information on approximately 1,080,000 acres of land in Pierce County. Of this total, 51% is taxable acreage, the remaining being exempt under State law. In addition to the statutory levies implemented through State legislation, local levies are imposed through a vote of the people. These are typically for school and fire districts. On average 42% of the total taxes levied over the last nine years have been voter approved.

Total Assessed Valuation



The growth in Property Tax revenue is dependent upon both the assessed valuation and the tax rate. For the second straight year the county's assessed valuation total will decrease for the next year, from \$88.5 billion to \$80.2 billion. This results in an assessed value decrease of \$9.2 billion for existing property, only partially mitigated by a \$938 million growth due to new construction.

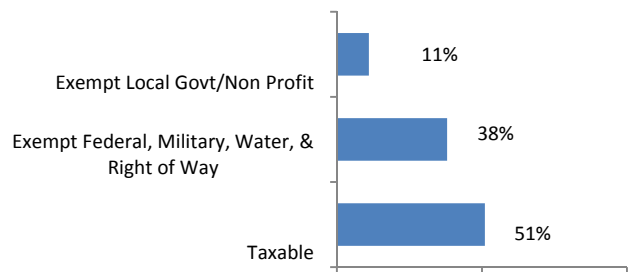
Voter Approved and Statutory Property Taxes



■ Voter Approved Levies ■ Statutory Levies

Of the total tax levies for 2009 (collected in 2010), 44% are voter approved and 56% are statutory levies. These percentages will not be known for the 2010 tax levies (collected in 2011) until January of 2011 when the final certification figures are available.

Pierce County Acreage Exemption Status



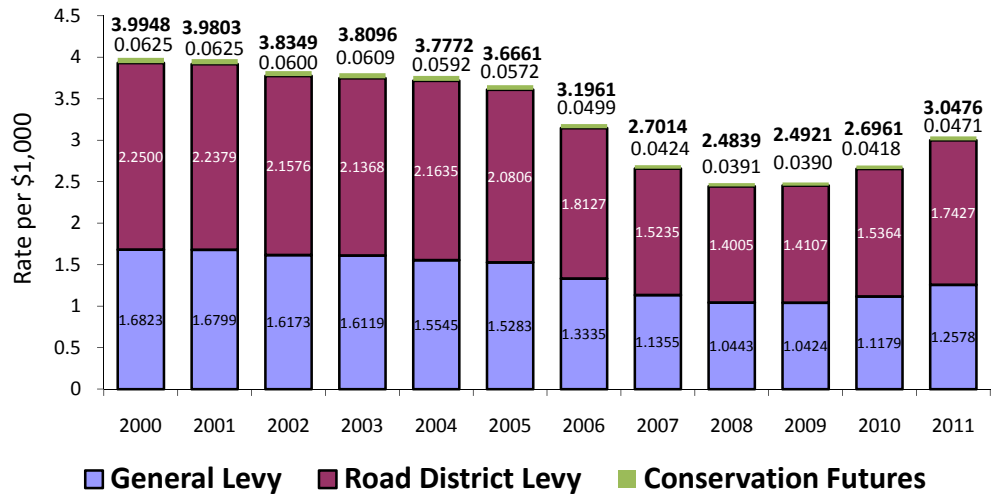
Of the total Pierce County acreage 49% is tax exempt. Federal and Military lands, major lakes, and local Right-of-Way make up 38% of the exempted properties. Eleven percent is local governments and non-profits (mostly schools and churches).

PROPERTY TAX LEVY RATES

Levy rates determine the amount of tax that a property owner pays per thousand dollars of assessed value. The November 2001 passage of Initiative 747 limits the maximum growth in property tax revenues from existing property to the lesser of 1% or the percentage increase in the Implicit Price Deflator (IPD).

This limitation on property tax revenue growth coupled with an inflationary increase in existing property revaluations had resulted in a major decline in rates since the initiative was enacted. The recent decreases in the valuation of existing property has now resulted in tax rate increases for 2009 - 2011.

Combined Property Tax Millages



The Combined Property Tax Millages chart presents historical and comparative detailed rate information.

PROPERTY TAX LEVIES				
	2010		2011	
	Tax Rate ¹	Revenue	Tax Rate ¹	Revenue
	Assessed Value: \$88,468,117,832		Assessed Value: \$80,212,403,519	
A. County Levy (\$1.80 maximum)				
General Fund	\$ 1.0919	\$ 96,602,030	\$ 1.2292	\$ 98,595,280
Administrative Refund RCW 84.69	0.0035	313,280	0.0034	271,570
Sub Total General Fund	1.0954	96,915,310	1.2326	98,866,850
Veterans' Relief	0.0070	616,170	0.0078	628,890
Social Services	0.0155	1,369,270	0.0174	1,397,520
Total County Levy	1.1179	98,900,750	1.2578	100,893,260
B. Conservation Futures (\$.0625 Maximum)	0.0418	3,701,560	0.0471	3,776,160
	Assessed Value: \$38,332,961,399		Assessed Value: \$34,412,837,011	
C. Road District Levy (\$2.25 Maximum)				
Allocated to Road Fund	1.2316	47,211,310	1.3991	48,146,920
Law Enforcement Levy	0.2999	11,494,620	0.3406	11,722,410
Administrative Refund RCW 84.69	0.0049	188,880	0.0029	101,030
Total Road District Levy	1.5364	58,894,810	1.7427	59,970,360
TOTAL COUNTY TAX LEVIES	\$ 2.6961	\$ 161,497,120	\$ 3.0476	\$ 164,639,780

¹Tax rates are applied to each \$1,000 of assessed value.

Other Financial Information

DEBT CAPACITY

Under Washington State Law, a county may issue general obligation debt for general county purposes in an amount not to exceed 2½% of all actual value of all taxable property. Unlimited tax debt requires an approving vote of the people, and any election to validate General Obligation Debt must have a voter turnout of at least 40% of those who voted in the last state general election, and 60% of those voting must be in the affirmative.

