

Pierce County

2007 Budget In Brief

This document is a “brief” look at the adopted 2007 Pierce County budget. We hope it will enhance your understanding of how the County is organized, the services it provides, and the funding sources used to provide those services. Our purpose is to deliver to the citizens of Pierce County the very highest quality of services as efficiently and economically as possible, making every dollar count. Thank you for the opportunity to serve you and to be able to make Pierce County government the best it can be.

County Executive

John Ladenburg

County Council

Shawn Bunney

Calvin Goings

Roger Bush

Timothy Farrell

Barbara Gelman

Dick Muri

Terry Lee



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
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**Pierce County
Washington**

For the Fiscal Year Beginning

January 1, 2006

President

Executive Director






The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Pierce County, Washington for its annual budget for the fiscal year beginning January 1, 2006. 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 Facts

General Information

-  Pierce County was established in 1852 and became a Home Rule County by a vote of the people in 1981. The County is governed by an elected County Executive and seven elected Council Members. The Prosecutor, Assessor-Treasurer, Auditor, Superior Court Judges, and District Court Judges are also elected by the people.
-  The County is located on scenic Puget Sound and covers 1,794 square miles (1,676 square miles of land and 118 square miles of water).
-  The average daily temperature in the winter is 40°F and in the summer it's 70°F. Average rainfall is 39.9 inches, 75% of which fall between October and March.
-  Pierce County boasts of 10 hospitals, 15 public school districts, a large number of private schools, two vocational technical colleges, two community colleges, and six four-year colleges or universities.
-  The third largest army post in the United States, Fort Lewis, is located in the County as are McChord Air Force Base, Madigan Army Medical Center, and Camp Murray National Guard post. Altogether these military installations contribute over 53,000 military and civilian jobs to the local economy.

Transportation

Pierce County is served by Sea-Tac Airport 16 miles to the north and the Tacoma Narrows Airport between Gig Harbor and the City of Tacoma. There are also three general aviation airports. Interstates 5 and 705 run through the County as do numerous state highways. Pierce Transit provides excellent bus service extending from the state capital, Olympia, to the City of Seattle. Sound Transit, the regional transit authority, recently completed a light rail line that connects downtown Tacoma to a major transit hub near the Tacoma Dome. Two transcontinental railroad systems connect the County with the rest of the nation as do 30 interstate trucking companies.

Economic Conditions

The Pierce County economy continued to grow in 2005 and 2006. A very strong housing market, rebounding airline industry, activity and expansion at the Port of Tacoma, and the stabilizing influence of the large federal workforce at the local military bases have fueled the expansion. Accordingly, *Pierce County* continues to play a vital role in the regional economy. In explaining some of the economic advantages enjoyed by *Pierce County*, the State of Washington labor market and economic analysis stated, "In Pierce County, those advantages include (1) a major port with the potential for future expansion, (2) relatively low property costs in rural areas, (3) available and competitively priced office and commercial space, and (4) its situation as the geographic anchor for the central Puget Sound." Some specific sectors are highlighted in the following paragraphs.

Manufacturing

Products manufactured in Pierce County include aerospace parts, chemicals, machinery, hardware, food products, and electronics. Among the major manufacturers are Boeing (1,395), Intel (1,200), Milgard Glass (1,118), and Simpson Tacoma Kraft wood products (695). Increasing strength in the airline industry bodes well for further expansion at Boeing as orders for the fuel-efficient 777 jetliner increase. Boeing is likely to add capacity at their Fredrickson site in the coming years.

Port Facilities

In describing the Port of Tacoma, the Economic Development Board of Pierce County says, "The Port of Tacoma has become one of the fastest growing ports in the United States. It is strategically located and offers efficient connections to sea, rail, highway, and air transportation networks. It enjoys strong international ties with nations on the Pacific Rim and around the world." In 2005, the Port of Tacoma began its largest capital improvement program ever, investing more than \$214 million in projects to increase capacity and expedite the movement of cargo; that expansion will continue into 2007.

The Port is already the sixth busiest container port in North America, and one of the 25 busiest in the world, and it plays an important part in the local economy. This deep-water port covers 2,400 acres and offers a combination of facilities and services including 34 deepwater berths, two million square feet of warehouse and office space, and 131 acres of industrial yard. A comprehensive economic impact study completed in 2005 showed that more the 43,000 jobs in Pierce County are related to the Port activities.

Service/Government

One of the largest components of the service sector is health care. The largest employers include the Franciscan Health System (3,896), Multicare Medical Center (3,874), and Good Samaritan Hospital (1,471). In addition, DaVita, the nation's second largest provider of dialysis services, employees 792 people in a renovated downtown Tacoma facility.

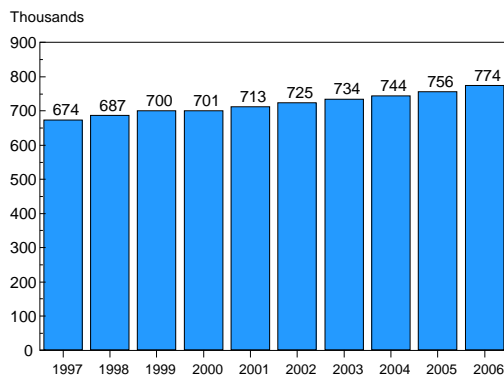
Fort Lewis Army Base and Madigan Army Medical Center occupy 86,000 acres in southwest Pierce County while the adjacent McChord Air Force Base includes 5,000 acres. Together, these facilities employ over 53,000 military and civilian personnel. Unlike many military installations across the country, Fort Lewis and McChord have expanded as people are transferred from closed facilities to the northwest. In addition, recent federal budgets have included significant pay raises for military members and money for major construction projects at both Fort Lewis and McChord.

Other government employment includes the local Public School Districts (13,275), the State of Washington (7,649), the City of Tacoma (3,457), Pierce County (3,160), Washington State Higher Education (2,958), and the United States Postal Service (1,173).

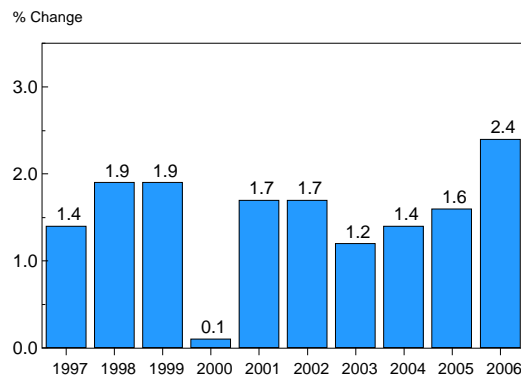
Population

Pierce County is home to an estimated 773,500 people, making it the second largest county in the state. Its five largest cities are Tacoma (199,600), Lakewood (59,000), Puyallup (36,360), University Place (31,140), and Bonney Lake (15,330). As shown in the charts below, population growth has been steady, averaging about 1.5% per year over the last 10 years. The only notable exception was 2000 when the U.S. Census figures were used to establish the new population base.

