

Pierce County

2010 Budget In Brief

This document is a “brief” look at the adopted 2010 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 Farrel

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, 2009. 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.

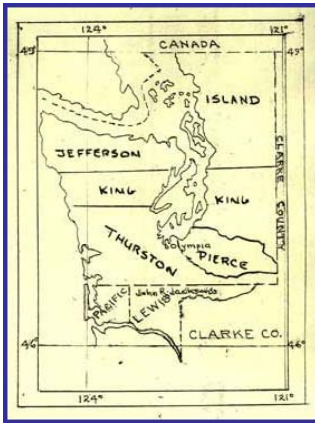
Pierce County Profile	1
Overview.....	1
Demographics.....	1
Economic Development Goals	3
Sales Tax	3
Housing and Real Estate	4
Employment	5
Port Facilities	5
Manufacturing.....	6
Service	7
Budget History.....	7
Organizational Overview	8
Mission and Goals	9
Budget Highlights	10
Total Pierce County Revenue & Expenditure Overview	11
General Fund	12
Revenues	12
Expenditures.....	14
2010 Major Service & Staffing Changes	15
Use of Prior Fund Balance	16
Other County Funds	17
Community Services & Human Services Funds	17
Transportation Services Funds	17
Parks and Recreation Funds	18
Environmental Services Funds.....	18
Internal Service Funds	19
Summation	19
Summary.....	19
Other Financial Information	20
Property Taxes and Assessed Valuation.....	20
Property Tax Levy Rates	21
Debt Capacity	22
2009 Capital Improvement Program.....	23
Capital Improvement Project Summary	24
2010 Capital Improvement Projects Sources of Funds	25
Impact on the Operating Budget.....	25
Staffing Information	27
Total Expenditures/Expenses	31
All Funds Comparison of 2008 Revenues and Expenditures.....	34

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.



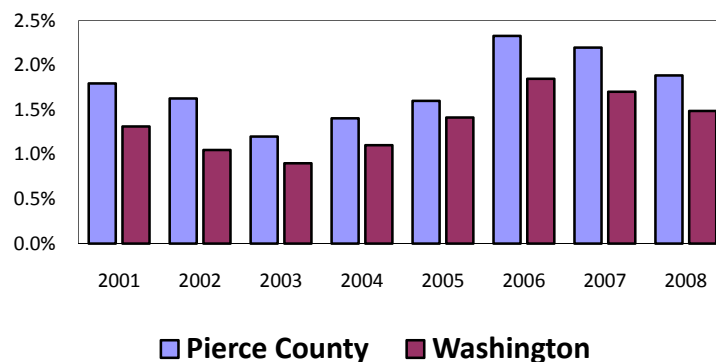
Pierce County became a Home Rule County by a vote of the people in 1981. The County is governed by an elected County Executive and seven elected Council Members. The Prosecutor, Assessor/Treasurer, Auditor, Superior Court Judges, Sheriff, and District Court Judges are also elected by the people.

The County is located on scenic Puget Sound and covers 1,794 square miles (1,676 square miles of land and 118 square miles of water). Pierce County boasts of 10 hospitals, 15 public school districts, a large number of private schools, two vocational technical colleges, two community colleges, and six four-year colleges or universities.

DEMOGRAPHICS

Pierce County is home to an estimated 813,600 people, making it the second largest county in the state. From 1998 to 2008 the County grew by 19% with an annual average growth rate of 1.7%.

Population Growth



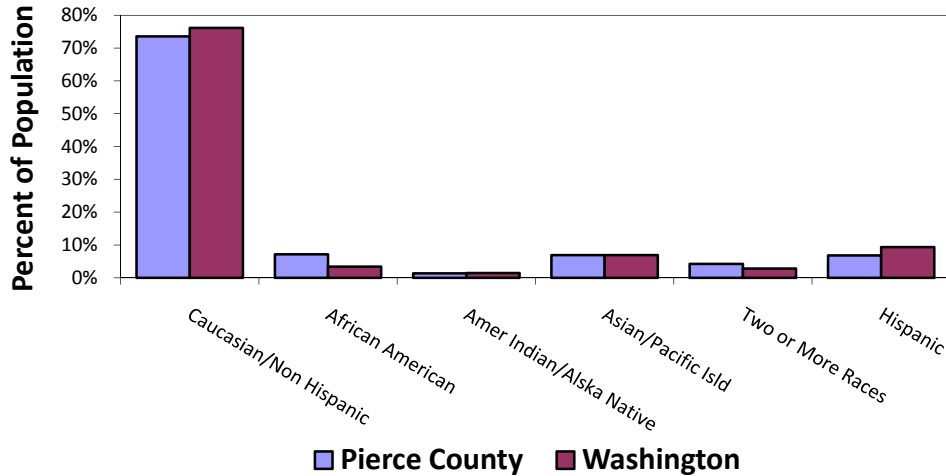
Source: Office of Financial Management

For the past eight years Pierce County has been growing more rapidly than the rest of the state.

Pierce County Profile

About 53% of Pierce residents live in cities and towns. The five largest cities are: Tacoma (202,700), Lakewood (58,780), Puyallup (36,930), University Place (31,440), and Bonney Lake (16,220).

Race/Ethnicity 2008

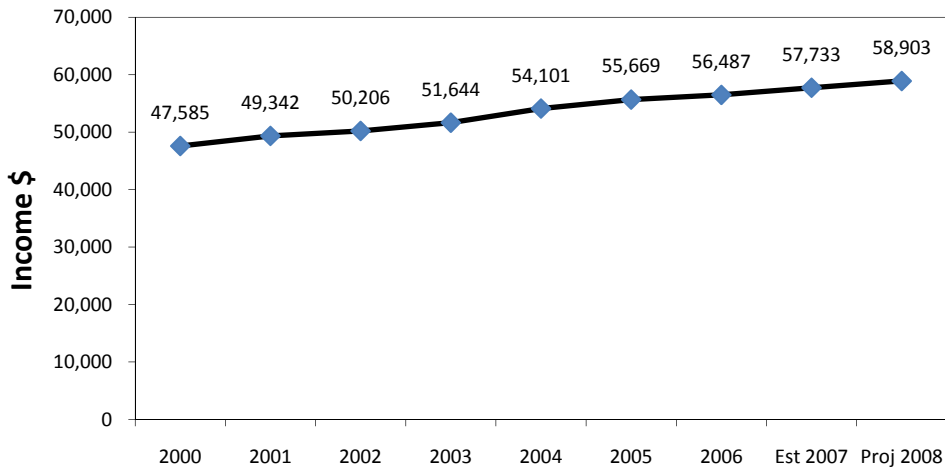


Source: Office of Financial Management

Pierce County is more diverse than Washington state. The percentage of non-White or Hispanic origin increased from 23% in 2000 to 26% in 2008.

Since 1999 the median family income for Pierce County residents has increased by about 30%, about 1% lower than Washington state. During this period, the Seattle/Tacoma inflation rate was 27.6%. Thus, real median income increased some 3% more than inflation.

Pierce County Median Household Income



ECONOMIC CONDITIONS

Pierce County, by diversifying its economic base and becoming more integrated with international and national markets, has traded stability for a lower average rate of growth. Slower growth does not mean negative growth. Although now growing slower than anticipated, the Pierce County economy continues improving from the mild weakness experienced in 2002-2003. The weakening value of the dollar, increasing uncertainty over the US trade deficit, and slower economic growth in both Europe and Asia has curtailed shipping, warehousing, and trade growth. Interest rate concerns have started to slow the housing and construction markets.” (Tacoma-Pierce County Chamber, Pierce County Economic Index Report, 2007)



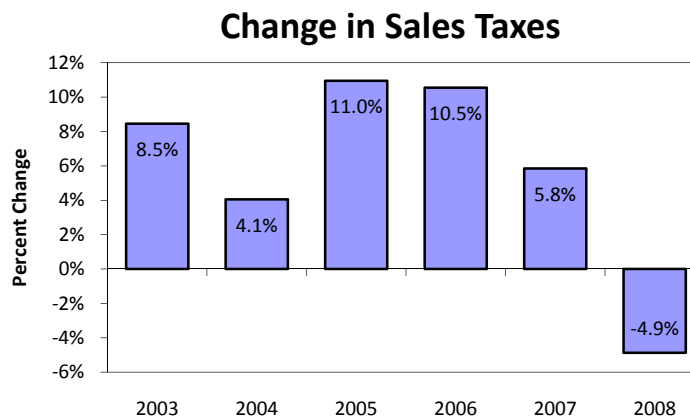
ECONOMIC DEVELOPMENT GOALS

In 2003, Pierce County commissioned a study to evaluate how it could most effectively help the local economy as an engine of job creation. As a follow-up to Phase I, Pierce County commissioned a study to evaluate how the local economy fits into the regional picture. Phase III marks the completion of the Berk and Associates final report “Pierce County Government Economic Action Agenda” that consists of six goals with action strategies. An interdepartmental team developed a work plan and timetable for full implementation. The goals are:

1. Enhance EDD’s Role & Responsibilities
2. Implement Business Climate Improvements
3. Proactive Infrastructure Planning
4. Enhanced Infrastructure Investments
5. Strategic Planning for Industrial Land Capacity
6. Enhance Communications to County Departments, Businesses and Jurisdictions

SALES TAX

From 1997 to 2007 the growth in sales tax received by the County averaged 6% per year. However, in 2008 the annual growth rate was a negative 4.8%.

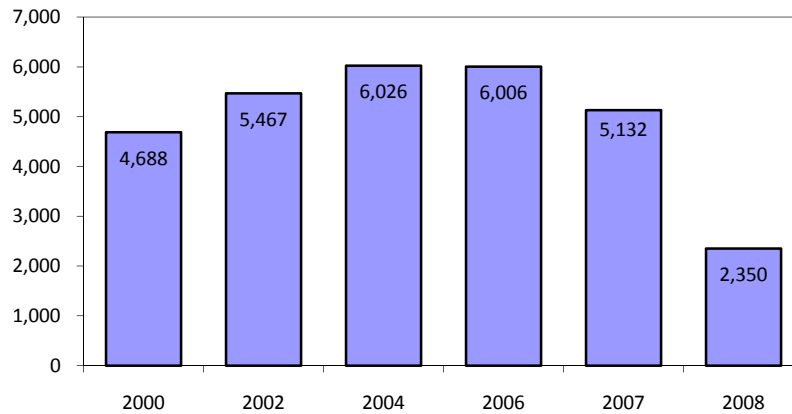


Pierce County Profile

HOUSING AND REAL ESTATE

Pierce County, like the rest of the state and nation, experienced a “hot” housing market until recently. Residential permit activity declined by 54.2% from 2007 to 2008 and declined by 61% from the recent high in 2004.

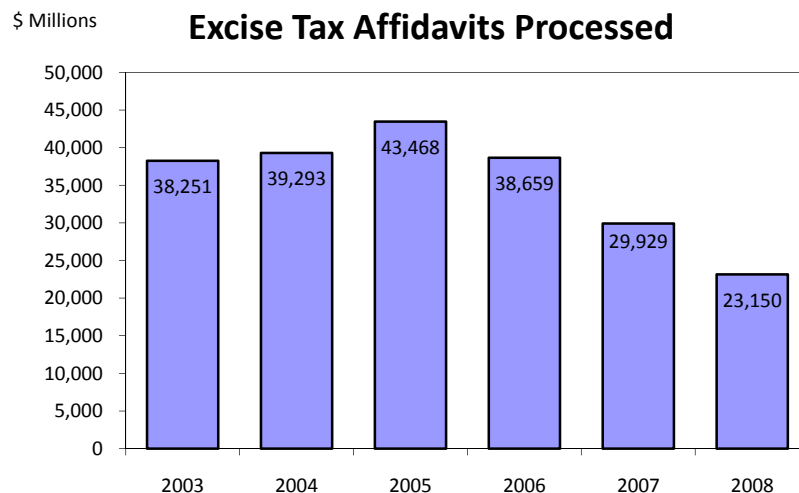
Annual Total Residential Building Permits



Source: U.S. Department of Commerce, Washington Center for Real Estate Research, Washington State University

Real estate activity is an important economic indicator that greatly impacts county operations and workload in areas such as planning, permits, land services, public works, and public construction. The number of excise tax affidavits processed has declined 47% since the recent high in 2005.