The County Council may, by ordinance, authorize the issuance of limited tax General Obligation Debt in an amount up to 1½% of the actual valuation within the County without a vote of the people. No combination of limited or unlimited tax debt may exceed 2½% of the actual valuation. The debt service on unlimited tax debt is secured by excess tax levies, whereas the debt service on limited tax debt is secured by taxes collected within the \$1.80 per \$1,000 of assessed value county operating levy.

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

DEBT CAPACITY AS OF SEPTEMBER 30, 2010		
2010 Assessed Valuation for 2011 Tax Collections	\$	80,212,403,519
A. Inside Levy (issued without vote of the people)		
Legal Limit (1.5% of property value)	\$	1,203,186,053
<i>Amount of Debt Applicable to Debt Limit:</i>		
Net Limited General Obligation Bonds	\$	134,907,914
Net Limited General Obligation Bonds - Proprietary Type	\$	21,982,757
Estimated Compensated Absences (12/31/2009)		24,001,000
Installment Contracts - Ferries / Road / Sewers		9,631,100
Total Limited Tax General Obligation Debt		<u>190,522,771</u>
Limited Tax General Obligation Debt Margin Available	\$	1,012,663,282
B. Outside Levy (issued with vote of the people)		
Legal Limit (2.5% of property value)	\$	2,005,310,088
<i>Amount of Debt Applicable to Debt Limit:</i>		
Net Limited General Obligation Debt	\$	<u>190,522,771</u>
Total General Obligation Debt Margin Available	\$	1,814,787,317

PIERCE COUNTY BONDED DEBT RATIOS ESTIMATED AT SEPTEMBER 30, 2010		
General Obligation Bonded Debt per Capita (excluding Proprietary GO/Debt, Compensated Absences, & Installment Contract)	\$	165.61
Assessed Valuation per Capita	\$	98,468
Ratio of direct G O Bonded Debt to Assessed Value (including Proprietary GO/Debt)		0.0020

PIERCE COUNTY BOND RATINGS		
	General Obligation	Sewer Revenue (Uninsured)
Moody's	Aa2	A-1
Standard and Poor's	AA-	AA

2011 CAPITAL IMPROVEMENT PROGRAM

Introduction

The Capital Improvement Program (CIP) is the operational implementation of the Capital Facilities Plan (CFP). The CFP is one of the elements of Pierce County's comprehensive plan that is required by Washington's Growth Management Act (GMA).

The GMA requires the CFP to identify public facilities that will be needed to address development expected to occur during the next six years. The CFP must identify the location and cost of the facilities and the sources of revenue that will be used to fund the facilities needed to support development. The CFP must be financially feasible; in other words, dependable revenue sources must equal or exceed anticipated costs. If the costs exceed the revenue, the County must reduce its Level of Service, reduce costs by implementing non-capital alternatives or other methods, or modify the land use element to bring development into balance with available or affordable facilities.



Other requirements of the GMA mandate forecasts of future needs for capital facilities and the use of standards for Levels of Service of facility capacity as the basis for public facilities contained in the CFP. As a result, public facilities in the CFP must be based on quantifiable, objective measures of capacity, such as traffic volume capacity per mile of road or acres of park per capita.

One of the goals of the GMA is to: "Ensure that those public facilities and services necessary to support development shall be adequate to serve the development at the time the development is available for occupancy and use . . ." In Pierce County, concurrency is required for sanitary sewer, septic and community systems, water, surface water, County roads, transit, and ferries. For these facilities, the following is required: (1) facilities serving the development to be in place at the time of development (or, for some types of facilities, that a financial commitment is made to provide the facilities within a specified period of time), and (2) such facilities have sufficient capacity to serve development without decreasing LOS below minimum standards adopted in the CFP. The GMA requires concurrency for transportation facilities. For transportation facilities, concurrent with development means "improvements or strategies are in place at the time of development, or that a financial commitment is in place to complete the improvements or strategies within six years."

GMA also requires public facilities and services to be "adequate." These public facilities and services include: streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, domestic water systems, storm and sanitary sewer systems, parks and recreational facilities, schools, fire protection and suppression, law enforcement, public health, education, recreation, environmental protection, and other governmental services.

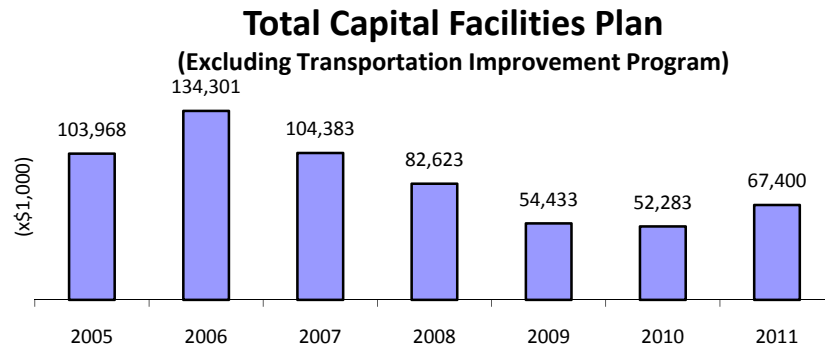
The County's development regulations, adopted July 1995, implement the plan and provide detailed regulations and procedures for implementing the requirements of the plan.

Other Financial Information

CAPITAL IMPROVEMENT PROGRAM SUMMARY

This budget book contains summary capital improvement information. The complete Capital Facilities Plan and detailed CIPs are available at:

<http://www.piercecountywa.org/xml/abtus/ourorg/bnf/CFP2011.pdf>.



During the last seven years 2006 was the high point. During that year there were significant increases for Courts/City-County Building remodel, Human Services building renovation, river improvement and sanitary sewer construction.