Pierce County Population History



Pierce County Population Percent Change

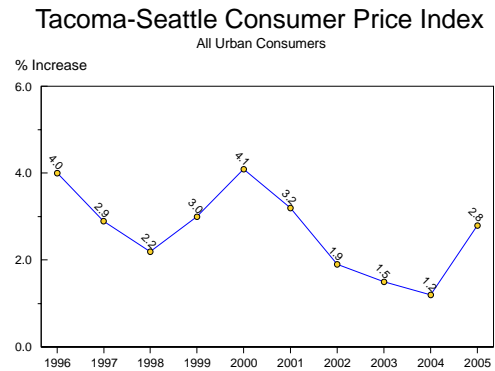
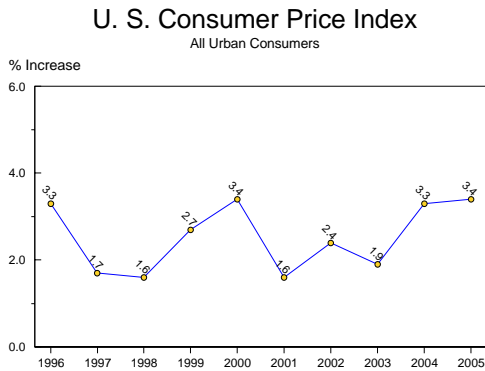


Pierce County Facts

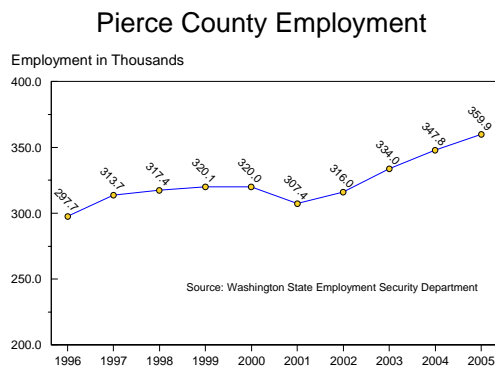
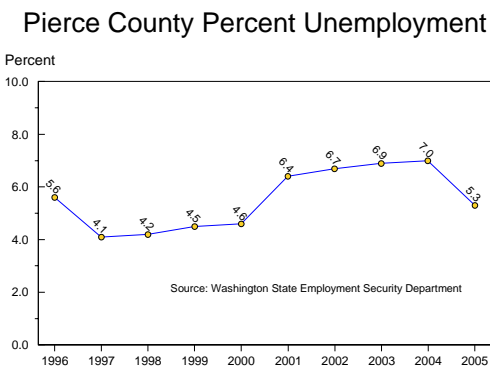
Economic Indicators

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

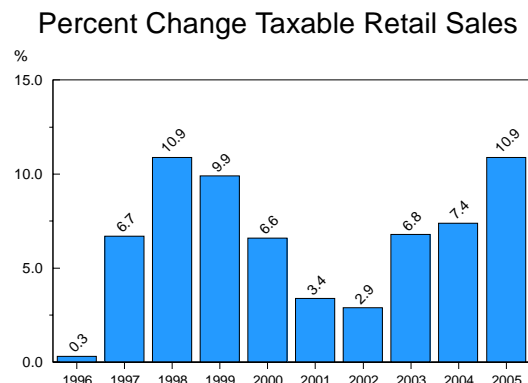
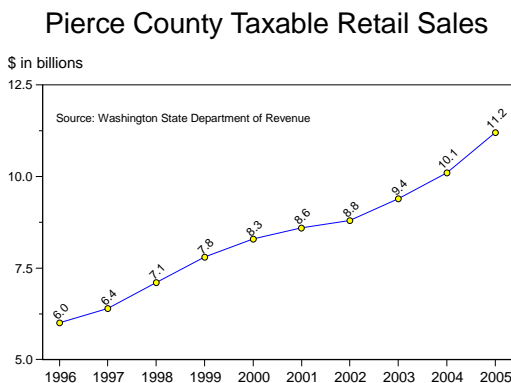
- ◇ **Inflation:** Inflation as measured by the Seattle-Tacoma-Everett Consumer Price Index for all urban consumers increased from 1.2% in 2004 to 2.8% in 2005. During the same period, the U. S. average (CPI-U) increased from 3.3% in 2004 to 3.4% in 2005.



- ◇ **Employment:** In 2005, total employment in Pierce County increased to 359,900, resulting in a decreased unemployment rate of 5.3%. Pierce County unemployment matched the statewide average of 5.3% and was slightly higher than the U.S. average of 5.1%.



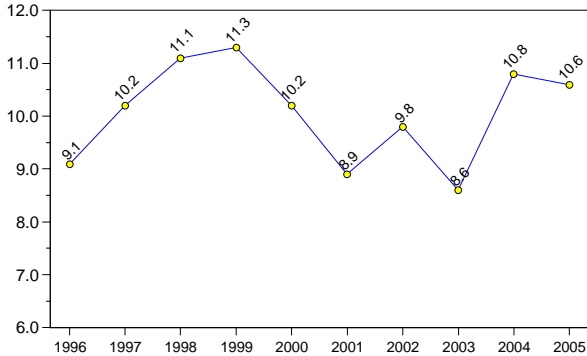
- ◇ **Taxable Retail Sales:** Taxable retail sales continued very strong in 2005 increasing 10.9% compared to 2004. Based on current forecasts, we expect sales growth to continue in 2006, albeit at a more moderate pace.



◇ **Construction:** New construction activity is an important economic indicator since it greatly impacts County operations and workload in areas such as planning, permits, land services, public works, and public construction. Property tax revenues are also affected by fluctuations in new construction activity. The number and value of permits issued is one way to determine future growth in the County's property tax base. The figures below show that the number of permits issued decreased slightly in 2005 while the total value of new construction increased.