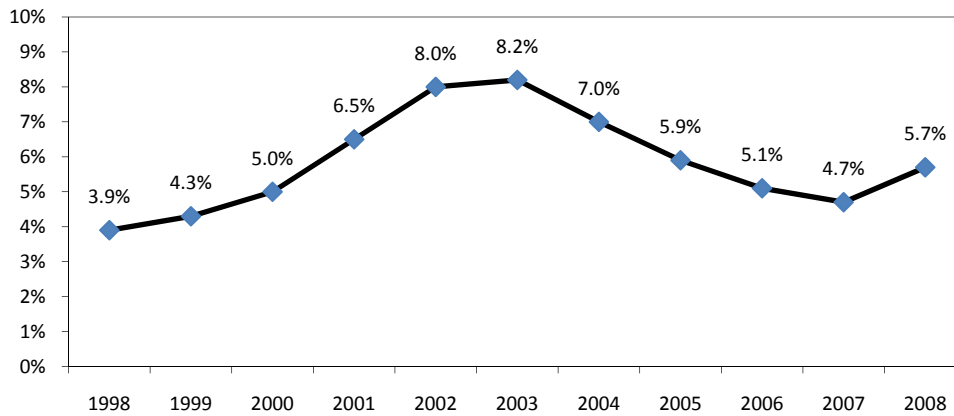
Excise Tax Affidavits Processed



EMPLOYMENT

The County unemployment rate in Washington ranged from 3.8% to 9.5% in 2008. Tacoma/Pierce County tends to fall in the middle of the range (Seattle/King County is usually at the low end).

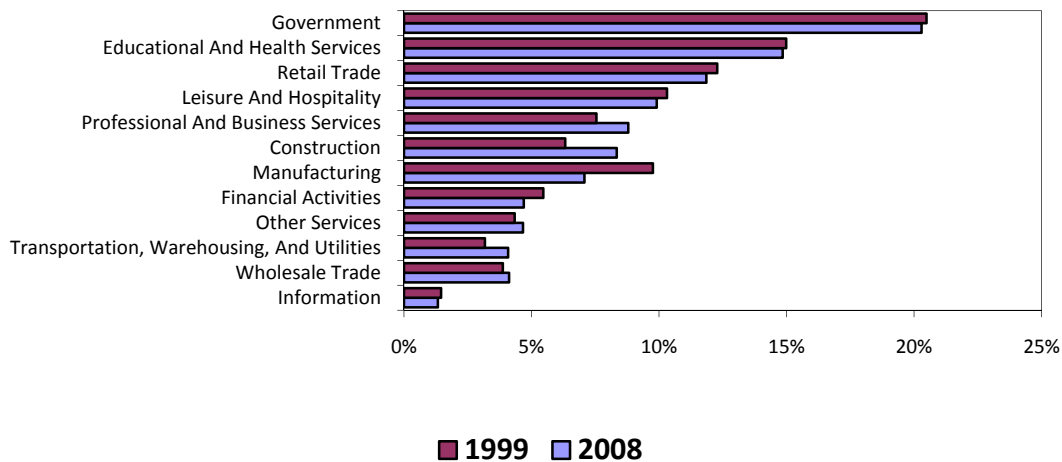
Tacoma/Pierce County Average Annual Unemployment Rate



Source: Washington Employment Security

Historically the County was a resource and manufacturing based economy. However, regional, state and national trends have shown a shift towards construction, trade, and services.

Percentage of Pierce County Employment by NAICS Category



Source: Washington Employment Security

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

Pierce County Profile

Southern Puget Sound – the Port of Tacoma is an independent municipal corporation that operates under state-enabling legislation. Created by Pierce County citizens in 1918, the Port has 2,400 acres (972 hectares) that are used for shipping terminal activity and warehouse, distributing, and manufacturing.

As reported in Port News, January 28, 2009:
 Reflecting the global recession and its effects on US consumer demand and shipping, cargo volumes fell at the Port of Tacoma in 2008.



From 2002 through 2006, Tacoma set successive container cargo records, with volumes growing from 1.5 million TEUs (20-foot equivalent container units) to 2.1 million TEUs. In 2007, the Port's container volume fell to 1.92 million TEUs, and in 2008, the volumes fell 3.3 percent to 1.86 million TEUs.

Despite this drop, the Port of Tacoma fared better than other US West Coast ports, which saw an average container cargo decline of 8.78 percent. "By focusing on the business needs of our customers, shippers and business partners, and aligning the Port of Tacoma's strengths, we captured a larger container market share even as world cargo volumes declined," said Port of Tacoma Deputy Executive Director John Wolfe.

The Port of Tacoma's 2008 cargo volumes were:

- Total Tonnage – 20.3 million short tons (up 3.6 percent)
- Containerized Cargo – 1.86 million TEUs (down 3.3 percent)
- Breakbulk Cargo – 118,523 short tons (down 4.1 percent)
- Autos – 159,079 units (down 9.1 percent)
- Intermodal Lifts – 407,993 (down 15.2 percent)
- Grain – 6.79 million short tons (up 13.6 percent)

MANUFACTURING

Products manufactured in Pierce County include aerospace parts, chemicals, machinery, hardware, food products, and electronics. The larger manufacturers include (estimates from the Economic Development Board for 2008):

Company	Product/ Service	Employees
Boeing	Aerospace	1,760
Intel Corporation	Computer Electronics	1,000
Milgard Mfg. Inc	Glass and window mfg.	817
Simpson Investment Company	Wood products	614
Atlas Castings & Technology	Steel Manufacturer	517
Manke Lumber Co.	Sawmill & planing mill	380
Toray Composites(America) Inc.	Composite materials	450
Gensco Inc.	Sheet metal mfg.	271
Concrete Technology Co.	Mfg. Prestressed Concrete	263
Precision Aerospace/Precision Pattern	Aerospace	263

SERVICE AND RETAIL

One of the largest components of the service sector is health care. The largest employers include the Multicare Medical System (5,832), Franciscan Health System (4,041), Veteran Affairs Puget Sound Health Care Systems (739), and Group Health Cooperative (595). In addition, DaVita, the nation's second largest provider of dialysis services, employees 856 people.

Fort Lewis Army Base and Madigan Army Medical Center occupy 86,000 acres in southwest Pierce County while the adjacent McChord Air Force Base includes 5,000 acres. Together, these facilities employ over 50,000 military and civilian personnel. Unlike many military installations across the country, Fort Lewis and McChord have expanded as people are transferred from closed facilities to the northwest. In addition, more than \$585M worth of new projects are planned for the military installations.



Financial and insurance services companies are also significant employers in Pierce County. These include Russell Investments (1,144), State Farm Insurance (1,133), KeyBank (590), Columbia Bank (484), and Regence BlueShield (642).

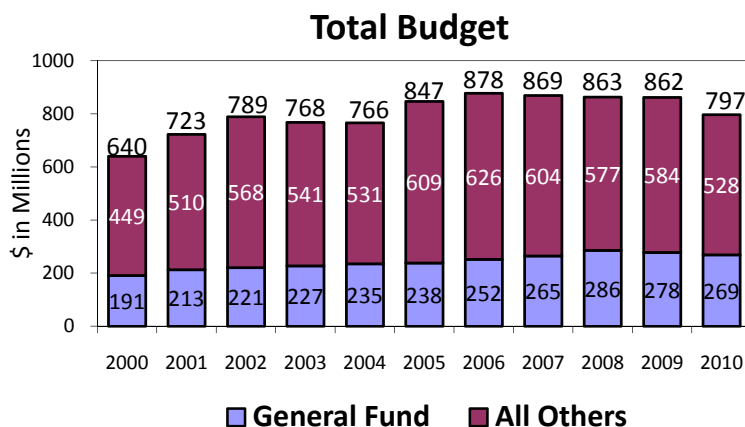
In addition to Federal, Post Office, County, City and district government employers, there are over 8,000 Washington State employees working in Pierce County. Another 3,000 are employed at the community/technical colleges, and the University of Washington, Tacoma.

The larger retail, food service and entertainment employers include Fred Meyer Stores (2,383), Wal-Mart (1,990), Emerald Queen Casino (1,915), Safeway Stores (1,635), Costco (1,081), McDonald's Restaurants (939), and Alberston's Inc. (886).

Transportation, utilities and communication include Tacoma Public Utilities (1,313), Longshore Labor Union (976), Pierce Transit (952), Comcast Cable (907), and Gordon Trucking (692).

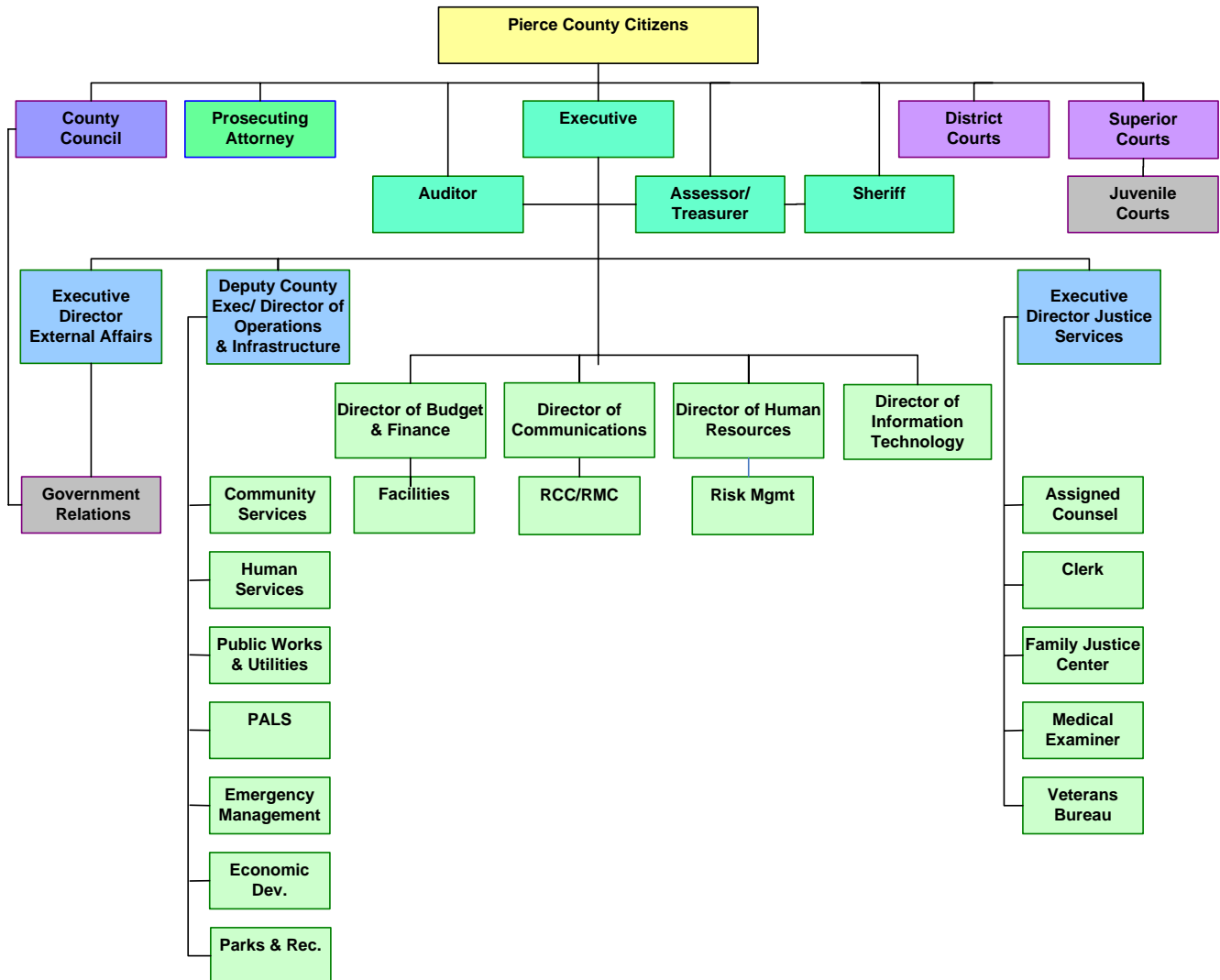
BUDGET HISTORY

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 Council members are nominated and elected by the voters of seven districts in Pierce County. Legislative authority is exercised by the adoption and enactment of ordinances or resolutions.