CAPITAL IMPROVEMENT PROJECT SUMMARY

	2011	2012	2013	2014	2015
Airports	\$ 5,277,900	\$ 790,000	\$ 3,400,000	\$ 580,000	\$ 1,100,000
District Court	—	338,100	128,800	—	—
Emergency Management	—	—	—	—	—
Ferry System	—	130,000	—	—	—
General Admin Buildings	2,992,500	128,800	—	—	—
Human Services	230,000	3,685,600	6,149,700	19,871,500	13,500,000
Juvenile Detention	110,000	—	—	—	—
Parks and Recreation	7,936,650	—	—	—	—
Roads Bldgs & Facilities	600,000	100,000	4,450,000	5,325,000	—
Sewer Utility	38,650,700	104,506,800	103,096,900	63,675,900	35,590,900
Sheriff Buildings	—	—	—	—	—
Sheriff's Corrections and Detent	215,000	—	—	—	—
Solid Waste	464,800	1,270,000	1,634,000	—	—
Superior Court	—	50,000	50,000	50,000	50,000
Surface Water and River	10,890,000	1,860,000	—	—	—
Total	\$ 67,367,550	\$ 112,859,300	\$ 118,909,400	\$ 89,502,400	\$ 50,240,900

2011 CAPITAL IMPROVEMENT PROJECTS SOURCES OF FUNDS

The sources of funds for capital improvement projects have been grouped into five major categories:

Taxes/Fees - This source of revenue includes non-dedicated taxes and fees such as sales tax, property tax, court fines, licenses and permits. This category also includes dedicated taxes and fees such as park impact fees, park sales tax, and gas taxes.

Service Fees - These fees are for specific services provided. Examples are E 9-1-1, golf course fees, sewer fees and surface water management fees.

Other Financial Information

Grants & Contributions - This source of revenue includes federal, state and city contributions for specific projects or purposes. Examples include road funds, parks donations and grants, mental health and human services grants, and the City of Tacoma portion of the County-City Building.

Bonds - This is interest bearing debt issued by the county.

Intergovernmental Loans (none in 2011). This category is used for loans from one department to another, or from a tax/fees fund to a user fee (enterprise) fund.

2011 SOURCE OF FUNDS

	Taxes/Fees	Service Fees	Grants & Contributions	Bonds	Intergov't Loans	Total
Airports	\$ 20,000	\$ 287,450	\$ 4,970,450	\$ —	\$ —	\$ 5,277,900
District Court	—	—	—	—	—	—
Emergency Management	—	—	—	—	—	—
Ferry System	—	—	—	—	—	—
General Admin Buildings	992,500	—	2,000,000	—	—	2,992,500
Human Services	230,000	—	—	—	—	230,000
Juvenile Detention	110,000	—	—	—	—	110,000
Parks and Recreation	7,936,650	—	—	—	—	7,936,650
Roads Bldgs & Facilities	600,000	—	—	—	—	600,000
Sewer Utility	—	3,296,700	—	35,354,000	—	38,650,700
Sheriff Buildings	—	—	—	—	—	—
Sheriff's Corrections and Detent	215,000	—	—	—	—	215,000
Solid Waste	—	594,800	—	—	—	594,800
Superior Court	—	—	—	—	—	—
Surface Water and River	5,205,000	—	5,685,000	—	—	10,890,000
Total	\$ 15,309,150	\$ 4,178,950	\$12,655,450	\$ 35,354,000	\$ —	\$ 67,497,550
Percent of Total	23%	6%	19%	52%	—	100%

2011 IMPACT ON THE OPERATING BUDGET

Each subsection provides a forecast of the future maintenance and operating costs of capital improvements projects. The impacts of each project are presumed to begin in the year after the year in which the project is completed. Since it is not possible to forecast the completion date of each project, no attempt has been made to identify impacts for any portion of the year in which the project is completed.

The forecast of operating impacts is included because the substantial cost impacts of some facilities may be a factor in the County's decision to construct the project. No "financing plan" is offered for the operating costs, and the County will be obliged to find revenue to pay for such costs. (Some of the revenue may come from increases to the tax base that accompanies the new development that created the need for the capital facility. There is no assurance, however, that the increased tax revenue from new development will be sufficient to pay for the cost of operating the new facilities.)

The operating impact costs reflect the amount by which each future year's operating budget will increase compared to the current operating budget. The same project is shown to have the same annual impact on each succeeding year's operating budget. Sometimes, the completion of a capital improvement project will result in savings in operating costs rather than incur new costs. In other instances, such as maintenance, renovation or repair projects, there will be no impact on operating costs. In these cases, zeroes are entered. For some projects the operating impact of the capital improvement projects cannot be calculated because of too many unknown factors such as final configuration and type of facility, realignment of staffing, or the amount of shared infrastructure with current facilities.

Other Financial Information

CAPITAL IMPROVEMENT IMPACT ON THE OPERATING BUDGET

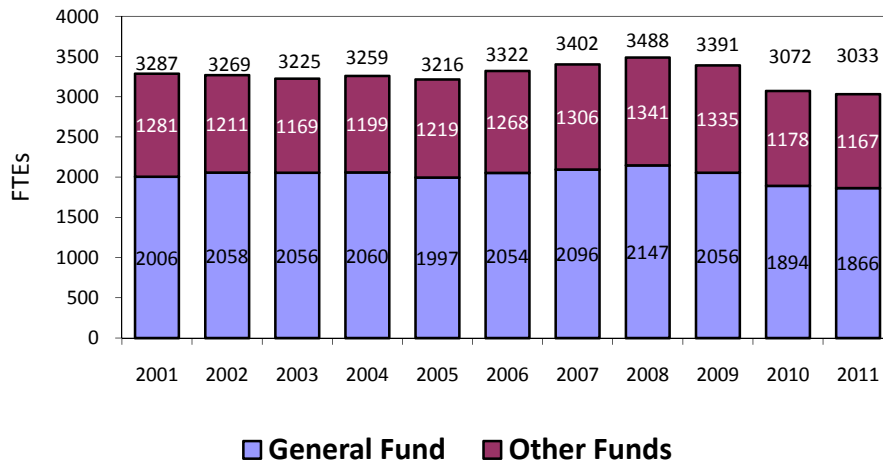
	2011	2012	2013	2014	2015
Airports	\$ 1,200	\$ 174,200	\$ 186,200	\$ 228,200	\$ 234,200
District Court	—	—	—	—	—
Emergency Management	—	—	—	—	—
Ferry System	—	—	—	—	—
General Admin Buildings	—	—	—	—	—
Human Services	—	—	—	—	—
Juvenile Detention	—	—	—	—	—
Parks and Recreation	—	—	—	—	—
Roads Bldgs & Facilities	—	—	—	—	—
Sewer Utility	—	—	—	—	—
Sheriff Buildings	—	—	—	—	—
Sheriff's Corrections and Detent	—	—	—	—	—
Solid Waste	—	—	—	—	—
Superior Court	—	—	—	—	—
Surface Water and River	—	—	—	—	—
Total	\$ 1,200	\$ 174,200	\$ 186,200	\$ 228,200	\$ 234,200