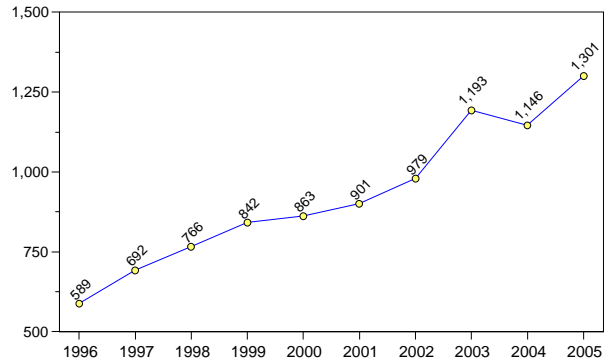
Construction Activity

Tacoma, Lakewood, and Pierce County Building Departments
Permits in 000's



Value of Building Permits Issued

Tacoma, Lakewood, and Pierce County Building Departments
\$ in Millions

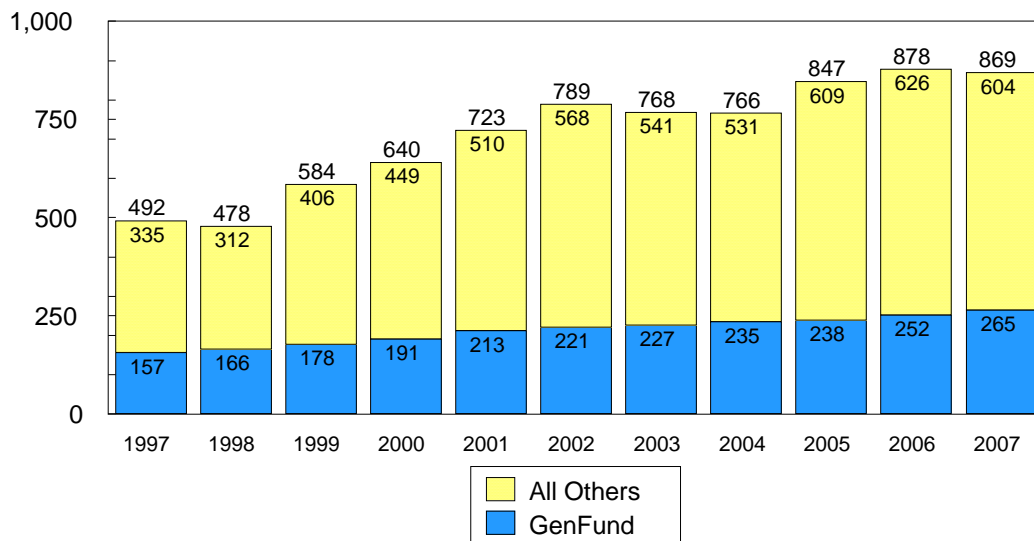


Budget History

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.

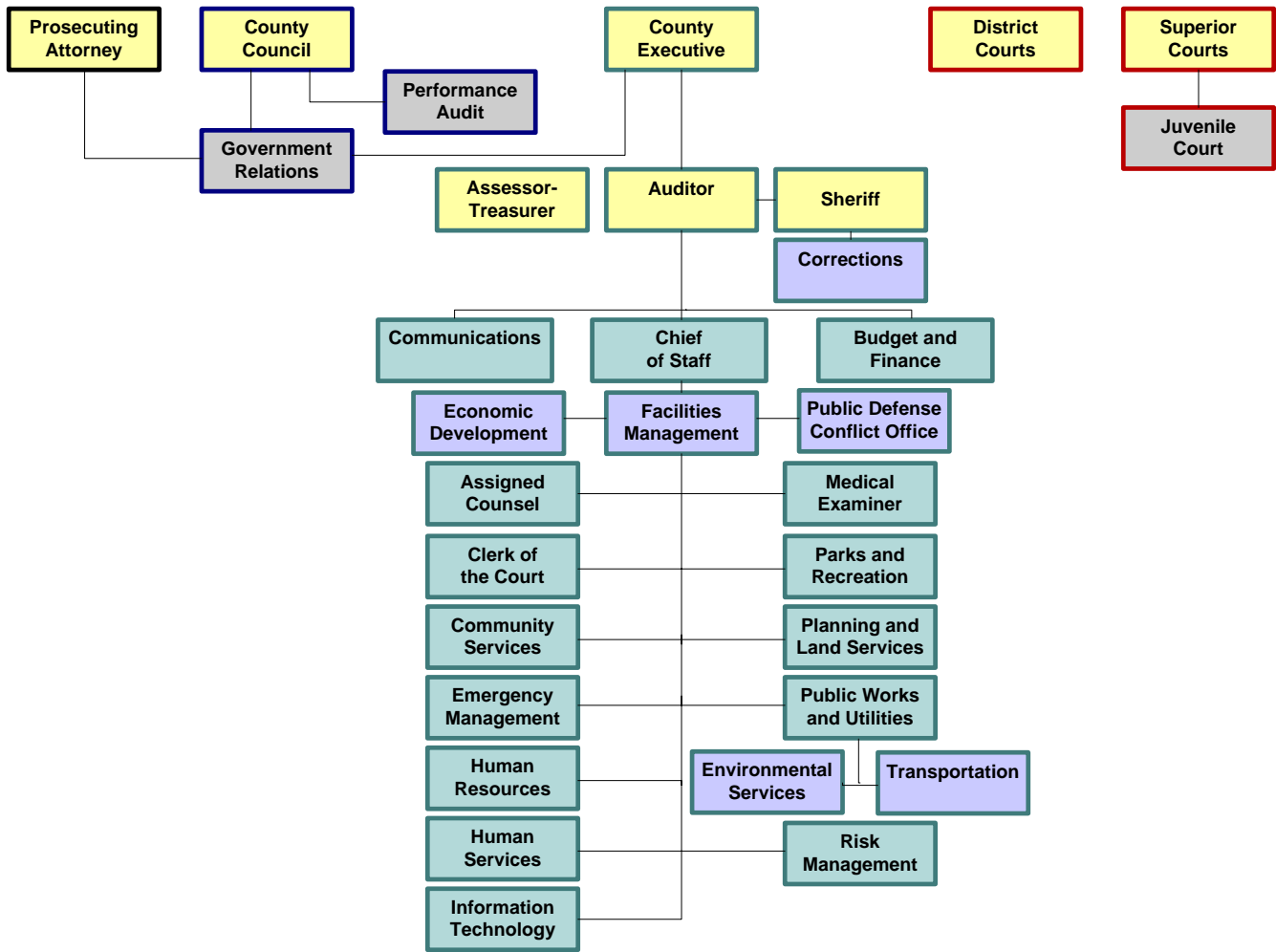
Total Budget

\$ in Millions



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 elected positions (Assessor-Treasurer, Auditor and Sheriff) with the other department directors recommended by the Executive and approved by the Council.

Mission, Goals and Performance Measures

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

III.