The executive branch is comprised of the Executive and all executive departments established by the Charter or by ordinance. Executive departments include 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 2010 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 or effectiveness of citizen access to County services.

Budget Highlights

The 2010 approved Pierce County Budget totals **\$796,546,591** which is **\$65.6 million (7.6%) below** the 2009 budget. The main reasons for this decrease are a) the decline in the General Fund, b) the loss of mental health contract services, and c) 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**. We still have one of the lowest ratios of law enforcement officers to population, and conversely one of the highest crime rates in the state.

Second, we will continue to **emphasize prevention programs**. The 2010 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 decrease criminal activity and reduce future jail costs.

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

Fourth, we remain committed to the promotion of **economic development** in Pierce County. Both the direct activities in the Economic Development department, and the projects, priorities, and processes in other departments emphasize the importance placed on this endeavor.

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

However, as stated earlier the overriding consideration affecting the 2010 Budget, especially the General Fund, has been the impact of the **sharp reduction in revenues**. This reduction, much of which results from a major downturn in development activity, 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 are proposing further cutbacks in the 2010 Budget. The details surrounding those revenue concerns and the associated expenditure reductions are presented in the next several sections.

As you will notice, this budget contains a number of negative “firsts” for the County (at least for the last two decades). These negative “firsts” (e.g. reduction in assessed valuation, reduction in the size of the General Fund budget) are attributable to the dramatic impacts of the current recession.

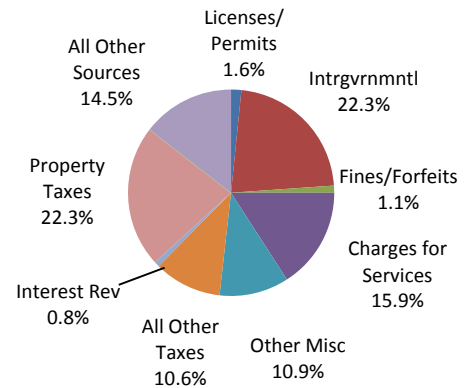
TOTAL PIERCE COUNTY REVENUE & EXPENDITURE OVERVIEW

Total revenues and expenditures projected for all 2010 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 7.6% less the 2009 level.

2010 Total County Revenues

Summarized by Source

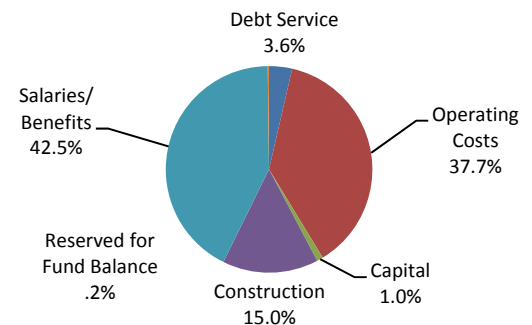
Just over 22% of the County's funding comes from Intergovernmental Revenues. Property and Other Taxes equals just under 32% of the total revenues. Service Charges, Licenses/Permits, and Fines/Forfeits provide just under 19%. Roughly 15% in All Other Sources category is primarily made up of the use of prior fund balance. Just under 11% 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.



2010 Total County Expenditures

Summarized by Object Classification

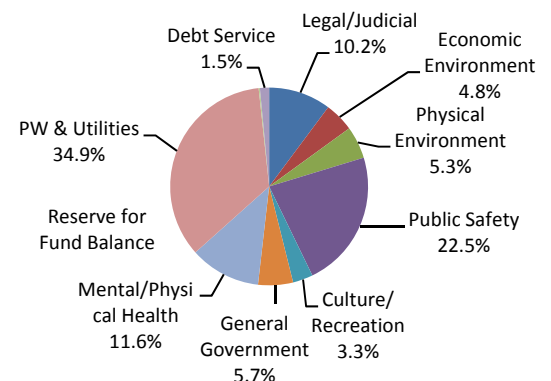
Roughly 43% of the County's total budget line item is allocated to personnel costs. All other operating costs consume just under 38%. The remaining 19% is for capital purchases, construction, debt service, and reserve for fund balance.



2010 Total County Expenditures

Summarized by Function

The Public Safety and Legal/Judicial Services combined accounts for roughly 33% of the total County expenditures, with the Mental and Physical Health system absorbing roughly 12%. Just over 40% of the total expenditures is invested in the support of Public Works and Utilities, and the Physical Environment and just over 4% is related to Culture and Recreation. Just under 5% is expended for Economic Environment activity and roughly 6% supports general government functions and debt service. The revenues for Internal Service Funds have been excluded from the totals used to calculate the percentages shown on the pie chart.



General Fund

As the name implies, this is the fund that receives undesignated revenues which can be budgeted for any appropriate county purpose. This fund finances the majority of the traditional services associated with county government. Most of the budget deliberations center around this fund since it provides 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 2010 revenues, with a comparison to the current year, is shown in the table below.

GENERAL FUND REVENUE SUMMARY				
	2010 Budget	2009 Budget	Absolute Change	Percent Change
Property Taxes	\$ 109,033,980	\$ 106,346,740	\$ 2,687,240	2.5 %
Sales Taxes	52,205,000	56,000,000	(3,795,000)	(6.8)
Other Taxes	9,790,770	9,779,770	11,000	0.1
Licenses and Permits	7,596,770	7,110,080	486,690	6.8
Intergovernmental Revenue	37,771,770	36,481,611	1,290,159	3.5
Charges for Services	34,037,550	36,183,034	(2,145,484)	(5.9)
Fines and Forfeitures	8,148,020	9,098,080	(950,060)	(10.4)
Interest Revenue	4,013,370	5,430,830	(1,417,460)	(26.1)
Other Miscellaneous Revenue	6,675,020	6,424,530	250,490	3.9
Subtotal Revenues	\$ 269,272,250	\$ 272,854,675	\$ (3,582,425)	(1.3) %
Fund Balance	—	4,955,609	(4,955,609)	(100.0)
Total Available Resources	\$ 269,272,250	\$ 277,810,284	\$ (8,538,034)	(3.1) %

Our revenue projections are based largely upon the following assumptions:

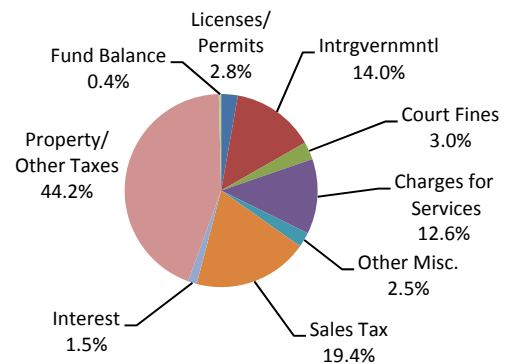
1. The local economy will remain sluggish, with negative impacts upon development activity, sales taxes, employment levels, and housing foreclosures.
2. Inflation will be moderate next year, thus giving only a modest boost to Sales Taxes, Intergovernmental Revenues, and Charges for Services.
3. Short term interest rates will remain at their current historically low levels.
4. We will continue to receive city contract revenues for several major services (principally sheriff law enforcement, jail, roads maintenance, and court services).
5. Several General Fund fee increases (especially at P.A.L.S.) will be approved by the Council.

Based upon the above assumptions, and with an in-depth review of our revenue patterns, we are projecting a **decrease** in General Fund revenues of 1.3% versus the 2009 Budget. However, since our **estimated** 2009 revenues will be considerably below the budgeted levels, the 2010 Revenues are projected to be .7% over the **estimated** 2009 Revenues.

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

- ❖ **Property Tax** revenue collections are projected to increase by 2.5% in 2010. 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 the prior year).
- ❖ **Sales Tax** revenues are projected to decrease by 6.8% from the 2009 budget. However, the 2010 revenues forecast a 3% growth over our **revised 2009 estimates**

- ❖ **Other Taxes** will be almost the same as 2009.
- ❖ **Licenses and Permits** are projected to be 6.8% above the 2009 budget due to the proposed fee increases at P.A.L.S.
- ❖ **Intergovernmental Revenues** reflect a solid 3.5% increase, due mostly to projected increases in stimulus grant monies and jail billings.
- ❖ **Charges for Services** are estimated to be below the 2009 budget by 5.9%. This change is actually composed of 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 10% below the 2009 Budget based upon the deletion of the proposed red light camera enforcement program.
- ❖ **Interest Revenues** are projected to generate a large decrease in 2010, due to last year's short term interest rate reductions.
- ❖ **Miscellaneous Revenues** are projected to grow by 9.5% in 2010, which reflects increased support from other funds.
- ❖ **Prior Fund Balance** - we are recommending that no fund balance be used to support the 2010 budget. In contrast, the 2009 Budget allocated \$5.0 million to fund county services.



Based upon this decrease in Prior Fund Balance use, the percentage reduction in Total Resources available for next year's General Fund Expenditures is 3.1%.

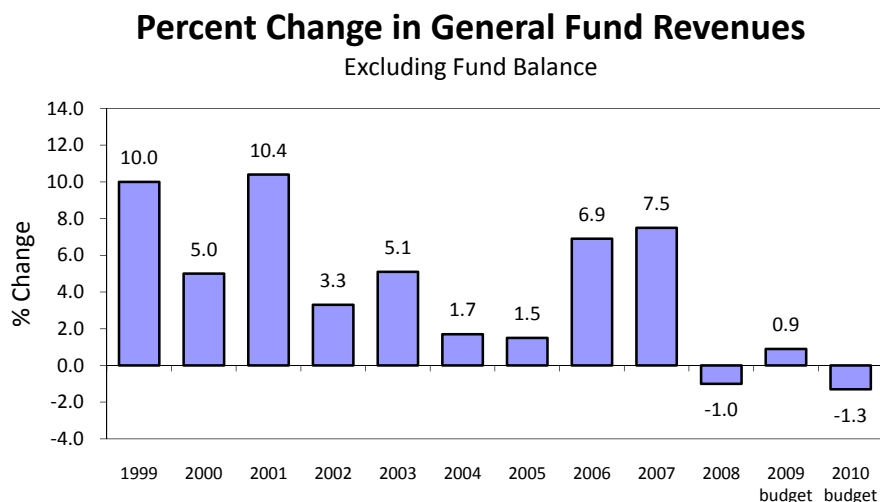


Figure 1

Comparative **revenue** increase figures for the last decade are shown in Figure 1. The decrease of 1.3% in 2010 is clearly well below the average for the decade, even factoring out a) and b) below. In reviewing the figures, please keep in mind that:

- a) The end of the Sheriff's Lakewood contract (\$12,000,000) by itself equated to a 5% drop in General Fund revenues, spread over 2004-2005.

General Fund

b) Initiative 747 (effective 2002) continues to erode our real financial base. The negative impact grows exponentially each year.

As you can gather from the above comment, 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 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.

The annual revenue loss for the first nine years affected by this initiative is shown in the next table.

These are very significant revenue losses, with the **annual amount in just fiscal 2010 equal to almost 18% of our General Fund budget.** The Road levy is also affected by I-747, with the 2010 loss estimated at \$21,600,000 (\$17,400,000 for the Road Fund, and \$4,200,000 for the law enforcement levy in the General Fund).

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

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 est.
Total	\$	205,189,000

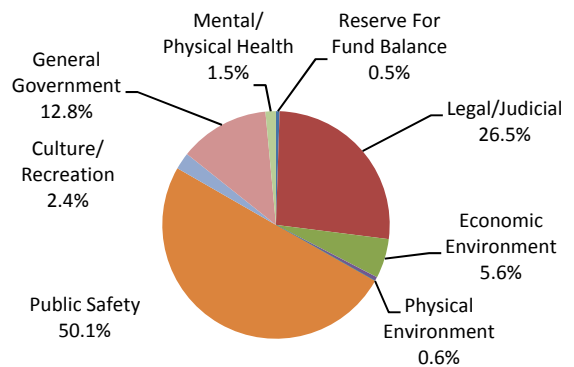
B. GENERAL FUND EXPENDITURES

The projected Revenue Budget decline of 1.3% (and a 3.1% decrease when use of fund balance is considered) will obviously not be sufficient to fund all programs and staff at even the recently reduced 2009 levels. Major cutbacks are unavoidable.