Zero indicates no operating impact because the projects will not add capacity that requires additional operating expenditures, or the operating impact cannot be determined at this time.

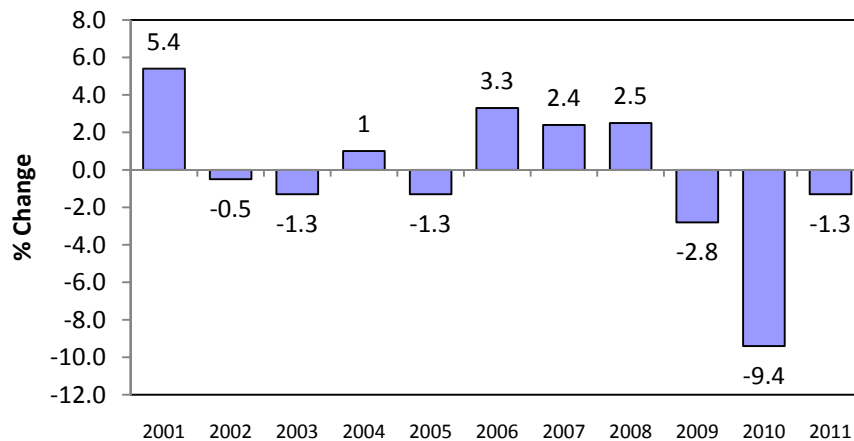
STAFFING INFORMATION

As the population of Pierce County has increased, the demand for county services has risen correspondingly. General Fund staffing (authorized positions) has decreased by 140 FTEs (7.0%) since 2001 while staffing in all other funds (special revenue, enterprise, and internal services) has decreased by 114 FTEs (8.9%). Overall, 254 FTEs have been reduced since 2001, a decrease of 7.7%.

County-wide Staffing Summary



Percent Change in County-wide Staffing



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

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

- a) The PSBH staff count subsequently declined over these years to 98 positions in 2005 as service responsibilities were restructured or eliminated;
- b) Initiative 747 (1% property tax limitation) resulted in far less revenue being available to fund new positions or even to support existing positions; and
- c) The Sheriff's contract with the City of Lakewood for police services was terminated at the end of 2004, which resulted in a loss of 103 positions in the Sheriff's department in 2005.

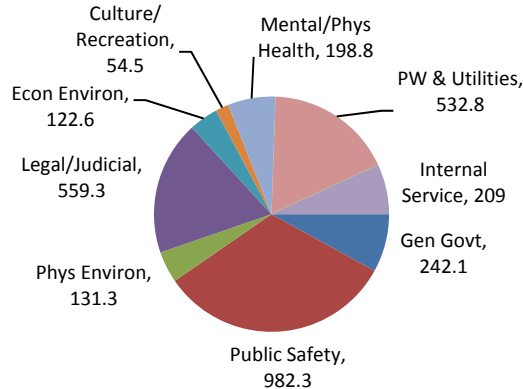
Other Financial Information

The 2006-2008 Budgets again reflect new positions throughout the County to enhance service levels, including staff in PALS, Sheriff, Corrections, Prosecuting Attorney, Assigned Counsel, Superior Court, Juvenile, Human Resources, Medical Examiner, Clerk, Emergency Management, Economic Development, Parks and Recreation, Public Works and Utilities, and the Auditor's Office for animal control and election services.

However, a significant decline in revenues resulted in staffing reductions in 2009 and 2010, and further proposed staffing reductions in 2011. The 2010 staffing cuts include 154 FTE reductions as a result from the termination of the state contract with the County for Mental Health services.

2011 Total County Staffing

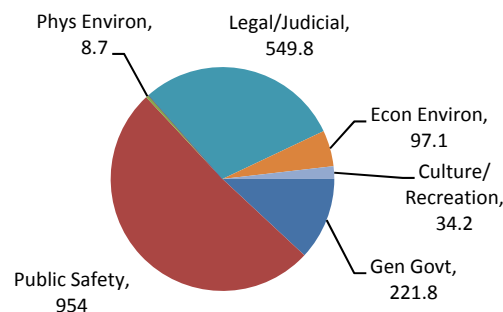
Summarized by Function



The Public Safety and Legal/Judicial systems combined accounts for just roughly 50% of the total County staff, with the Mental and Physical Health system at almost 7%. Just under 22% of the total staff provides PW & Utilities, and the Physical Environment services. Almost 2% of the total staff is related to Culture and Recreation. Four percent are involved in Economic Environment activity and roughly 15% staffing provide general government functions (including internal service funds).

2011 General Fund Staffing

Summarized by Function



The Public Safety and Legal/Judicial systems combined accounts for almost 81% of all General Fund staff. Just under 12% provide General Governmental services. Just over 5% of the General Fund staff support Economic Environment activities and just over 2% are involved in Culture and Recreation, and Physical Environment activities.