Performance Measures are developed for each departmental budget. These measures are specific and quantifiable statements of what major items will be accomplished in this fiscal year and are listed in each department's section of the 2007 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 proposed 2007 Pierce County Budget totals \$868,931,228, which is \$9 million **below** the 2006 budget. However, the General Fund budget will reflect a 5.4% increase, which will allow the county to enhance several priority services.

This is the sixth budget year the county's General Fund has been impacted by the **crippling effects of I-747** (1% property tax growth limitation). The initiative continues to make it impossible to meet all budget requests from department directors and fully meet public service obligations.

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

First, existing challenges involving general **criminal activity, gangs, domestic violence, meth labs and other drug activity will continue to place great 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 2007 budget 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, the new Prometa drug program, and county contributions for the Youth Assessment Center and the Judson Family Justice Center. These programs decrease criminal activity and reduce future jail costs.

Third, we will continue to allocate increased resources to **Planning and Land Services** in order to eliminate the permit backlog and allow us to meet performance timelines in 2007.

Fourth, our **capital facility program** includes major improvements for parks and recreation facilities, our transportation infrastructure, the surface water management system, the sewer utility, and major remodeling at the County-City and Corporate Express Buildings.

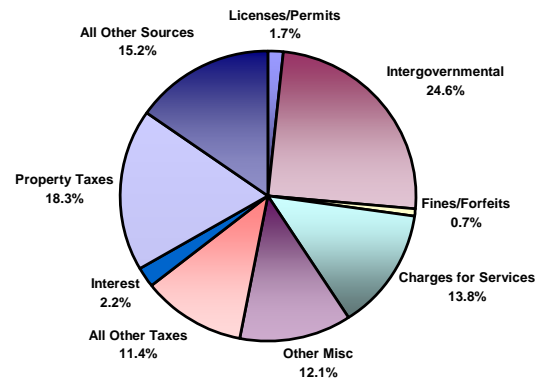
Fifth, we remain committed to the promotion of **economic development** in Pierce County. Both the direct activities in the Economic Development department, and the projects, priorities, and processes in other departments emphasize the importance placed on this endeavor.

Total Pierce County Revenue & Expenditure Overview

Over 24% of the County's funding comes from Intergovernmental Revenues. Property and Other Taxes equals almost 30% of the total revenues. Service Charges, Licenses/Permits, and Fines/Forfeits provide just over 15%. The 15% in All Other Sources category is primarily made up of the use of prior fund balance. The 14% for Other Miscellaneous includes the sale of fixed assets and transfers from operating funds to construction and debt service funds for those purposes. Interest revenues are just over 2%. The revenues for Internal Service Funds have been excluded from the totals used to calculate the percentages shown on the pie chart.

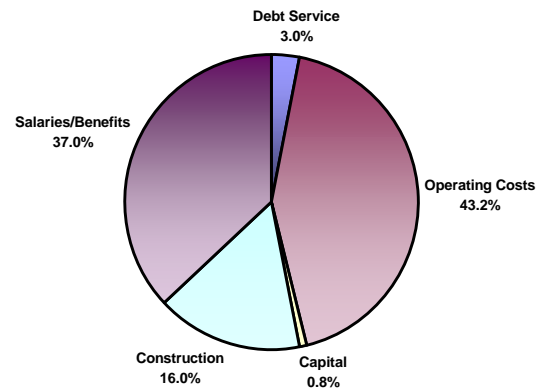
2007 Total County Revenues

Summarized by Source



2007 Total County Expenditures

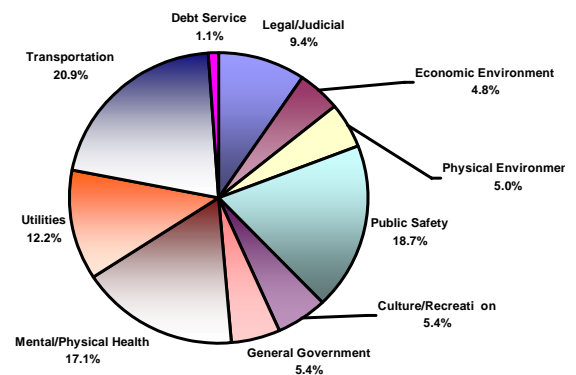
Summarized by Object Classification



Thirty seven percent of the County's total budget line-item is allocated to personnel costs. All other operating costs consume approximately 43%. The remaining 20% is for capital construction and debt service.

2007 Total County Expenditures

Summarized by Function



The Public Safety and Legal/Judicial Services combined accounts for 28% of the total County expenditures, with the Mental and Physical Health system absorbing 17%. Just over 38% of the total expenditures is invested in the support of Transportation, Utilities, and the Physical Environment and over 5% is related to Culture and Recreation. Just under 5% is expended for Economic Environment activity and almost 7% supports general government functions and debt service. The revenues for Internal Service Funds have been excluded from the totals used to calculate the percentages shown on the pie chart.

General Fund

As the name implies, this is the fund that receives undesignated revenues which can be budgeted for any appropriate County purpose. This fund finances the majority of the traditional services associated with County government. Most of the budget

Revenues

A summary of the 2007 revenues, with a comparison to the current year, is shown in the table below:

GENERAL FUND REVENUE SUMMARY				
	2007 Budget	2006 Budget	Absolute Change	Percent Change
Property Taxes	\$ 98,031,480	\$ 93,453,510	\$ 4,577,970	4.9 %
Sales Taxes	56,750,000	50,740,000	6,010,000	11.8
Other Taxes	10,320,150	10,108,120	212,030	2.1
Licenses and Permits	9,676,760	8,964,520	712,240	7.9
Intergovernmental Revenue	29,594,530	28,315,413	1,279,117	4.5
Charges for Services	36,174,850	34,732,455	1,442,395	4.2
Fines and Forfeitures	5,464,490	4,943,950	520,540	10.5
Interest Revenue	14,254,520	10,611,350	3,643,170	34.3
Other Miscellaneous Revenue	4,039,200	4,101,512	(62,312)	(1.5)
Subtotal Revenues	\$264,305,980	\$245,970,830	\$ 18,335,150	7.5 %
Fund Balance	817,725	5,631,693	(4,813,968)	(85.5)
Total Available Resources	\$265,123,705	\$251,602,523	\$ 13,521,182	5.4 %

Our revenue projections are based largely upon the following assumptions:

- ◇ The strong growth in the local economy during 2005 and 2006 will be evident in property and sales tax increases for 2007.
- ◇ Inflation will be approximately 3% next year, thus giving a modest boost to Sales Taxes, Intergovernmental Revenues, and Charges for Services.
- ◇ Interest rates will remain close to their current levels, but the 2005-2006 rate hikes already enacted should result in large interest revenue increases in the 2007 budget.
- ◇ We will continue to receive city contract revenues for several major services (principally police services, jail, roads maintenance, and court services)
- ◇ Only modest fee increases are being proposed in the General Fund.