The Expenditure tables which follow summarize the 2010 General Fund Expenditure Budget, and compare it with the 2009 Budget. One table simply lists each departmental budget, while the other presents the General Fund according to functional category.

As shown in the **Department Expenditures** listing, almost all of the General Fund departments have a proposed 2010 budget which is below the 2009 level. This negative change in budgeted expenditures would be the first such decline in at least 25 years.

As indicated in the **Functional** table, the combined total percentage allocated to Public Safety and Legal/Judicial Services is approximately 77% of the budget. The decrease in the 2010 General Fund budget allocated to Public Safety and Legal/Judicial Services is \$4.0 million, with a decrease of \$4.5 million in all the other functions in order to balance the budget. Thus the decrease to Public Safety/Legal Judicial was limited to 47% of the reduction (not a proportional 77%).



As a cautionary note, the percentage change in a particular departmental budget as shown on the next page 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 2009 which are not renewed in 2010, or vice versa.
2. Several departments have other unique items in 2009 which are not present in 2010 (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 2010. 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

	2010	2009	Absolute	Percent
Assessor/Treasurer	\$ 9,800,200	\$ 10,134,860	\$ (334,660)	(3.3) %
Assigned Counsel	14,738,110	14,656,020	82,090	0.6
Auditor	8,544,250	9,700,265	(1,156,015)	(11.9)
Bond Debt Service	419,410	411,980	7,430	1.8
Budget & Finance	5,048,250	5,200,930	(152,680)	(2.9)
Capital Improvement Projects	50,000	50,000	—	—
Clerk	4,972,300	5,127,610	(155,310)	(3.0)
Communications	572,420	536,160	36,260	6.8
Corrections	47,814,830	48,903,770	(1,088,940)	(2.2)
County Council	3,908,960	4,002,450	(93,490)	(2.3)
County Executive	1,362,790	1,394,270	(31,480)	(2.3)
District Court	12,051,040	12,073,010	(21,970)	(0.2)
Economic Development	1,068,780	1,217,790	(149,010)	(12.2)
Emergency Management	3,333,600	3,576,070	(242,470)	(6.8)
Health Services	2,838,070	2,932,210	(94,140)	(3.2)
Human Resources	3,425,110	3,499,440	(74,330)	(2.1)
Juvenile	20,084,760	20,817,082	(732,322)	(3.5)
Medical Examiner	2,077,810	2,107,700	(29,890)	(1.4)
Miscellaneous Current Expense	2,896,360	3,791,519	(895,159)	(23.6)
Parks and Recreation Services	6,009,740	6,334,630	(324,890)	(5.1)
Planning and Land Services	13,736,420	16,036,390	(2,299,970)	(14.3)
Prevention Services & Programs	1,481,250	1,712,500	(231,250)	(13.5)
Prosecuting Attorney	26,046,440	26,468,438	(421,998)	(1.6)
Public Defense Conflict Office	—	754,490	(754,490)	(100.0)
Reserve For Fund Balance	1,474,040	—	1,474,040	∞
Sheriff	58,845,900	59,039,930	(194,030)	(0.3)
Special Projects	2,366,180	2,589,660	(223,480)	(8.6)
State Auditor	173,980	171,640	2,340	1.4
Superior Court	13,724,830	13,914,080	(189,250)	(1.4)
WSU PC Extension	406,420	655,390	(248,970)	(38.0)
Total General Fund	\$ 269,272,250	\$ 277,810,284	\$ (8,538,034)	(3.1) %

General Fund

GENERAL FUND EXPENDITURES BY FUNCTION

	2010 Budget	2009 Budget	Absolute Change	Percent Change
General Government	\$ 34,319,570	\$ 36,406,045	\$ (2,086,475)	(5.7) %
Public Safety	134,862,010	137,441,758	(2,579,748)	(1.9)
Physical Environment	1,643,420	1,918,350	(274,930)	(14.3)
Legal & Judicial	71,406,970	72,879,418	(1,472,448)	(2.0)
Economic Environment	15,120,320	17,694,051	(2,573,731)	(14.5)
Mental/Physical Health	3,886,570	3,741,608	144,962	3.9
Cultural & Recreation	6,559,350	7,658,332	(1,098,982)	(14.4)
Public Works & Utilities	—	70,722	(70,722)	(100.0)
Reserve For Fund Balance	1,474,040	—	1,474,040	∞
Total General Fund	\$269,272,250	\$277,810,284	\$ (8,538,034)	(3.1) %

2010 MAJOR STAFFING CHANGES

The following chart summarizes the 2010 budget staff reductions from the current 2009 budget. These are large reductions, and total approximately 5% of the staffing in the General Fund. These staff decreases are in addition to those cutbacks which were included in the original 2008 and 2009 budgets, or which resulted from the mid-year cutbacks approved by Council in 2008 and 2009. In total the staffing reductions from 2007 to 2010 now total 200 (10%).

It should also be noted that staffing levels in L.E.S.A. (not shown in our budget) are also likely to be reduced in 2010.

Although not reflected in this table, several other departments will achieve budget savings through planned furloughs.

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.

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

STAFFING REDUCTION SUMMARY (Excludes Extra Hire)

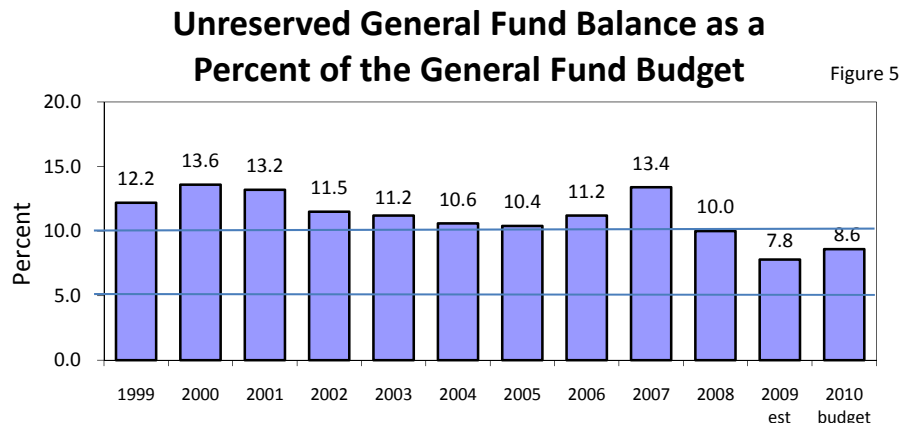
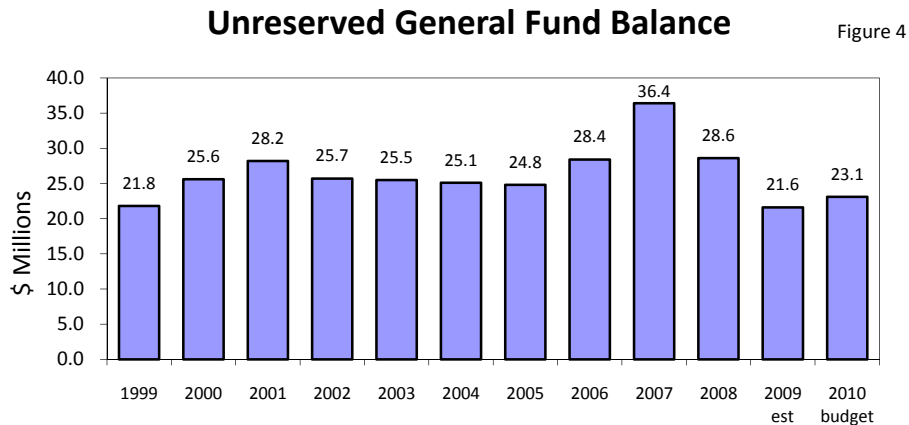
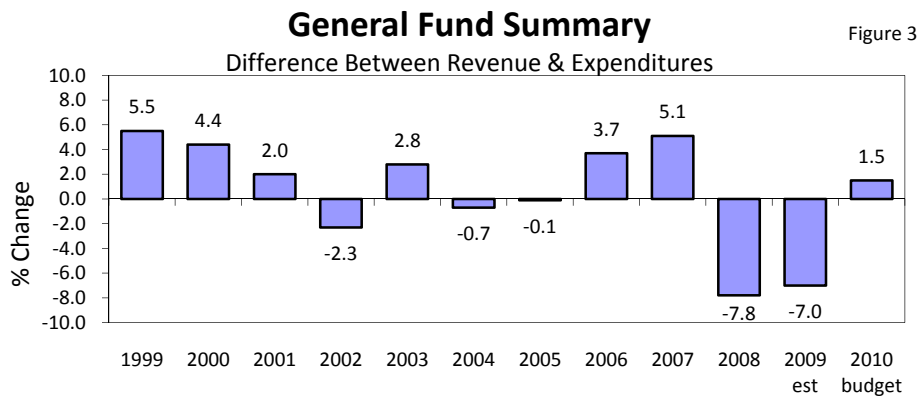
Department	2010 Reductions
WSU Extension	(2.57)
Assessor-Treasurer	(8.00)
Prosecuting Attorney	(12.00)
Auditor	(2.00)
Emergency Management	(1.00)
Clerk	(2.00)
Executive	(1.00)
Communications	(0.35)
Budget and Finance	(1.83)
District Court	(2.50)
Juvenile Court	(6.00)
Corrections	(16.60)
Sheriff	(21.00)
Medical Examiner	(0.25)
Superior Court	2.00
Special Projects	(2.85)
Parks & Recreation	(2.12)
PALS	(12.50)
Assigned Counsel	(7.80)
Conflict Office	(5.60)
Human Resources	(0.80)
Direct General Fund	(106.77)

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.

C. USE OF PRIOR FUND BALANCE

Figure 3 and Figure 4 present the actual financial results for the General Fund during the 1999-2008 period, and the estimated amounts for 2009-2010. As indicated in Figure 3, the trend through most of the decade had been very positive. Both a strong economy and prudent fiscal policies produced favorable financial results. However, the actual results for 2008 and projected results for 2009 reflect a much different environment. We are projecting a deficit of \$7.0 million in 2009 (\$5.0 million of which was assumed in the original 2009 budget). The 2010 budget reflects no more use of fund balance. In fact the Council approved budget reflects an allocation of approximately \$1.5 million to increase our fund balance.

If the 2009 actual results match our latest estimates, the Unreserved General Fund balance will be approximately \$21.6 million at the end of 2009 (see Figure 4). It is the county's policy to maintain a fund balance for emergency and working capital purposes which is between 5% and 10% of the budget. We were at the top of the range at the end of fiscal 2008, and will be slightly above the middle of the range at the end of 2010 (as shown in Figure 5).



Other County Funds

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 in the 2010 budgets**:

1. The **Mental Health Fund** simply reflects transition and close-out expenses as we cease operations.
2. **Human Services** will partially reflect the impact of Mental Health closing and the decrease of "shared" staff and services.
3. The **"Housing"** program changes often reflect grant fluctuations, major multi-year project impacts, and/or conservative grant estimates.

COMMUNITY SERVICES & HUMAN SERVICES			
Fund	2010 Budget	2009 Budget	Percent Change
Community Action	\$ 8,312,530	\$ 10,665,211	(22.1) %
Community Development	3,830,770	3,368,030	13.7
Homeless Housing Program	5,504,660	4,520,650	21.8
Housing Repair Program	9,083,720	10,647,090	(14.7)
Human Services	36,244,290	35,570,305	1.9
Low Income Housing Fee	999,420	1,822,910	(45.2)
Mental Health Fund	1,500,000	17,610,900	(91.5)

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 2010. However, 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 2010 budgets, with comparisons to 2009, are shown in the following table.