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

Other Financial Information

STAFFING SUMMARY

	2001 FTE	2005 FTE	2006 FTE	2007 FTE	2008 FTE	2009 FTE	2010 FTE	2011 FTE	Change from 2001
General Fund:									
Assessor/Treasurer	100.30	90.60	91.80	91.30	90.60	86.35	76.70	75.70	(24.60)
Assigned Counsel	85.90	89.30	93.20	96.60	101.10	99.10	92.50	91.30	5.40
Auditor	42.00	45.00	51.00	54.00	53.30	50.30	50.05	48.30	6.30
Budget & Finance	43.95	44.15	44.15	44.95	45.00	41.00	38.17	37.17	(6.78)
Clerk of the Superior Court	54.50	57.00	57.50	57.50	56.50	53.50	49.50	48.50	(6.00)
Communications	5.00	5.00	4.00	4.00	4.00	3.00	2.65	2.58	(2.42)
Corrections	349.80	375.70	383.10	395.10	400.10	393.00	373.40	371.90	22.10
County Council	29.50	29.00	31.00	31.00	31.00	28.00	28.00	27.91	(1.59)
County Executive	8.75	8.00	8.00	8.00	8.00	10.00	8.60	8.46	(0.29)
District Court	112.55	109.50	109.50	111.00	113.50	109.00	105.50	104.50	(8.05)
Economic Development	5.80	7.00	8.00	8.00	8.00	7.00	7.00	7.00	1.20
Emergency Management	22.40	28.00	31.00	32.00	32.00	31.00	31.00	29.00	6.60
Human Resources	24.60	27.60	28.60	29.60	31.10	24.17	20.75	20.80	(3.80)
Juvenile	178.82	173.12	174.82	175.82	195.82	191.82	181.57	171.57	(7.25)
Medical Examiner	13.00	14.50	15.00	15.50	15.50	15.00	15.00	15.50	2.50
Parks & Recreation Services	50.68	43.05	39.41	40.41	41.05	38.90	35.28	34.28	(16.40)
Planning & Land Services	125.50	150.62	164.32	171.32	173.20	134.80	89.60	89.60	(35.90)
Prevention Services & Programs	.73	-	-	-	-	-	-	-	(0.73)
Prosecuting Attorney	221.57	228.50	230.70	231.70	233.20	234.70	221.70	215.70	(5.87)
Public Defense Conflict Office	-	-	4.00	4.00	5.00	5.60	-	-	-
Sheriff	428.00	364.00	374.00	381.00	394.00	389.00	361.00	361.00	(67.00)
Special Projects	9.89	11.00	11.75	12.67	14.30	11.80	9.95	8.95	(0.94)
Superior Court	88.88	92.88	95.38	95.38	96.38	95.38	96.38	95.88	7.00
WSU PC Extension	3.60	3.60	3.60	4.60	4.60	3.57	-	-	(3.60)
Total General Fund	2,005.72	1,997.12	2,053.83	2,095.45	2,147.25	2,055.99	1,894.30	1,865.60	(140.12)
Special Revenue Funds:									-
Arts & Cultural Services Fund	1.79	1.59	1.59	1.44	.69	.30	.50	.05	(1.74)
Auditor's Maint & Operation Fund	.50	.50	2.50	2.00	5.70	7.20	7.20	6.47	5.97
Community Action Fund	59.56	49.77	49.77	46.95	48.32	51.89	50.13	50.12	(9.44)
Community Development Fund	12.00	11.31	11.31	11.31	11.06	11.45	10.80	10.68	(1.32)
Conservation Futures Fund	1.00	1.00	1.00	3.00	3.00	3.15	4.15	4.15	3.15
County Road Fund	328.70	337.33	344.98	366.19	370.44	371.90	345.44	336.30	7.60
Criminal Justice Fund	1.00	2.00	3.00	4.00	4.00	3.00	5.00	4.00	3.00
Detention Ctr Commissary Fund	-	3.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Drug Investigation Fund	-	4.00	7.00	7.00	7.00	6.00	2.00	2.00	2.00
Emergency Mgmt Grants Fund	-	12.88	16.50	16.50	14.50	15.00	16.00	16.00	16.00
Judson Family Justice Ctr Fund	-	1.50	8.40	8.50	8.70	9.70	8.40	8.40	8.40
Geographical Info Services Fund	19.00	17.00	19.00	20.00	23.00	23.00	20.00	20.00	1.00
Homeless Housing Fund	-	-	2.00	2.00	4.25	4.25	5.00	5.00	5.00
Housing Repair Program Fund	12.00	12.00	12.00	11.00	11.00	10.86	10.01	9.36	(2.64)
Human Services Fund	185.23	224.47	278.41	320.06	149.99	145.49	142.65	145.65	(39.58)