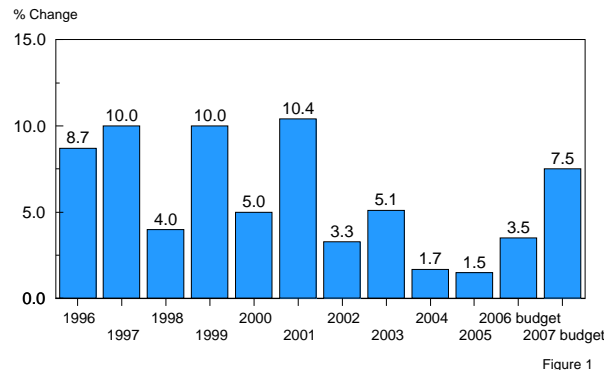
Based upon the above assumptions, and an in-depth review of our revenue patterns, we are projecting an increase in General Fund revenues of 7.5% in 2007.

Comparative **revenue** increase figures for the last decade are shown in Figure 1. The increase of 7.5% in 2007 is the largest increase since I-747 was implemented (2002). As the earlier comments indicated, this high level of revenue growth is mostly due to a very strong local economy (property taxes from new construction, sales taxes, and development fees). In reviewing the recent figures versus 1996-2001 please keep in mind that:

- ◇ The end of the Sheriff's Lakewood contract (\$12,000,000) by itself equated to a 5% drop in General Fund revenues.
- ◇ Initiative 747 continues to erode our real financial base. The negative impact grows exponentially each year.
- ◇ In several of the 1996-2001 years there was a major new revenue source (e.g., state criminal justice funds, criminal justice sales tax, jail/juvenile sales tax, and the law levy transfer to the General Fund). No major new revenue source is reflected in the 2007 budget.

- ◇ During most years there are mid-year events which give rise to revenue increases, but which almost always are accompanied by at least a corresponding increase in related expenses (e.g., new grants, storm reimbursements, special elections). This could well happen again as fiscal 2007 unfolds; thus pushing the final percent increase above the originally budgeted 7.0% figure.

Percent Change in General Fund Revenues



As you can gather from our earlier comments, I-747 casts a major shadow over our finances. This initiative limits the growth in taxes from existing property to only 1% per year (in place of the previously available 6%). Such a limitation, which is well below the level of inflation, imposes severe fiscal constraints on the County. The inevitable result is that service cutbacks and staff reductions become unavoidable. The annual revenue loss for the first six years affected by this initiative is shown in the next table. The exact revenue loss over the next several years is difficult to precisely determine, but will likely reflect the same progression (close to \$6 million per year increase in the loss level).

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 est
Total	\$ 82,889,000

These are very significant revenue losses, with the **annual amount in just fiscal 2007 equal to 9.8% of our General Fund budget**. The cumulative 6 year loss is equal to the construction costs of the New Jail, the New Parking Garage, and all the remodeling at the Corporate Express Building (including the Emergency Operations Center). The Road levy is also affected by I-747, with the 2007 loss estimated at \$9,953,000 (\$8,004,000 for the Road Fund, and \$1,948,000 for the law enforcement levy in the General Fund).

This initiative is causing an inexorable erosion in our financial foundation, and will likely lead to significant long term reductions in public safety, the justice system, road maintenance, health services, and other vital county programs. The reason that we have not seen evidence of that in 2006-2007 is that the local economy has been extremely robust.

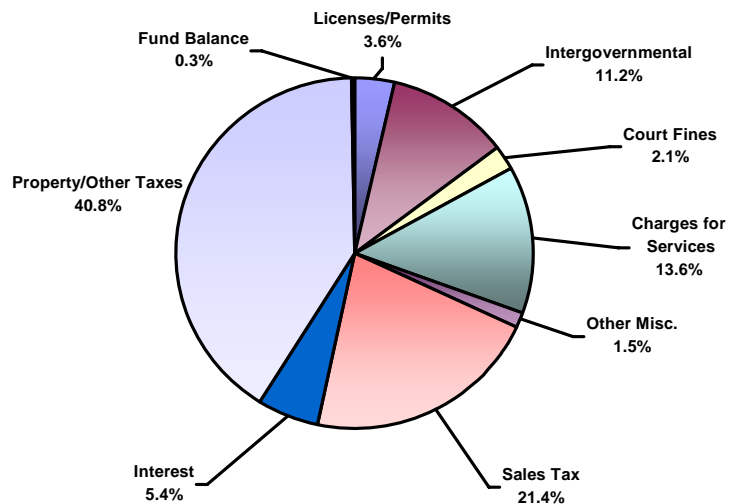
General Fund

Revenue Sources

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

- ◇ **Property Tax** revenue collections are projected to increase by 4.9% in 2007. This increase is based upon two factors. The first is the 1% available under I-747. The second, and most important factor, is the tax growth resulting from new construction and improvements.
- ◇ **Sales Tax** revenues are projected to increase by 11.8% in 2007. This is based upon the strong revenue growth in 2006 Y-T-D, coupled with projections for moderate growth in the next 12-16 months.
- ◇ **Other Taxes** will be essentially unchanged from 2006 (gambling taxes and delinquent penalties down, and real estate excise taxes administrative fees up).
- ◇ **Licenses and Permits** are projected to grow by 7.9% in 2007 based upon the assumption that our high level of construction permit activity will continue into next year.
- ◇ **Intergovernmental Revenues** reflect a modest increase (4.5%) due mostly to projected increases in jail billings (jail rate hikes and the new pod).
- ◇ **Charges for Services** are estimated to be above the 2006 budget by 4.2%. This modest change is actually composed of many increases or decreases in specific revenue sources, the most significant being:
 - large increases in Planning Fees based upon current activity levels and the implementation of building code costing adjustments.
 - large increases in election billings due to state reimbursement for odd year election costs.
- ◇ **Fines and Forfeits** are projected to be well above the 2006 Budget (10.5%) based upon an anticipated increase in infractions issued by the State Patrol, and the fact that the state once again will be able to suspend licenses for non-payment of traffic fines.
- ◇ **Interest Revenues** are projected to generate a large increase in 2007, due to recent short term interest rate hikes.
- ◇ **Miscellaneous Revenues** will decrease by 1.5% in 2007, which largely reflects a modest decline in contributions, charges to other funds, and timber sales.
- ◇ **Prior Fund Balance** – the 2007 budget utilizes only \$817,725 in prior fund balance, compared to \$5.6 million in 2006. Most of the 2007 use is for 2006 carryover projects or one-time 2007 items.