The major items of note for next year are:

The County Road fund, Public Works Construction 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 increased repair and capital project expenses.

TRANSPORTATION SERVICES FUNDS			
Fund	2010 Budget	2009 Budget	Percent Change
County Roads Fund	\$62,133,180	\$ 70,743,260	(12.2) %
PW Construction Fund	35,670,000	55,870,000	(36.2)
Ferry Service Fund	5,662,800	4,626,000	22.4
Airport Fund	6,361,020	18,834,940	(66.2)
Roads Second REET	24,386,000	22,874,000	6.6
Traffic Impact Fee Fund	4,985,380	6,790,030	(26.6)
Transportation Facilities	252,000	2,648,880	(90.5)

Other County Funds

Airport Fund — reflects the fact that 2009 included a major construction project.

Roads Second REET — reflects increased capital project allocations utilizing proposed bond proceeds.

Transportation Facilities — simply includes minor design costs for the proposed West Side Maintenance Facility.

C. PARKS AND RECREATION FUNDING

Although the county's General Fund provides a direct allocation for parks and recreation services (\$6.0 million in 2010), there are several other county funds which provide park and recreation services or which construct, repair or enhance park and recreation facilities. The 2010 Budgets for these funds are shown to the right.

As the figures indicate (with the exception of a large purchase program in Conservation Futures), these funds are mostly experiencing a significant decrease in budget resources, from \$24 million in 2009 down to \$15.5 million in 2010. This is due to a variety of circumstances: decline in available fund balances, decrease in annual revenues due to the economic slowdown, completion of long scheduled projects in 2009. 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	2010 Budget	2009 Budget	Percent Change
Conservation Futures	\$ 6,715,730	\$ 3,786,670	77.4 %
Parks Impact Fees	579,880	570,160	1.7
Parks Sales Tax	3,218,550	4,230,030	(23.9)
Parks Second REET	690,860	4,256,970	(83.8)
Paths & Trails	1,050,380	4,541,370	(76.9)
Parks Construction Fund	1,250,000	5,282,990	(76.3)
Golf Courses	1,990,000	2,010,440	(1.0)

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 and services due to the rate increase approved for 2010, but with some decreases in projects and design work.

Sewer Utility — the budget includes:

1. A significant bonded capital improvement program.
2. A rate increase of 10% to match the impact of inflation on operating costs and provide resources for future planned capital improvements.

ENVIRONMENTAL SERVICES FUNDS			
Fund	2010 Budget	2009 Budget	Percent Change
Surface Water Management	\$ 20,174,940	\$ 22,491,790	(10.3) %
Sewer Utility	106,298,600	74,990,390	41.7
Solid Waste	7,171,520	6,542,180	9.6
Water Utility	285,080	300,650	(5.2)
River - REET	5,652,610	6,624,260	(14.7)

River REET — includes a sizeable but somewhat diminished land acquisition program utilizing anticipated grant funds.

Other County Funds

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. 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 and Facilities Management).

Many of these Internal Service Funds will rely upon prior fund balance in order to support their 2010 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.

INTERNAL SERVICE FUNDS			
Fund	2010 Budget	2009 Budget	Percent Change
Equipment Services	\$15,554,080	\$15,064,840	3.2 %
Information Technology	18,960,880	19,886,750	(4.7)
Facilities Management	13,156,030	13,904,900	(5.4)
Radio Communic	2,895,700	3,056,780	(5.3)
Fleet Rental	4,752,740	5,193,460	(8.5)
General Services	3,345,690	3,364,980	(0.6)
Self Insurance	9,182,790	9,124,030	0.6
Workers Comp	4,288,660	4,023,250	6.6

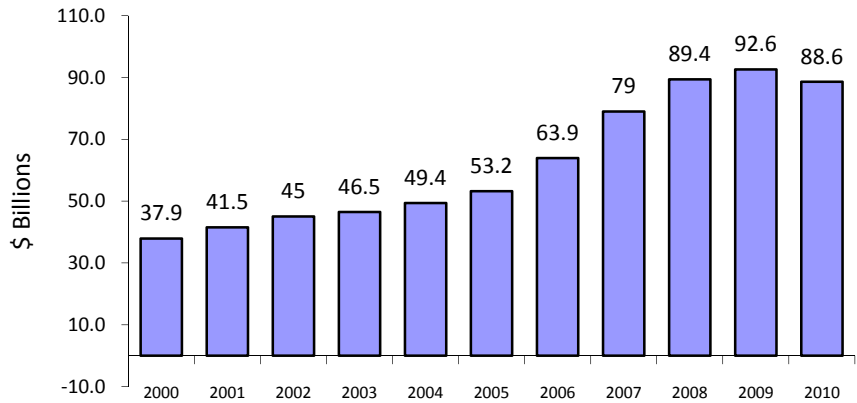
SUMMATION

- ◇ The 2010 County Budget is based upon a set of unfavorable economic conditions. The recession and the resultant negative impact upon revenues has been the sharpest in at least the last two decades. Cutbacks in programs and staffing (especially in the General Fund) have become unavoidable. We have attempted to prioritize these cutbacks to minimize the impact upon public safety or judicial system services. However, given the fact that so much of the General Fund is already allocated to these services (76%), it is unavoidable that some cutbacks in these areas must be made.
- ◇ We will need to closely monitor our 2010 revenues as the months unfold to see if additional cutbacks become necessary due to continued revenue difficulties. It is also possible that the situation could improve in mid to late 2010, 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 2011 could present even more budgetary challenges.

PROPERTY TAXES AND ASSESSED VALUATION

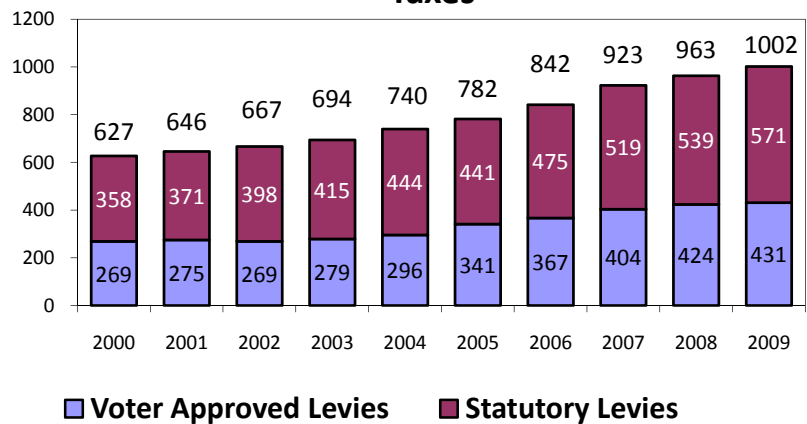
Property tax is the largest source of revenue in the General Fund and is a major source of revenue for the Road Fund. The Assessor/Treasurer values and provides information on approximately 1,080,000 acres of land in Pierce County. Of this total, 51% is taxable acreage, the remaining being exempt under 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



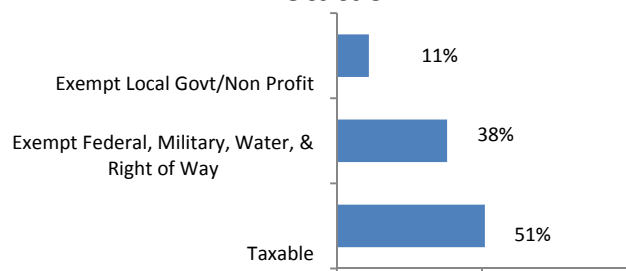
The growth in Property Tax revenue is dependent upon both the assessed valuation and the tax rate. For the first time in at least 20 years the county's assessed valuation total will decrease for the next year, from \$92.6 billion to \$88.6 billion. This results in an assessed value decrease of \$5.2 billion for existing property, only partially mitigated by a \$1.2 billion growth due to new construction.

Voter Approved and Statutory Property Taxes



Of the total tax levies for 2008 (collected in 2009), 43% are voter approved and 57% are statutory levies. These percentages will not be known for the 2009 tax levies (collected in 2010) until January of 2010 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).

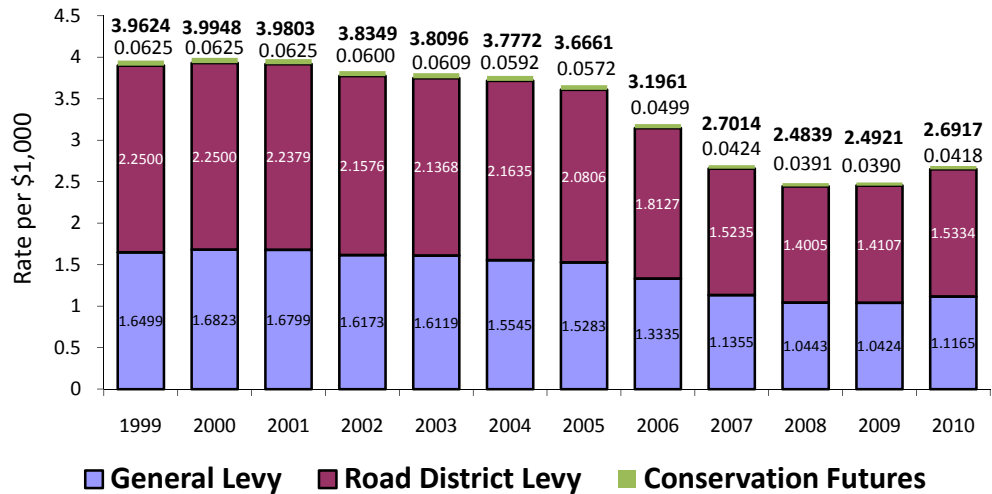
Other Financial Information

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), a negative 0.848 in 2010 (based on last years' figures). This limitation on property tax revenue growth coupled with an inflationary increase in existing property revaluations has resulted in a 38% decline in rates since the initiative was enacted. The decrease in the valuation of existing property will result in tax rate increases for 2010.

Combined Property Tax Millages



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

PROPERTY TAX LEVIES				
	2009		2010	
	Tax Rate ¹	Revenue	Tax Rate ¹	Revenue
		Assessed Value: \$92,604,618,893	Assessed Value: \$88,620,295,184	
A. County Levy (\$1.80 maximum)				
General Fund	\$ 1.0197	\$ 94,431,200	\$ 1.0905	\$ 96,637,430
Administrative Refund RCW 84.69	0.0017	163,200	0.0035	312,360
Sub Total General Fund	1.0214	94,594,400	1.0940	96,949,790
Veterans' Relief	0.0065	602,330	0.0070	616,400
Social Services	0.0145	1,338,500	0.0155	1,369,770
Total County Levy	1.0424	96,535,230	1.1165	98,935,960
B. Conservation Futures (\$.0625 Maximum)	0.0390	3,613,060	0.0418	3,702,880
		Assessed Value: \$40,669,742,752	Assessed Value: \$38,433,682,713	
C. Road District Levy (\$2.25 Maximum)				
Allocated to Road Fund	1.1345	46,138,470	1.2292	47,244,030
Law Enforcement Levy	0.2762	11,233,420	0.2993	11,502,590
Administrative Refund RCW 84.69	-	-	0.0049	188,450
Total Road District Levy	1.4107	57,371,890	1.5334	58,935,070
TOTAL COUNTY TAX LEVIES	\$ 2.4921	\$ 157,520,180	\$ 2.6917	\$ 161,573,910

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, 2009		
2009 Assessed Valuation for 2010 Tax Collections		\$ 88,620,295,184
A. Inside Levy (issued without vote of the people)		
Legal Limit (1.5% of property value)		\$ 1,329,304,428
<i>Amount of Debt Applicable to Debt Limit:</i>		
Net Limited General Obligation Bonds	\$ 116,134,782	
Net Limited General Obligation Bonds - Proprietary Type	\$ 22,868,021	
Estimated Compensated Absences (12/31/2008)	22,092,000	
Installment Contracts - Ferries / Road / Sewers	10,476,257	
Total Limited Tax General Obligation Debt		<u>171,571,060</u>
Limited Tax General Obligation Debt Margin Available		\$ 1,157,733,368
B. Outside Levy (issued with vote of the people)		
Legal Limit (2.5% of property value)		\$ 2,215,507,380
<i>Amount of Debt Applicable to Debt Limit:</i>		
Net Limited General Obligation Debt		<u>171,571,060</u>
Total General Obligation Debt Margin Available		\$ 2,043,936,320

PIERCE COUNTY BONDED DEBT RATIOS ESTIMATED AT SEPTEMBER 30, 2008		
General Obligation Bonded Debt per Capita (excluding Proprietary GO/Debt, Compensated Absences, & Installment Contract)		\$ 142.74
Assessed Valuation per Capita		\$ 108,924
Ratio of direct G O Bonded Debt to Assessed Value (including Proprietary GO/Debt)		0.0013

PIERCE COUNTY BOND RATINGS		
	General Obligation	Sewer Revenue (Uninsured)
Moody's	Aa3	A-1
Standard and Poor's	AA-	AA

Other Financial Information

2009 CAPITAL IMPROVEMENT PROGRAM

Introduction

The Capital Facilities Plan (CFP) details the County's most current understanding of the projected capital improvement needs and financing sources that supports the County's current and future population and economy. The CFP is one of the elements of Pierce County's comprehensive plan that is required by Washington's Growth Management Act (GMA). The CFP is adopted by ordinance as an amendment to the comprehensive plan in the spring of each year. Consequently the sixth year of the plan is not available when annual budget is adopted. The CFP does not authorize the expenditure of funds. Rather, the funds for capital projects are appropriated annually in the County's operating budget.