Other Financial Information

STAFFING SUMMARY									
	2001	2005	2006	2007	2008	2009	2010	2011	Change
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	from
									2001
Mental Health Fund	-	-	-	-	161.91	153.61	-	-	-
Park Impact Fees Fund	-	.05	.05	.05	.05	.05	.05	.05	.05
Parks Sales Tax Fund	-	3.00	6.15	7.15	6.31	5.85	6.25	7.05	7.05
Paths and Trails Fund	1.47	1.02	2.21	2.21	2.41	2.87	2.64	2.64	1.17
Puget Sound Behavioral Hlth Fd	238.59	97.86	41.05	-	-	-	-	-	(238.59)
Rainier Communications Comm Fd	6.00	6.00	7.00	7.00	8.00	7.00	7.35	7.44	1.44
REET River Fund	1.72	1.57	1.39	1.51	1.51	1.51	1.51	1.11	(0.61)
Second REET Parks Fund	-	1.15	1.20	1.20	1.20	1.20	1.75	.95	.95
Surface Water Mgmt Fund	43.50	55.27	60.29	62.00	73.50	67.70	94.45	97.43	53.93
Tourism, Promotion & Cap Fac Fd	.16	-	-	-	-	-	-	-	(0.16)
Veterans' Relief Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-
911 System Fund	4.50	4.00	4.00	4.46	4.46	4.46	4.46	4.46	(0.04)
Total Special Revenue Funds	919.72	851.27	884.80	909.53	925.00	911.44	750.74	744.31	(175.41)
Capital Projects:									
Admin Bldg & Facilities Fund	.16	-	-	-	-	-	-	-	(0.16)
Permanent Jail Construction Fund	35.10	.50	.09	-	1.05	2.95	2.70	.79	(34.31)
REET Capital Improvement Fund	1.69	2.85	3.98	4.65	5.35	3.95	5.10	7.01	5.32
1% for Arts Construction Fund	-	.10	.60	.75	.50	.50	.50	.77	.77
2501 Corporate Express Bldg Fd	-	1.29	1.39	1.80	1.15	-	-	-	-
Transportation Facilities Fund	-	-	1.00	1.00	-	-	-	-	-
Total Capital Projects	36.95	4.74	7.06	8.20	8.05	7.40	8.30	8.57	(28.38)
Enterprise Funds:									
Airport Fund	1.60	1.60	2.63	2.62	2.77	4.77	6.27	6.29	4.69
Chambers Bay Golf Course Fund	-	.80	.75	.50	.20	.50	.61	.52	.52
Golf Courses Fund	8.45	8.78	8.53	9.53	9.53	9.03	9.03	8.03	(0.42)
PC Ferry Services Fund	1.32	1.89	2.80	2.62	2.62	2.92	4.13	3.73	2.41
Sewer Utility Fund	102.11	118.39	126.38	135.09	144.39	149.09	160.98	162.22	60.11
Solid Waste Mgmt Fund	11.21	16.02	16.11	15.68	18.68	18.72	22.62	23.16	11.95
Water Utility Fund	1.00	.09	.01	.10	.10	1.10	1.10	1.10	.10
Total Enterprise Funds	125.69	147.57	157.21	166.14	178.29	186.13	204.74	205.05	79.36
Internal Serv Funds:									
Equipment Rental & Revolving Fd	24.10	24.46	24.27	24.30	26.30	27.30	27.30	27.32	3.22
Facilities Management Fund	42.82	52.21	52.66	52.88	53.75	56.30	48.25	46.25	3.43
Fleet Rental Fund	3.15	3.45	3.45	3.45	3.40	3.40	3.40	3.40	.25
General Services Fund	8.20	8.20	8.20	8.80	8.80	8.80	7.80	6.80	(1.40)
Information Technology Fund	105.00	111.00	114.50	115.50	118.50	115.50	107.50	106.00	1.00
Radio Communication Fund	7.10	7.00	7.00	8.54	9.54	9.54	9.54	9.54	2.44
Self Insurance Fund	6.30	6.30	6.30	6.30	6.30	6.38	7.00	7.15	.85
Workers Compensation Fund	2.70	2.70	2.70	2.70	2.70	2.75	2.75	2.55	(0.15)
Total Internal Serv Funds	199.37	215.32	219.08	222.47	229.29	229.97	213.54	209.01	9.64
TOTAL FUNDS	3,287.45	3,216.02	3,321.98	3,401.79	3,487.88	3,390.93	3,071.62	3,032.54	(254.91)

Other Financial Information

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

	2011 Budget	2010 Budget	Absolute Change	Percent Change
General Government				
Assessor/Treasurer	\$ 9,629,100	\$ 9,675,200	\$ (46,100)	(0.5) %
Auditor	7,305,380	7,367,392	(62,012)	(0.8)
Auditor'S Maint & Oper Fund	1,346,000	1,629,080	(283,080)	(17.4)
Bond Debt Service	420,490	419,410	1,080	0.3
Budget & Finance	5,009,960	4,983,250	26,710	0.5
Communications	571,270	562,420	8,850	1.6
County Council	3,913,970	3,866,960	47,010	1.2
County Executive	1,359,550	1,340,790	18,760	1.4
Employee Assistance Program Fd	72,080	72,260	(180)	(0.2)
Human Resources	3,225,840	3,240,110	(14,270)	(0.4)
Miscellaneous Current Expense	1,084,500	1,066,280	18,220	1.7
Rainier Communicatn Commiss Fd	1,706,880	2,042,810	(335,930)	(16.4)
Reet Capital Improvement Fund	1,956,710	3,206,540	(1,249,830)	(39.0)
Reet Electronic Technology Fd	210,480	229,280	(18,800)	(8.2)
Reserve For Fund Balance		1,053,160	(1,053,160)	(100.0)
Special Projects	1,271,690	1,311,500	(39,810)	(3.0)
State Auditor	182,110	173,980	8,130	4.7
Total General Government	39,266,010	42,240,422	(2,974,412)	(7.0)
Public Safety				
Annex West Building	6,240	53,290	(47,050)	(88.3)
Clear Zone Land Acquisition	2,096,070	3,050,000	(953,930)	(31.3)
Corrections	50,642,710	47,336,830	3,305,880	7.0
Criminal Justice Fund	519,790	2,036,900	(1,517,110)	(74.5)
Detention Center Commissary Fd	1,238,010	1,252,430	(14,420)	(1.2)
District Court	3,692,390	3,588,190	104,200	2.9
Drug Investigation Fund	594,380	691,510	(97,130)	(14.0)
Emergency Management	3,307,700	3,263,600	44,100	1.4
Emergency Managemt Grants Fd	7,066,130	6,621,820	444,310	6.7
Juvenile	16,410,530	16,843,970	(433,440)	(2.6)
Marine Services Fund	125,480	160,430	(34,950)	(21.8)
Medical Examiner	2,310,960	2,115,310	195,650	9.2
Miscellaneous Current Expense	524,200	581,330	(57,130)	(9.8)
Permanent Jail Construction Fd	1,373,210	8,833,080	(7,459,870)	(84.5)
Prevention Services & Programs	1,475,000	1,461,250	13,750	0.9
Reet Capital Improvement Fund	781,750	3,121,630	(2,339,880)	(75.0)
Sheriff	60,171,970	60,171,970	—	—
Special Projects	59,450	59,450	—	—
911 System Fund	9,350,400	7,206,960	2,143,440	29.7
Total Public Safety	161,746,370	168,449,950	(6,703,580)	(4.0)
Physical Environment				
Auditor	1,435,610	1,405,111	30,499	2.2
Conservation Futures Fund	6,253,200	6,715,730	(462,530)	(6.9)
Endangered Species Act Fund	89,970	55,000	34,970	63.6
Federal Forest Services Fund	41,390	56,330	(14,940)	(26.5)
GIS Fund	3,784,300	3,767,480	16,820	0.4
Miscellaneous Current Expense	178,090	173,120	4,970	2.9