2007 General Fund Revenues



Expenditures

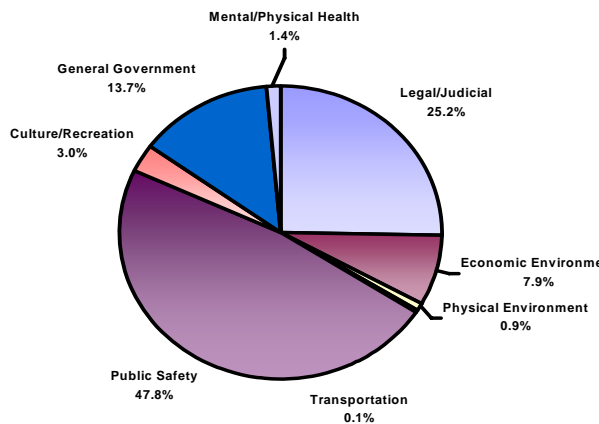
The projected Revenue growth of 7.5% (and 5.4% in Total Resources) will be sufficient to continue most programs and staff at the 2006 levels, and to fund additions in several priority areas as discussed below.

The following table summarized the 2007 General Fund Expenditure Budget, and compares it with the 2006 budget

GENERAL FUND EXPENDITURES BY FUNCTION				
	2007 Budget	2006 Budget	Absolute Change	Percent Change
General Government	\$ 36,352,610	\$ 35,227,935	\$ 1,124,675	3.2 %
Public Safety	126,577,575	117,190,438	9,387,137	8.0
Physical Environment	2,331,750	2,208,020	123,730	5.6
Legal & Judicial	66,872,900	67,441,520	(568,620)	(0.8)
Economic Environment	21,028,780	18,307,952	2,720,828	14.9
Mental/Physical Health	3,703,640	3,521,410	182,230	5.2
Cultural & Recreation	8,012,950	7,358,480	654,470	8.9
Transportation	243,500	346,768	(103,268)	(29.8)
Total General Fund	\$ 265,123,705	\$ 251,602,523	\$ 13,521,182	5.4 %

Even with the decrease in Public Safety expenses caused by the Lakewood contract termination in 2005, the combined total percentage allocated to Public Safety and Legal/Judicial Services is equal to 73% of the budget. The 2007 decline in Legal and Judicial is due simply to the fact that the County-City Building remodel project (largely devoted to the judicial system) will be financed through another fund next year.

2006 General Fund Expenditures



Percent Change in General Fund Expenditures

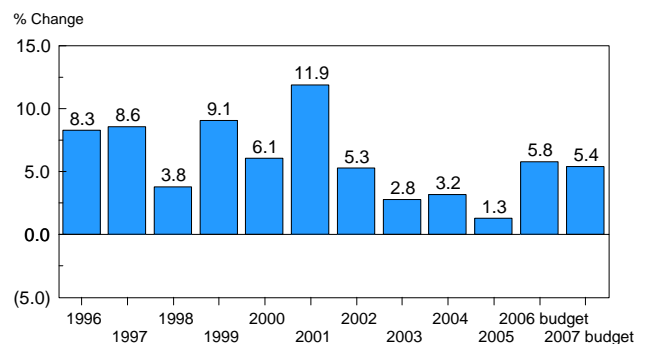


Figure 2

General Fund

2007 Major Service & Staffing Changes

The following is a listing of the major budget changes in services or staffing levels in 2007 for the General Fund departments:

Sheriff

- Three new Detective positions (to address felony assaults, property crimes and sex offender cases)
- One new Patrol Deputy
- One new Property Room Officer
- One Deputy (plus overtime) to address the courthouse security and warrants issues
- One road weight enforcement Deputy (funded by the Roads fund)

Corrections

- Funding for the opening of a new jail pod (12 positions plus operating expenses)

Prosecutor

- One new Attorney position (in the Civil Division)

Superior Court

- Moving Support Staff to a 7 ½ hour day (July 1)
- Funding for the Prometa pilot project (\$200,000)

Auditor's Office

- One new Animal License Technician position
- A budget allocation of \$50,000 for start-up costs at the new elections center

Emergency Management

- County funding for the PC Net Administrative Aide, formerly grant funded

Juvenile

- One new Probation Counselor (CASA-Dependency)
- Funding for the Family Dependency Drug Court program

Assigned Counsel

- Two new 70% Attorneys (Civil Contempt), one new Felony Attorney, One Attorney and Extra Hires (District Court) – all funded through a state grant
- An increase in outside panel attorney hourly rates

Parks and Recreation

- One new Maintenance Technician position

WSU-Extension

- A greatly enhanced farmland preservation program

District Court

- One additional Offender Work Crew (paid by Facilities Mgmt fund)

Budget and Finance

- One new Budget Analyst position (80%)

Human Resources

- One new Human Resource Analyst position

Medical Examiner

- Converting a .5 FTE Autopsy Technician position to full time

P.A.L.S.

- 5 new permanent staff positions to deal with workload and backlog issues.
- One new Code Enforcement position
- Two new Information Technology positions to support and enhance the new PALS Plus System

Building Remodel Projects

- \$140,000 for other remodeling projects
- A \$250,000 allocation for the purchase of clear zone property (McChord)

General Fund

Use of Prior Fund Balance

The tables below present the actual financial results for the General Fund during the 1996-2005 period, and the budgeted amounts for 2006-2007. As indicated in Figure 3, the trend through the first half of the decade had been very positive. Both a strong economy and prudent fiscal policies produced favorable financial results. However, the actual results for 2002 through 2005, and the budgeted deficits for 2006 and 2007, reflect a changed fiscal environment (I-747 related). In fiscal 2006 we budgeted a \$5.6 million use of fund balance, most of which was dedicated to one-time expenses. The proposed 2007 budget reflects a much smaller use of fund balance (\$800,000); again for one-time expenses.