In order to be considered a "capital improvement" for the CFP, the expenditure must be for the acquisition of a physical asset which has a useful life of at least ten years. Excluded from the definition are such items as vehicles, office and data processing equipment, other equipment items (unless they are an integral part of the larger physical improvement), and normal repairs and maintenance. Also, projects with a total expenditure of less than \$150,000 are excluded from the CFP but are included here in order to maintain consistency with the adopted budget. Projects funded by Real Estate Excise Tax (REET) or the General Fund are usually budgeted and managed by the Facilities Management Department.

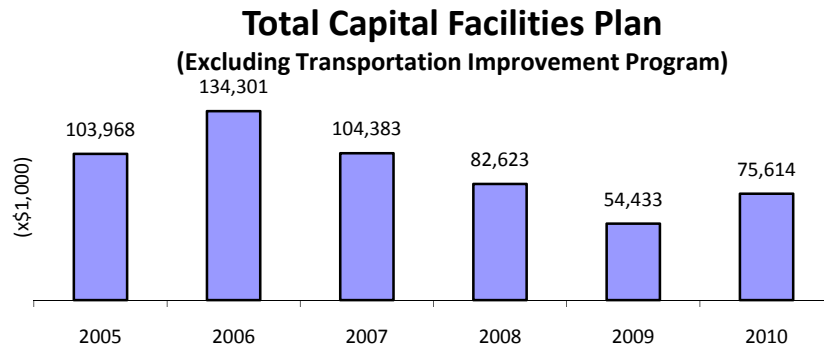
One of the principal criteria for identifying needed capital improvements is standards for levels of service (LOS). The CFP contains LOS standards for each public facility and requires that new development be served by adequate facilities. Also included in the CFP is the designation of facilities required to be "concurrent." Concurrency is required for a subset of adequate public facilities: County arterial roads, sanitary sewers, ferry services, and surface water management projects. Concurrency means: ". . . that adequate public facilities are available when the impacts of development occur." 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." The CFP also contains objectives, principles and standards that guide and implement the provision of adequate public facilities.

State code requires each city and county to annually adopt a six-year (14 years for ferry systems), comprehensive transportation improvement program (TIP) and file the plan with State Secretary of Transportation. The CFP contains the Public Works and Utilities Department, Roads Division buildings and facilities. The road construction projects are detailed in the separately prepared and adopted TIP.

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.co.pierce.wa.us/xml/Abtus/ourorg/council/code/title%2019e%20pcc.pdf>.



During the last six 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

	2010	2011	2012	2013	2014
Adult Detention	\$ 5,590,000	\$ 347,800	\$ 252,700	\$ 202,500	\$ 200,000
Airports	4,294,190	275,000	75,000	775,000	75,000
District Court	—	338,100	128,800	—	—
Ferry System	257,380	550,000	600,000	—	—
General Admin Buildings	2,385,000	20,208,200	20,766,800	25,488,100	24,603,000
Human Services	230,000	3,685,600	6,149,700	19,871,500	13,500,000
Juvenile Detention	—	4,947,400	4,650,000	4,675,000	4,500,000
Parks and Recreation	1,765,000	270,000	270,000	270,000	136,670,000
River Improvement	4,047,860	500,000	500,000	500,000	500,000
Roads Bldgs & Facilities	100,000	—	—	—	—
Sanitary Sewer	50,971,500	47,291,900	53,955,800	54,552,700	43,146,200
Sheriff Buildings	—	9,960,900	10,054,900	9,979,900	2,094,000
Solid Waste	469,250	2,225,000	—	—	—
Superior Court	—	1,460,000	50,000	50,000	50,000
Surface Water Management	5,504,030	7,803,000	6,322,000	6,960,000	8,340,000
Total	\$ 75,614,210	\$ 99,862,900	\$ 103,775,700	\$ 123,324,700	\$ 233,678,200

2010 CAPITAL IMPROVEMENT PROJECTS SOURCES OF FUNDS

The sources of funds for capital improvement projects have been grouped into five major categories. In 2010 12% will be from Taxes/Fees, 26% from Service Fees, 45% from Bonds and 17% from Grants and Contributions.

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 2010). This category is used for loans from one department to another, or from a tax/fees fund to a user fee (enterprise) fund.

2010 SOURCE OF FUNDS

	Taxes/Fees	Service Fees	Grants & Contributions	Bonds	Intergov't Loans	Total
Adult Detention	\$ 3,190,000	\$ —	\$ 2,400,000	\$ —	\$ —	\$ 5,590,000
Airports	—	185,990	4,108,200	—	—	4,294,190
District Court	—	—	—	—	—	—
Ferry System	16,380	—	241,000	—	—	257,380
General Admin Buildings	2,385,000	—	—	—	—	2,385,000
Human Services	230,000	—	—	—	—	230,000
Parks and Recreation	1,765,000	—	—	—	—	1,765,000
River Improvement	1,422,860	—	2,625,000	—	—	4,047,860
Roads Bldgs & Facilities	100,000	—	—	—	—	100,000
Sanitary Sewer	—	17,578,300	3,130,000	30,263,200	—	50,971,500
Solid Waste	—	469,250	—	—	—	469,250
Superior Court	—	—	—	—	—	—
Surface Water Management	—	4,054,030	1,450,000	—	—	5,504,030
Total	\$ 9,109,240	\$22,287,570	\$13,954,200	\$30,263,200	\$ —	\$75,614,210

2010 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 (and to adopt the level of service that causes the project to be needed). 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" 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

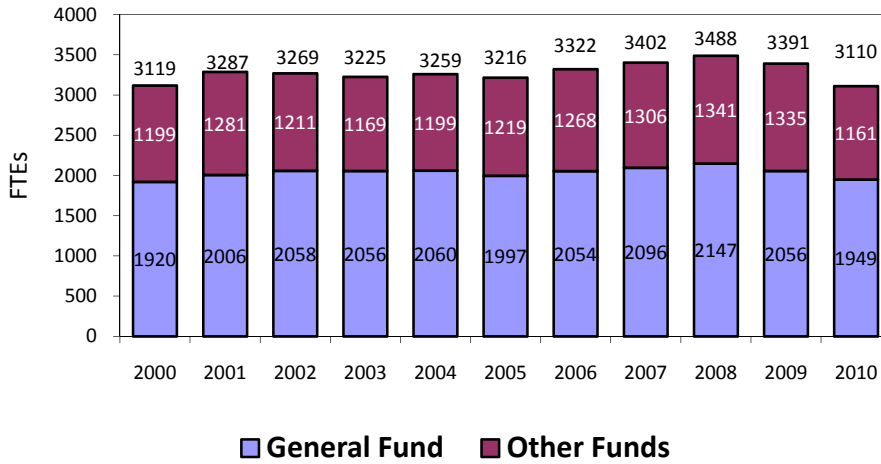
	2010		2011		2012		2013		2014	
Adult Detention	\$	—	\$	—	\$	—	\$	—	\$	—
Airport		—		—		—		—		—
District Court		—		—		—		—		—
Ferry System		—		—		—		—		—
General Admin Buildings		—		—		—		—		—
Human Services		—		—		—		—		—
Juvenile Detention		—		—		—		—		—
Parks and Recreation		28,600		28,600		28,600		28,600		28,600
River Improvement		—		—		—		—		—
Roads Bldgs & Facilities		—		—		—		—		—
Sanitary Sewer		—		—		—		—		—
Sheriff Buildings		—		—		—		40,000		70,000
Solid Waste		—		—		—		—		—
Superior Court		—		1,308,600		1,308,600		1,308,600		1,308,600
Surface Water Management		1,361,000		1,402,000		1,444,000		1,487,000		1,539,000
Total	\$	1,389,600	\$	2,739,200	\$	2,781,200	\$	2,864,200	\$	2,946,200

Other Financial Information

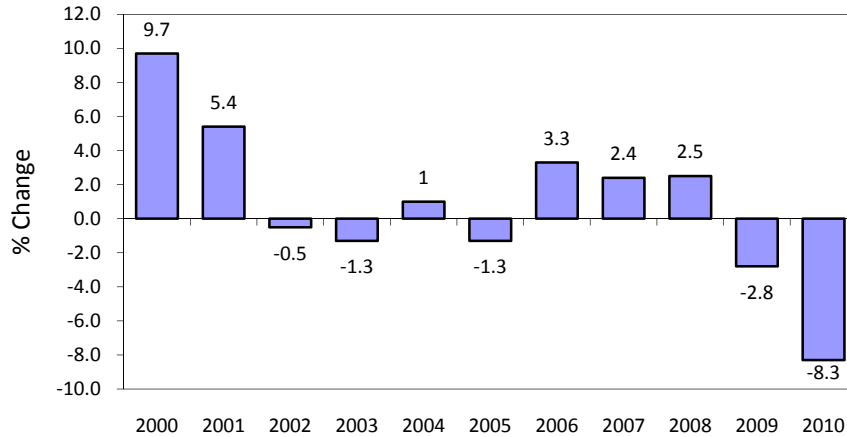
STAFFING INFORMATION

As the population of Pierce County has increased, the demand for county services has risen correspondingly. General Fund staffing (authorized positions) has increased by 29 FTEs (1.5%) since 2000 while staffing in all other funds (special revenue, enterprise, and internal services) has decreased by 38 FTEs (3.2%). Overall, 9 FTEs have been reduced since 2000, a decrease of .3%.

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 those years.

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

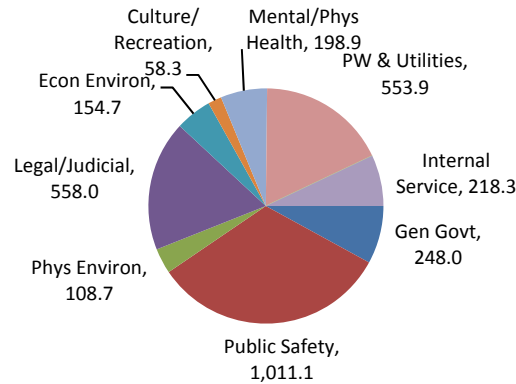
- The PSBH staff count subsequently declined over these years to 98 positions in 2005 as service responsibilities were restructured or eliminated;
- Initiative 747 (1% property tax limitation) resulted in far less revenue being available to fund new positions or even to support existing positions; and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

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.