Other Financial Information

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

	2011 Budget	2010 Budget	Absolute Change	Percent Change
Reet River Improvement Fund	7,684,530	5,652,610	2,031,920	35.9
Special Projects	110,400	121,920	(11,520)	(9.4)
Surface Water Management Fund	25,472,650	20,714,940	4,757,710	23.0
Total Physical Environment	45,050,140	38,662,241	6,387,899	16.5
Legal & Judicial				
Assigned Counsel	15,209,130	15,407,652	(198,522)	(1.3)
Capital Improvement Projects	50,000	50,000	—	—
Clerk	4,955,390	4,902,675	52,715	1.1
Criminal Justice Fund	181,180	144,460	36,720	25.4
Dispute Resolution Center Fund	145,000	183,010	(38,010)	(20.8)
District Court	8,314,750	8,402,850	(88,100)	(1.0)
Judson Family Justice Ctr Fd	1,355,120	1,452,630	(97,510)	(6.7)
Juvenile	3,162,330	3,023,592	138,738	4.6
Miscellaneous Current Expense	362,800	362,330	470	0.1
Prosecuting Attorney	26,272,030	26,146,767	125,263	0.5
Reet Capital Improvement Fund	287,890	2,152,870	(1,864,980)	(86.6)
Superior Court	13,842,890	13,573,040	269,850	2.0
Total Legal & Judicial	\$ 74,138,510	\$ 75,801,876	\$ (1,663,366)	(2.2) %
Economic Environment				
Community Development Fund	3,553,380	3,830,770	(277,390)	(7.2)
Economic Development	1,075,940	1,048,780	27,160	2.6
Homeless Housing Program Fund	3,636,390	4,956,050	(1,319,660)	(26.6)
Housing Repair Programs Fund	6,821,250	9,172,020	(2,350,770)	(25.6)
Low Income Housing Fee Fund	979,340	999,420	(20,080)	(2.0)
Miscellaneous Current Expense	5,000	5,000	—	—
Planning And Land Services	10,883,380	12,686,420	(1,803,040)	(14.2)
Reet Capital Improvement Fund	11,490	998,830	(987,340)	(98.8)
Special Projects	292,270	232,620	59,650	25.6
Total Economic Environment	27,258,440	33,929,910	(6,671,470)	(19.7)
Mental/Physical Health				
Community Action Fund	8,489,610	12,016,956	(3,527,346)	(29.4)
Health Department	32,234,330	33,128,211	(893,881)	(2.7)
Health Services	2,613,070	2,613,070	—	—
Human Services Construction Fd	3,370	141,710	(138,340)	(97.6)
Human Services Fund	35,311,340	36,244,290	(932,950)	(2.6)
Mental Health Fund	220,000	1,500,000	(1,280,000)	(85.3)
Miscellaneous Current Expense	484,500	548,500	(64,000)	(11.7)
Reet Capital Improvement Fund		323,760	(323,760)	(100.0)
Veterans Relief Fund	899,410	938,160	(38,750)	(4.1)
Total Mental/Physical Health	80,255,630	87,454,657	(7,199,027)	(8.2)
Cultural & Recreation				
Arts And Cultural Services Fd	35,000	122,662	(87,662)	(71.5)
Chambers Bay Golf Course Fund	6,944,660	7,644,120	(699,460)	(9.2)
Golf Courses Fund	1,897,720	1,990,000	(92,280)	(4.6)
Miscellaneous Current Expense	45,000	45,000	—	—
Parks And Recreation Services	5,798,080	5,945,250	(147,170)	(2.5)
Parks Construction Fund	1,090,000	1,250,000	(160,000)	(12.8)