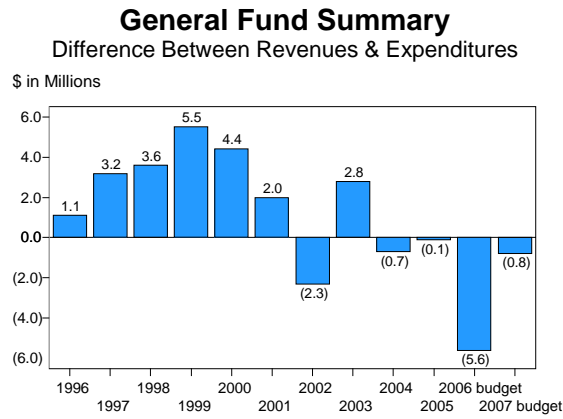


Figure 3

It should be noted that these charts for 2006-2007 represent the budgeted figures. We now estimate that fiscal 2006 actual results will be much more positive than budgeted.

Unreserved General Fund Balance

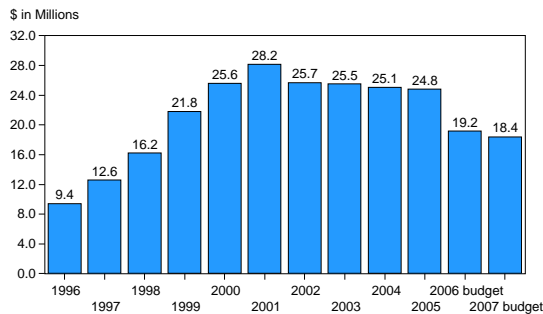


Figure 4

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

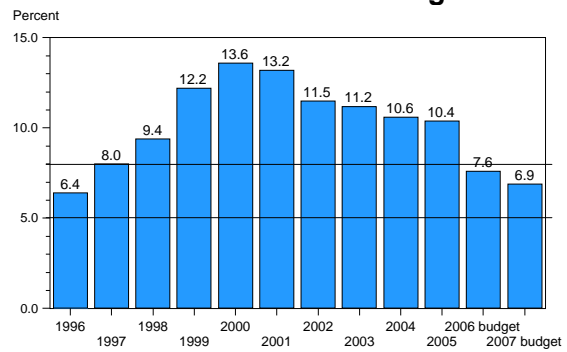


Figure 5

Other County Funds

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

Community Services & Human Services Fund

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 significant **changes in the 2007 budgets**:

- ◇ The decrease in **Community Action** is primarily due to reductions in the energy and weatherization services, which fluctuate from year to year.
- ◇ The new **Homeless Housing program** is in its second year with fund balance carried over for expenditure in 2007. Future years should stabilize as an expenditure pattern is established.
- ◇ The reduction in **Community Development** reflects a smaller capital program for 2007.
- ◇ **Arts and Cultural Services** funding continues to shrink.
- ◇ The **Human Services Fund** now includes the Evaluation & Treatment inpatient program previously accounted for in the Puget Sound Behavioral Health Fund.

Community Services & Human Services			
Fund	2007 Budget	2006 Budget	% Change
Arts and Cultural Services	\$ 206,760	\$ 232,240	(11.0)%
Community Action	6,611,170	7,035,072	(6.0)%
Community Development Fund	4,749,660	5,369,710	(11.5)%
Dispute Resolution Center Fund	158,000	175,000	(9.7)%
Homeless Housing Program	1,772,920	1,235,000	43.6 %
Housing Repair Program	6,728,480	6,412,190	4.9 %
Human Services	87,982,290	81,695,200	7.7 %
Low Income Housing Fee	4,179,760	5,218,800	(19.9)%
Puget Sound Behavioral Health	-	12,222,850	(100.0)%
Tourism, Promotion, Facilities	1,019,570	956,060	6.6 %
Human Services Constructio	2,865,810	3,027,240	(5.3)%
1% for Arts Construction	653,350	734,110	(11.0)%

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 2007. However, even these potential new grants will probably be insufficient to cope with all the human service needs in Pierce County.

Even though most of the funding for these human and community service programs comes from state and federal grants, the General Fund and other locally generated revenues still provide a sizeable contribution, most of which is budgeted in the Miscellaneous Current Expense account. In addition, many of the General Fund dollars allocated to the Health Department will in turn be budgeted for social and human services.

Transportation Services

The County has major transportation responsibilities, and accounts for these responsibilities and service costs in seven major funds. Major changes in these funds can be summarized as follows:

- ◇ **County Roads Fund** – includes three new staff positions, significantly increased allocations for roadway construction projects, and debt service payments for two new maintenance facilities.
- ◇ **Public Works Construction Fund** – reflects a substantially increased capital construction program.
- ◇ **Ferry Services Fund** – the new ferry boat construction will be completed in 2006.

Other County Funds

- ◇ **Airport Fund** – major grant funded improvements were undertaken in 2006.
- ◇ **Roads Second REET** – reflects an increased capital improvement program in 2007.
- ◇ **Traffic Impact Fee** – newly created in 2007.
- ◇ **Transportation Facilities** – includes completing the construction of the Central Maintenance and the Rhodes Lake Maintenance facilities.

Transportation Services Funds			
Fund	2007 Budget	2006 Budget	% Change
County Roads Fund	\$70,409,560	\$60,403,700	16.6 %
P.W. Construction Fund	43,461,000	33,357,000	30.3 %
Ferry Services Fund	3,957,020	14,531,870	(72.8)%
Airport Fund	742,200	3,052,407	(75.7)%
Roads Second REET	14,046,090	5,171,820	171.6 %
Traffic Impact Fee Fund	8,000,000	0	∞
Transportation Facilities	25,873,790	26,838,880	(3.6)%

Parks and Recreation Fund

Although the County's General Fund provides a direct allocation for parks and recreation services (\$6.3 million in 2007), there are several other county funds which provide parks and recreation services or which construct, repair or enhance parks and recreation facilities. The 2007 Budgets for these funds are as follows:

Although this \$31.4 million total includes some double counting (transfer between funds for project accounting purposes), the above allocations still represent an **enormous commitment by the County and its citizens to greatly enhanced parks and recreation programs** – both for new facilities as well as for annual programs and services.

Parks Funds	
Conservation Futures	\$3,527,740
Parks Impact Fees	3,992,600
Parks Sales Tax	5,271,400
Parks Second REET	3,903,420
Paths and Trails	4,654,790
Parks Construction Fund	7,850,580
Golf Courses	2,150,000
Total	\$31,350,530

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 increase reflects a large capital improvement program, and the addition of 2 positions.
- ◇ **Sewer Utility** – although all of the various funds reflect a slight decrease, the budget still includes a significant capital improvement program, and the addition of 8 new positions. The budget also reflects a rate increase of 7.0% to match the impact of inflation on operating costs over the last 2 years.
- ◇ **River REET** — the Setback Levee project near the Old Soldiers Home in Orting will be completed in 2006.