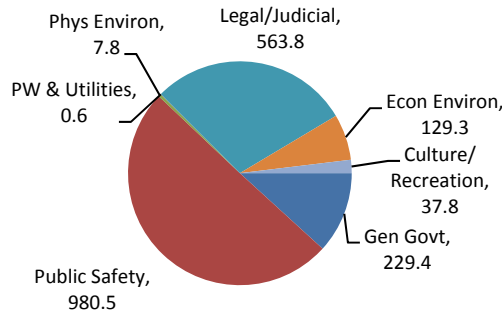
However, significant revenue cutbacks resulted in staffing reductions in 2009, and further proposed staffing reductions in 2010. 2010 staffing cuts include 154 FTE reductions as a result from the termination of the state contract with the County for Mental Health services.

2010 Total County Staffing Summarized by Function



The Public Safety and Legal/Judicial systems combined accounts for just over 50% of the total County staff, with the Mental and Physical Health system at almost 7%. Just over 21% of the total staff provides PW & Utilities, and the Physical Environment services. Almost 2% of the total staff is related to Culture and Recreation. Just under 5 % are involved in Economic Environment activity and roughly 15% staffing provide general government functions (including internal service funds)

2010 General Fund Staffing Summarized by Function



The Public Safety and Legal/Judicial systems combined accounts for 79% of all General Fund staff. Just under 12% provide General Governmental services. Just under 7% 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

	2000 FTE	2004 FTE	2005 FTE	2006 FTE	2007 FTE	2008 FTE	2009 FTE	2010 FTE	Change from 2000
General Fund:									
Assessor/Treasurer	98.80	90.10	90.60	91.80	91.30	90.60	86.35	78.35	(20.45)
Assigned Counsel	89.50	85.60	89.30	93.20	96.60	101.10	99.10	91.30	1.80
Auditor	41.00	43.00	45.00	51.00	54.00	53.30	50.30	48.30	7.30
Budget & Finance	43.95	44.20	44.15	44.15	44.95	45.00	41.00	39.17	(4.78)
Clerk of the Superior Court	52.50	58.00	57.00	57.50	57.50	56.50	53.50	51.50	(1.00)
Communications	-	5.00	5.00	4.00	4.00	4.00	3.00	2.65	2.65
Corrections	347.80	377.80	375.70	383.10	395.10	400.10	393.00	376.40	28.60
County Council	31.00	29.00	29.00	31.00	31.00	31.00	28.00	28.00	(3.00)
County Executive	6.75	8.00	8.00	8.00	8.00	8.00	10.00	9.00	2.25
District Court	111.55	110.00	109.50	109.50	111.00	113.50	109.00	106.50	(5.05)
Economic Development	3.80	7.15	7.00	8.00	8.00	8.00	7.00	7.00	3.20
Emergency Management	21.40	23.03	28.00	31.00	32.00	32.00	31.00	30.00	8.60
Human Resources	24.00	26.60	27.60	28.60	29.60	31.10	24.17	23.37	(0.63)
Juvenile	174.52	176.12	173.12	174.82	175.82	195.82	191.82	185.82	11.30
Medical Examiner	13.00	14.50	14.50	15.00	15.50	15.50	15.00	14.75	1.75
Parks & Recreation Services	49.68	49.52	43.05	39.41	40.41	41.05	38.90	36.78	(12.90)
Planning & Land Services	127.75	131.62	150.62	164.32	171.32	173.20	134.80	122.30	(5.45)
Prevention Services & Programs	.80	1.22	-	-	-	-	-	-	(0.80)
Prosecuting Attorney	219.07	227.22	228.50	230.70	231.70	233.20	234.70	222.70	3.63
Public Defense Conflict Office	-	-	-	4.00	4.00	5.00	5.60	-	-
Sheriff	357.00	449.00	364.00	374.00	381.00	394.00	389.00	368.00	11.00
Special Projects	14.99	10.92	11.00	11.75	12.67	14.30	11.80	8.95	(6.04)
Superior Court	87.38	88.88	92.88	95.38	95.38	96.38	95.38	97.38	10.00
WSU PC Extension	3.60	3.62	3.60	3.60	4.60	4.60	3.57	1.00	(2.60)
Total General Fund	1,919.84	2,060.10	1,997.12	2,053.83	2,095.45	2,147.25	2,055.99	1,949.22	29.38
Special Revenue Funds:									
Arts & Cultural Services Fund	1.79	1.66	1.59	1.59	1.44	.69	.30	.50	(1.29)
Auditor's Maint & Operation Fund	2.00	.50	.50	2.50	2.00	5.70	7.20	7.20	5.20
Community Action Fund	59.31	50.77	49.77	49.77	46.95	48.32	51.89	50.48	(8.83)
Community Development Fund	9.96	8.66	11.31	11.31	11.31	11.06	11.45	10.50	.54
Conservation Futures Fund	1.00	1.00	1.00	1.00	3.00	3.00	3.15	4.15	3.15
County Road Fund	326.35	335.70	337.33	344.98	366.19	370.44	371.90	345.29	18.94
Criminal Justice Fund	-	2.00	2.00	3.00	4.00	4.00	3.00	3.00	3.00
Detention Ctr Commissary Fund	-	3.90	3.00	1.00	1.00	1.00	1.00	2.00	2.00
Drug Investigation Fund	-	2.00	4.00	7.00	7.00	7.00	6.00	3.00	3.00
Emergency Mgmt Grants Fund	-	10.87	12.88	16.50	16.50	14.50	15.00	15.00	15.00
Endangered Species Act Fund	-	-	-	-	-	-	-	-	-
Judson Family Justice Ctr Fund	-	-	1.50	8.40	8.50	8.70	9.70	9.20	9.20
Geographical Info Services Fund	19.00	17.00	17.00	19.00	20.00	23.00	23.00	21.00	2.00
Homeless Housing Fund	-	-	-	2.00	2.00	4.25	4.25	4.00	4.00
Housing Repair Program Fund	12.00	12.66	12.00	12.00	11.00	11.00	10.86	10.86	(1.14)
Human Services Fund	143.74	220.37	224.47	278.41	320.06	149.99	145.49	145.39	1.65
Law Enforcement Fund	47.00	-	-	-	-	-	-	-	(47.00)

Other Financial Information

STAFFING SUMMARY

	2000 FTE	2004 FTE	2005 FTE	2006 FTE	2007 FTE	2008 FTE	2009 FTE	2010 FTE	Change from 2000
Mental Health Fund	-	-	-	-	-	161.91	153.61	-	-
Park Impact Fees Fund	-	-	.05	.05	.05	.05	.05	.05	.05
Parks Sales Tax Fund	-	.64	1.00	6.15	7.15	6.31	5.85	5.25	5.25
Paths and Trails Fund	1.47	2.02	1.02	2.21	2.21	2.41	2.87	2.84	1.37
Peninsula Recreation Prgm Fund	-	2.00	2.00	-	-	-	-	-	-
Puget Sound Behavioral Hlth Fd	183.29	106.04	97.86	41.05	-	-	-	-	(183.29)
Rainier Communications Comm Fd	5.00	6.00	6.00	7.00	7.00	8.00	7.00	7.35	2.35
REET River Fund	2.02	1.71	1.57	1.39	1.51	1.51	1.51	1.51	(0.51)
Second REET Parks Fund	-	.89	1.15	1.20	1.20	1.20	1.20	1.75	1.75
Surface Water Mgmt Fund	43.15	52.06	55.27	60.29	62.00	73.50	67.70	74.20	31.05
Tourism, Promotion & Cap Fac Fd	.13	.42	-	-	-	-	-	-	(0.13)
Veterans' Relief Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-
Wellness Program Fund	1.00	-	-	-	-	-	-	-	(1.00)
911 System Fund	4.50	4.96	4.00	4.00	4.46	4.46	4.46	4.46	(0.04)
Total Special Revenue Funds	865.71	846.83	851.27	884.80	909.53	925.00	911.44	731.98	(133.73)
Capital Projects:									
Admin Bldg & Facilities Fund	.17	-	-	-	-	-	-	-	(0.17)
Parking Facility Fund	.56	-	-	-	-	-	-	-	(0.56)
Permanent Jail Construction Fund	8.51	.89	.50	.09	-	1.05	2.95	3.10	(5.41)
REET Capital Improvement Fund	1.07	3.47	2.85	3.98	4.65	5.35	3.95	4.00	2.93
1% for Arts Construction Fund	-	.10	.10	.60	.75	.50	.50	.50	.50
2501 Corporate Express Bldg Fd	-	-	1.29	1.39	1.80	1.15	-	-	-
Transportation Facilities Fund	-	-	-	1.00	1.00	-	-	-	-
Total Capital Projects	10.31	4.46	4.74	7.06	8.20	8.05	7.40	7.60	(2.71)
Enterprise Funds:									
Airport Fund	1.50	1.60	1.60	2.63	2.62	2.77	4.77	5.27	3.77
Chambers Bay Golf Course Fund	-	-	.80	.75	.50	.20	.50	.61	.61
Golf Courses Fund	8.45	8.78	8.78	8.53	9.53	9.53	9.03	9.03	.58
PC Ferry Services Fund	.67	1.61	1.89	2.80	2.62	2.62	2.92	3.13	2.46
Sewer Utility Fund	103.26	111.76	118.39	126.38	135.09	144.39	149.09	160.98	57.72
Sewer Utility Construction Fund	-	-	-	-	-	-	-	-	-
Solid Waste Mgmt Fund	11.11	14.44	16.02	16.11	15.68	18.68	18.72	22.62	11.51
Water Utility Fund	.90	.31	.09	.01	.10	.10	1.10	1.10	.20
Total Enterprise Funds	125.89	138.50	147.57	157.21	166.14	178.29	186.13	202.74	76.85
Internal Serv Funds:									
Equipment Rental & Revolving Fd	24.10	24.47	24.46	24.27	24.30	26.30	27.30	27.30	3.20
Facilities Management Fund	41.86	45.99	52.21	52.66	52.88	53.75	56.30	50.45	8.59
Fleet Rental Fund	3.15	3.40	3.45	3.45	3.45	3.40	3.40	3.40	.25
General Services Fund	8.20	8.20	8.20	8.20	8.80	8.80	8.80	8.80	.60
Information Technology Fund	104.00	110.00	111.00	114.50	115.50	118.50	115.50	109.75	5.75
Radio Communication Fund	7.10	8.17	7.00	7.00	8.54	9.54	9.54	9.54	2.44
Self Insurance Fund	6.30	6.30	6.30	6.30	6.30	6.30	6.38	6.38	.08
Workers Compensation Fund	2.70	2.70	2.70	2.70	2.70	2.70	2.75	2.75	.05
Total Internal Serv Funds	197.41	209.23	215.32	219.08	222.47	229.29	229.97	218.37	20.96
TOTAL FUNDS	3,119.16	3,259.12	3,216.02	3,321.98	3,401.79	3,487.88	3,390.93	3,109.91	(9.25)