Other Financial Information

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

	2011 Budget	2010 Budget	Absolute Change	Percent Change
Parks Impact Fee Fund	325,020	579,880	(254,860)	(44.0)
Parks Sales Tax Fund	2,954,990	3,218,550	(263,560)	(8.2)
Paths And Trails Fund	1,162,480	1,321,280	(158,800)	(12.0)
Pierce County Fair Fund	188,400	182,770	5,630	3.1
Reet Capital Improvement Fund	6,100,000	714,590	5,385,410	753.6
Second Reet Parks Fund	773,000	690,860	82,140	11.9
Special Projects	12,000	63,190	(51,190)	(81.0)
Tourism Promotion Area Fund	1,315,560	716,710	598,850	83.6
Tourism, Promotion, Facil Fund	1,883,860	723,660	1,160,200	160.3
Wsu Pc Extension	286,750	306,420	(19,670)	(6.4)
1% For Arts Construction Fd	341,670	306,720	34,950	11.4
Total Cultural & Recreation	31,154,190	25,821,662	5,332,528	20.7
Debt Service				
Ltd Tax GO Bond Redemption Fd	12,726,410	10,607,770	2,118,640	20.0
Total Debt Service	12,726,410	10,607,770	2,118,640	20.0
Public Works & Utilities				
County Road Fund	61,717,460	62,133,180	(415,720)	(0.7)
Ferry Services Fund	4,612,150	5,662,800	(1,050,650)	(18.6)
Public Works Construction Fund	35,902,000	35,670,000	232,000	0.7
Reet Capital Improvement Fund		432,400	(432,400)	(100.0)
Second Reet Roads Fund	5,855,500	24,386,000	(18,530,500)	(76.0)
Sewer Bond Funds	4,649,130	1,910,450	2,738,680	143.4
Sewer Facil Restrict Reserve Fd	1,314,560	13,944,080	(12,629,520)	(90.6)
Sewer Utility Const Funds	38,650,700	53,681,100	(15,030,400)	(28.0)
Sewer Utility Fund	45,289,820	36,762,970	8,526,850	23.2
Solid Waste Mgmt Fund	6,714,150	7,171,520	(457,370)	(6.4)
Thun Field Airport - O&M	7,174,400	6,361,020	813,380	12.8
Traffic Impact Fee Fund	4,337,870	4,985,380	(647,510)	(13.0)
Transportation Facilities Fund	752,000	252,000	500,000	198.4
Water Utility Fund	326,360	285,080	41,280	14.5
Total Public Works & Utilities	217,296,100	253,637,980	(36,341,880)	(14.3)
Internal Service				
Equipment Services Division Fd	16,702,700	15,554,080	1,148,620	7.4
Facilities Management Fund	12,309,350	13,156,030	(846,680)	(6.4)
Fleet Rental Fund	4,787,150	4,752,740	34,410	0.7
General Services Fund	3,006,820	3,345,690	(338,870)	(10.1)
Information Technology Fund	19,446,090	18,832,350	613,740	3.3
Radio Communications Fund	3,844,860	3,448,390	396,470	11.5
Self Insurance Fund	8,751,870	9,182,790	(430,920)	(4.7)
Workers Compensation Fund	4,552,930	4,288,660	264,270	6.2
Total Internal Service	73,401,770	72,560,730	841,040	1.2
County Fund Total	\$ 762,293,570	\$ 809,167,198	\$ (46,873,628)	(5.8) %

Other Financial Information

ALL FUNDS COMPARISON OF 2011 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	\$ 32,320,450	\$ 27,768,610	\$ —	\$ 511,300	\$ 55,300,460	\$ 29,851,810	\$ 3,195,482	\$ 148,948,112
Contributed Capital	—	—	—	—	1,112,560	—	—	1,112,560
Fines and Forfeitures	6,475,450	7,500	—	—	—	—	—	6,482,950
Intergovernmental Rev	37,606,870	77,167,040	—	7,846,600	9,736,120	500,100	21,705,330	154,562,060
Licenses and Permits	8,556,200	53,000	—	—	—	—	3,903,658	12,512,858
Other Financing Sources	—	—	—	4,876,340	2,576,450	—	—	7,452,790
Other Miscellaneous Rev	9,480,800	7,945,590	12,726,410	11,034,660	8,799,270	37,150,740	2,017,393	89,154,863
Other Taxes	10,234,480	13,143,050	—	2,225,000	92,400	—	—	25,694,930
Property Taxes	111,307,930	53,331,850	—	—	—	—	—	164,639,780
Sales Taxes	51,976,000	3,006,000	—	—	—	—	—	54,982,000
Use of Fund Balance	—	25,274,190	—	24,208,500	39,956,390	5,899,120	1,412,467	96,750,667
Total Revenues	\$ 267,958,180	\$ 207,696,830	\$ 12,726,410	\$ 50,702,400	\$ 117,573,650	\$ 73,401,770	\$ 32,234,330	\$ 762,293,570
Expenditures/Expenses:								
Cultural & Recreation	\$ 6,141,830	\$ 8,638,310	\$ —	\$ 7,531,670	\$ 8,842,380	\$ —	\$ —	\$ 31,154,190
Debt Service	—	—	12,726,410	—	—	—	—	12,726,410
Economic Environment	12,256,590	14,990,360	—	11,490	—	—	—	27,258,440
General Government	33,973,860	3,335,440	—	1,956,710	—	—	—	39,266,010
Internal Service	—	—	—	—	—	73,401,770	—	73,401,770
Legal & Judicial	72,169,320	1,681,300	—	287,890	—	—	—	74,138,510
Mental/Physical Health	3,097,570	44,920,360	—	3,370	—	—	32,234,330	80,255,630
Physical Environment	1,724,100	43,326,040	—	—	—	—	—	45,050,140
Public Safety	138,594,910	18,894,190	—	4,257,270	—	—	—	161,746,370
Public Works & Utilities	—	71,910,830	—	36,654,000	108,731,270	—	—	217,296,100
Total Expenditures	\$ 267,958,180	\$ 207,696,830	\$ 12,726,410	\$ 50,702,400	\$ 117,573,650	\$ 73,401,770	\$ 32,234,330	\$ 762,293,570

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

Internal Services are those services provided to ourselves, such as information technology, telecommunications, self insurance, vehicle and equipment pools, facilities maintenance, routing, and mail processing. The revenues to these Internal Service Funds are expenditures for the other funds receiving their services. Therefore, to obtain a truer net total budget for the County as a whole, we must remove the budget for the Internal Services (less fund balance and any revenues from non-county sources). The “netted” 2011 Budget for Pierce County is \$695,291,020 (total budget of \$762,293,570 less Internal Service Funds of \$73,401,770 plus \$500,100 in Intergovernmental Revenue from non-county sources and \$5,899,120 in Internal Service Funds use of fund balance).

The Governmental Accounting Standards Board (GASB) defines a Major Fund as one which is at least 10% of the fund type group and 5% of the total for all funds. The Major Funds as reported in our 2008 CAFR were the General Fund, Human Services Fund, County Road Fund, Sewer Utility and the Chambers Bay Golf Course. It is expected that these will be the same for fiscal years 2009 and 2011 (except Chambers Bay Golf Course). The General Fund is discussed in significant detail throughout this document. The other funds are described and discussed in their respective individual budget sections.