Other Financial Information

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

	2010 Budget	2009 Budget	Absolute Change	Percent Change
General Government				
Assessor/Treasurer	\$ 9,800,200	\$ 10,134,860	\$ (334,660)	(3.3) %
Auditor	7,195,870	8,361,875	(1,166,005)	(13.9)
Auditor'S Maint & Oper Fund	1,629,080	1,597,180	31,900	2.0
Bond Debt Service	419,410	411,980	7,430	1.8
Budget & Finance	5,048,250	5,200,930	(152,680)	(2.9)
Communications	572,420	536,160	36,260	6.8
County Council	3,908,960	4,002,450	(93,490)	(2.3)
County Executive	1,362,790	1,394,270	(31,480)	(2.3)
Employee Assistance Program Fd	72,260	73,260	(1,000)	(1.4)
Human Resources	3,425,110	3,499,440	(74,330)	(2.1)
Miscellaneous Current Expense	1,101,080	1,307,920	(206,840)	(15.8)
Rainier Communicatn Commiss Fd	1,865,930	1,602,610	263,320	16.4
REET Capital Improvement Fund	2,991,500	2,624,850	366,650	14.0
REET Electronic Technology Fd	229,280	370,000	(140,720)	(38.0)
Special Projects	1,311,500	1,384,520	(73,020)	(5.3)
State Auditor	173,980	171,640	2,340	1.4
Total General Government	41,107,620	42,673,945	(1,566,325)	(3.7)
Public Safety				
Annex West Building	53,290	222,950	(169,660)	(76.1)
Clear Zone Land Acquisition	3,050,000	3,100,000	(50,000)	(1.6)
Corrections	47,814,830	48,903,770	(1,088,940)	(2.2)
Criminal Justice Fund	497,210	2,084,424	(1,587,214)	(76.1)
Detention Center Commissary Fd	1,252,430	1,100,880	151,550	13.8
District Court	3,588,190	3,536,630	51,560	1.5
Drug Investigation Fund	664,230	1,609,520	(945,290)	(58.7)
Emergency Management	3,333,600	3,576,070	(242,470)	(6.8)
Emergency Managemt Grants Fd	5,713,500	6,941,720	(1,228,220)	(17.7)
Juvenile	17,044,650	17,817,762	(773,112)	(4.3)
Marine Services Fund	160,430	208,590	(48,160)	(23.1)
Medical Examiner	2,077,810	2,107,700	(29,890)	(1.4)
Miscellaneous Current Expense	616,330	633,416	(17,086)	(2.7)
Parks And Recreation Services		52,030	(52,030)	(100.0)
Permanent Jail Construction Fd	8,669,150	9,701,320	(1,032,170)	(10.6)
Prevention Services & Programs	1,481,250	1,712,500	(231,250)	(13.5)
REET Capital Improvement Fund	671,720	1,752,180	(1,080,460)	(61.7)
Sheriff	58,845,900	59,039,930	(194,030)	(0.3)
Special Projects	59,450	61,950	(2,500)	(4.0)
911 System Fund	7,206,960	6,262,450	944,510	15.1
Total Public Safety	162,800,930	170,425,792	(7,624,862)	(4.5)

Other Financial Information

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

	2010 Budget	2009 Budget	Absolute Change	Percent Change
Physical Environment				
Auditor	1,348,380	1,338,390	9,990	0.7
Conservation Futures Fund	6,715,730	3,786,670	2,929,060	77.4
Endangered Species Act Fund	55,000	196,760	(141,760)	(72.0)
Federal Forest Services Fund	56,330	32,940	23,390	71.0
GIS Fund	3,448,580	3,611,830	(163,250)	(4.5)
Miscellaneous Current Expense	173,120	198,140	(25,020)	(12.6)
REET River Improvement Fund	5,652,610	6,624,260	(971,650)	(14.7)
Special Projects	121,920	381,820	(259,900)	(68.1)
Surface Water Management Fund	20,714,940	22,491,790	(1,776,850)	(7.9)
Total Physical Environment	38,286,610	38,662,600	(375,990)	(1.0)
Legal & Judicial				
Assigned Counsel	14,738,110	14,656,020	82,090	0.6
Capital Improvement Projects	50,000	50,000	—	—
Clerk	4,972,300	5,127,610	(155,310)	(3.0)
Criminal Justice Fund	405,280	668,150	(262,870)	(39.3)
Dispute Resolution Center Fund	195,960	155,000	40,960	26.4
District Court	8,462,850	8,536,380	(73,530)	(0.9)
Judson Family Justice Ctr Fd	1,452,630	1,721,204	(268,574)	(15.6)
Juvenile	3,040,110	2,999,320	40,790	1.4
Miscellaneous Current Expense	372,330	373,080	(750)	(0.2)
Prosecuting Attorney	26,046,440	26,468,438	(421,998)	(1.6)
Public Defense Conflict Office		754,490	(754,490)	(100.0)
REET Capital Improvement Fund	357,870	2,266,820	(1,908,950)	(84.2)
Superior Court	13,724,830	13,914,080	(189,250)	(1.4)
Total Legal & Judicial	\$ 73,818,710	\$ 77,690,592	\$ (3,871,882)	(5.0) %
Economic Environment				
Community Development Fund	3,830,770	3,368,030	462,740	13.7
Economic Development	1,068,780	1,217,790	(149,010)	(12.2)
Homeless Housing Program Fund	5,504,660	4,520,650	984,010	21.8
Housing Repair Programs Fund	9,083,720	10,647,090	(1,563,370)	(14.7)
Low Income Housing Fee Fund	999,420	1,822,910	(823,490)	(45.2)
Miscellaneous Current Expense	5,000	111,701	(106,701)	(95.5)
Planning and Land Services	13,736,420	16,036,390	(2,299,970)	(14.3)
Special Projects	310,120	328,170	(18,050)	(5.5)
Total Economic Environment	34,538,890	38,052,731	(3,513,841)	(9.2)
Mental/Physical Health				
Community Action Fund	8,312,530	10,665,211	(2,352,681)	(22.1)
Health Department	33,128,211	41,337,709	(8,209,498)	(19.9)
Health Services	2,838,070	2,932,210	(94,140)	(3.2)
Human Services Construction Fd	6,130	297,470	(291,340)	(97.9)
Human Services Fund	36,244,290	35,570,305	673,985	1.9
Mental Health Fund	1,500,000	17,610,900	(16,110,900)	(91.5)
Miscellaneous Current Expense	548,500	809,398	(260,898)	(32.2)
REET Capital Improvement Fund	230,000	294,160	(64,160)	(21.8)
Special Projects	500,000		500,000	—
Veterans Relief Fund	938,160	955,420	(17,260)	(1.8)
Total Mental/Physical Health	84,245,891	110,472,783	(26,226,892)	(23.7)

Other Financial Information

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

	2010 Budget	2009 Budget	Absolute Change	Percent Change
Cultural & Recreation				
Arts and Cultural Services Fd	127,690	200,250	(72,560)	(36.2)
Chambers Bay Golf Course Fund	7,644,120	7,460,720	183,400	2.5
Golf Courses Fund	1,990,000	2,010,440	(20,440)	(1.0)
Miscellaneous Current Expense	80,000	287,142	(207,142)	(72.1)
Parks and Recreation Services	6,009,740	6,282,600	(272,860)	(4.3)
Parks Construction Fund	1,250,000	5,282,990	(4,032,990)	(76.3)
Parks Impact Fee Fund	579,880	570,160	9,720	1.7
Parks Sales Tax Fund	3,218,550	4,230,030	(1,011,480)	(23.9)
Paths And Trails Fund	1,050,380	4,541,370	(3,490,990)	(76.9)
Pierce County Fair Fund	182,770	198,470	(15,700)	(7.9)
Second REET Parks Fund	690,860	4,256,970	(3,566,110)	(83.8)
Special Projects	63,190	433,200	(370,010)	(85.4)
Tourism, Promotion, Facil Fund	723,660	632,840	90,820	14.4
WSU PC Extension	406,420	655,390	(248,970)	(38.0)
1% For Arts Construction Fd	306,720	337,730	(31,010)	(9.2)
Total Cultural & Recreation	24,323,980	37,380,302	(13,056,322)	(34.9)
Debt Service				
Ltd Tax GO Bond Redemption Fd	10,607,770	8,894,200	1,713,570	19.3
Total Debt Service	10,607,770	8,894,200	1,713,570	19.3
Public Works & Utilities				
County Road Fund	62,133,180	70,743,260	(8,610,080)	(12.2)
Ferry Services Fund	5,662,800	4,626,000	1,036,800	22.4
Miscellaneous Current Expense		70,722	(70,722)	(100.0)
Public Works Construction Fund	35,670,000	55,870,000	(20,200,000)	(36.2)
Second REET Roads Fund	24,386,000	22,874,000	1,512,000	6.6
Sewer Bond Funds	1,910,450	1,716,290	194,160	11.3
Sewer Facil Restrict Reserve Fd	13,944,080	10,348,740	3,595,340	34.7
Sewer Utility Const Funds	53,681,100	22,005,300	31,675,800	143.9
Sewer Utility Fund	36,762,970	40,920,060	(4,157,090)	(10.2)
Solid Waste Mgmt Fund	7,171,520	6,542,180	629,340	9.6
Thun Field Airport - O&M	6,361,020	18,834,940	(12,473,920)	(66.2)
Traffic Impact Fee Fund	4,985,380	6,790,030	(1,804,650)	(26.6)
Transportation Facilities Fund	252,000	2,648,880	(2,396,880)	(90.5)
Water Utility Fund	285,080	300,650	(15,570)	(5.2)
Total Public Works & Utilities	253,205,580	264,291,052	(11,085,472)	(4.2)
Internal Service				
Equipment Services Division Fd	15,554,080	15,064,840	489,240	3.2
Facilities Management Fund	13,156,030	13,904,900	(748,870)	(5.4)
Fleet Rental Fund	4,752,740	5,193,460	(440,720)	(8.5)
General Services Fund	3,345,690	3,364,980	(19,290)	(0.6)
Information Technology Fund	18,960,880	19,886,750	(925,870)	(4.7)
Radio Communications Fund	2,895,700	3,056,780	(161,080)	(5.3)
Self Insurance Fund	9,182,790	9,124,030	58,760	0.6
Workers Compensation Fund	4,288,660	4,023,250	265,410	6.6
Total Internal Service	72,136,570	73,618,990	(1,482,420)	(2.0)
Reserve For Fund Balance	1,474,040	—	1,474,040	∞
County Fund Total	\$ 796,546,591	\$ 862,162,987	\$ (65,616,396)	(7.6) %

Other Financial Information

ALL FUNDS COMPARISON OF 2010 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	\$ 34,037,550	\$ 27,092,050	\$ —	\$ 123,000	\$ 49,230,290	\$30,094,740	\$ 4,671,746	\$ 145,249,376
Contributed Capital	—	—	—	—	1,297,000	—	—	1,297,000
Fines and Forfeitures	8,148,020	10,000	—	—	—	—	—	8,158,020
Intergovernmental Rev	37,771,770	81,597,050	—	10,742,000	10,432,230	100	21,038,356	161,581,506
Licenses and Permits	7,596,770	60,000	—	—	—	—	3,867,162	11,523,932
Other Financing Sources	—	—	—	—	670,080	—	—	670,080
Other Miscellaneous Re	10,688,390	29,187,460	10,607,770	9,400,000	21,670,030	36,174,100	1,768,590	119,496,340
Other Taxes	9,790,770	9,755,140	—	2,290,000	81,900	—	—	21,917,810
Property Taxes	109,033,980	52,539,930	—	—	—	—	—	161,573,910
Sales Taxes	52,205,000	2,893,710	—	—	—	—	—	55,098,710
Use of Fund Balance	—	19,344,930	—	30,953,380	52,031,610	5,867,630	1,782,357	109,979,907
Total Revenues	\$ 269,272,250	\$ 222,480,270	\$ 10,607,770	\$ 53,508,380	\$ 135,413,140	\$72,136,570	\$33,128,211	\$ 796,546,591
Expenditures/Expenses:								
Cultural & Recreation	\$ 6,559,350	\$ 6,573,790	\$ —	\$ 1,556,720	\$ 9,634,120	\$ —	\$ —	\$ 24,323,980
Debt Service	—	—	10,607,770	—	—	—	—	10,607,770
Economic Environment	15,120,320	19,418,570	—	—	—	—	—	34,538,890
General Government	34,319,570	3,796,550	—	2,991,500	—	—	—	41,107,620
Internal Service	—	—	—	—	—	72,136,570	—	72,136,570
Legal & Judicial	71,406,970	2,053,870	—	357,870	—	—	—	73,818,710
Mental/Physical Health	3,886,570	46,994,980	—	236,130	—	—	33,128,211	84,245,891
Physical Environment	1,643,420	36,643,190	—	—	—	—	—	38,286,610
Public Safety	134,862,010	15,494,760	—	12,444,160	—	—	—	162,800,930
Public Works & Utilities	—	91,504,560	—	35,922,000	125,779,020	—	—	253,205,580
Reserve For Fund Bal	1,474,040	—	—	—	—	—	—	1,474,040
Total Expenditures	\$ 269,272,250	\$ 222,480,270	\$ 10,607,770	\$ 53,508,380	\$ 135,413,140	\$72,136,570	\$33,128,211	\$ 796,546,591

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” 2010 Budget for Pierce County is \$730,277,751 (total budget of \$796,546,591 less Internal Service Funds of \$72,136,570 plus \$100 in Intergovernmental Revenue from non-county sources and \$5,867,630 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 2010 (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.