Environmental Services Funds			
Fund	2007 Budget	2006 Budget	% Change
Surface Water Management	\$26,265,850	\$25,917,630	1.3 %
Sewer Utility	91,423,100	93,453,550	(2.2)%
Solid Waste	5,483,470	4,971,130	10.3 %
Water Utility	312,900	304,170	2.9 %
River - REET	4,108,470	5,918,820	(30.6)%

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.

The following summarizes **significant** changes in 2007 budgets:

- ◇ **Equipment Services Fund** — the increase reflects a \$4 million allocation for the Central Maintenance Facility, more vehicle replacements and purchases, and a large allocation for fuel costs.
- ◇ **Information Technology** — reflects 2 additional positions and the first year funding for a back up data center.
- ◇ **Facilities Management** — reflects 1 additional maintenance position and the operating expenses for new county owned facilities.

Internal Service Funds			
Fund	2007 Budget	2006 Budget	% Change
Equipment Services	\$18,748,500	\$12,529,550	49.6 %
Information Technology	18,657,810	17,321,060	7.7 %
Facilities Management	11,435,330	10,675,420	7.1 %
Radio Communications	2,405,970	2,534,150	(5.1)%
Fleet Rental	4,040,170	3,963,290	1.9 %
General Services	3,263,620	3,094,120	5.5 %
Self Insurance	8,449,390	8,795,540	(3.9)%
Workers Compensation	3,121,120	3,064,600	1.8 %

Many of these internal service funds will rely upon prior fund balance in order to support their 2007 budgets. This results from both the scheduled replacement of capital assets using depreciation reserves, and our desire to keep charges to other funds to a minimum.

Special Revenue & Other Funds

The remaining County Funds have been established by state law or county ordinance to separately record the revenues and expenditures associated with specific programs. The most important 2007 budget highlights are:

- ◇ **The Imaging System Fund** — contains major allocations to preserve the oldest records in the Auditor’s Office, and provides funding for an electronic document management system in the Public Works and Utilities Departments.
- ◇ **911 System Fund** — includes major allocations for technology improvements as well as an annual allocation for the new Emergency Operations Center.
- ◇ **REET Capital Improvement Funds** — includes a substantial construction and repair program affecting several county facilities.
- ◇ **Chambers Bay Golf Course Fund** — provides for the construction of the clubhouse, the “grow-in period” and the opening of the course in mid year.
- ◇ **Corporate Express Building Fund** — provides monies for the remodeling of the building for occupancy by the Auditor’s elections operation, General Services and the Sheriff’s property room. Equally important, the budget also funds the construction of a new Emergency Operations Center.

Summation

Unresolved Issues

Most issues are resolved during the budget preparation and adoption process. However, there are usually several issues which will “play-out” later once the new year is underway, and as developments unfold or new information becomes available. This budget is not unusual in that respect. We have several issues that are still in their formative stages, and which will need a resolution, and perhaps additional funding, in 2007.

- ◇ **Pension Rates** — State mandated pension rates have increased dramatically over the last three years (from 1.38% in 2004 to 6.83% in 2007). We have factored-in the proposed 2007 rate increase into our 2007 budget. However, it is possible that the State legislature will modify those rates during their 2007 session, and any such modification is likely to be upward in order to reduce the pension systems current level of under funding.
- ◇ **Construction Costs** — recent bids received for several of our major capital projects (Central Maintenance Facility, Corporate Express Building) indicate that there has been a huge increase in construction costs. We are concerned that the amounts budgeted in 2007 for the multitude of projects contained in this budget may be too low.
- ◇ **Union Contracts** — many of our major union contracts are not yet settled for 2007. Any final settlement beyond the amounts included in this budget may result in negative service and staff adjustments.
- ◇ **Charter Amendments** — there were several Charter amendments on the November ballot which passed. A few will result in significant additional expenses; especially the instant runoff voting proposal. Department Directors are analyzing the possible budgetary impact of each amendment on their operations. Although we are not placing a specific amount in the 2007 Budget for these potential expenses at this time, we are recommending that a portion of the General Fund Balance (\$2.0 million) be “designated” and set-aside for such expenses.

Prognosis for Fiscal 2008

In this uncertain time it is difficult to confidently project ahead to fiscal 2008. However, based upon our best “crystal ball” judgments, this is what we see:

- ◇ The local economy should enjoy a period of at least moderate growth over the next 24 months.
- ◇ It is likely that fiscal 2008, without the approval of any new tax increase measure, will be more challenging than fiscal 2007 for the following reasons:
 - the impact of I-747 becomes progressively worse with each passing year.
 - it is unlikely that the existing positive combination of a strong retail economy, robust construction activity, increasing property values, higher interest rates, and relatively low inflation will continue indefinitely.
 - medical insurance increases are likely to remain significantly above the level of general inflation.
 - state pension rates are scheduled to continue their dramatic increases into at least 2008.

Summary

The 2007 Budget submitted to the County Council is based upon a set of favorable economic conditions which we hope will “hold” throughout the year. These conditions include a prosperous local economy, robust building activity, increased property values, relatively low inflation rates and rising interest rates which have generated additional revenue without as yet negatively affecting economic growth. These favorable conditions and the resulting revenue growth should allow us to moderately enhance many of our highest priority services.

We have also recommended the use of Reserves for one time activities (building remodeling, capital equipment replacements, etc.). Reserves should not be used for ongoing staff and programs.

Despite normal pressures and uncertainties, this budget moves us forward in many vital areas:

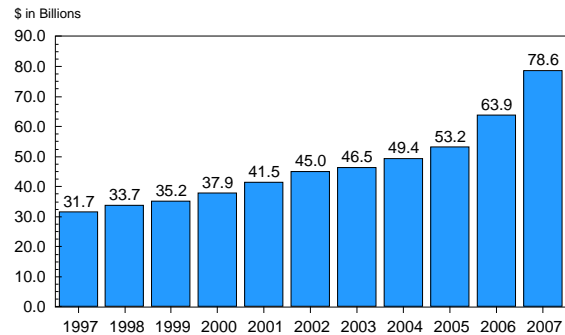
- ◇ funding for public safety and judicial system improvements
- ◇ major new parks and recreation facilities
- ◇ a significant transportation improvement program
- ◇ increased staffing levels at PALS to deal with the permit backlog issue
- ◇ needed county building infrastructure improvements.

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 growth in Property Tax revenue is dependent upon both the actual growth in assessed valuation and the tax rate. The growth in assessed valuation from 2006 to 2007 was approximately \$14.7 billion (23%). Approximately 17% of the growth is due to new construction, and 83% is due to the revaluation of existing properties.

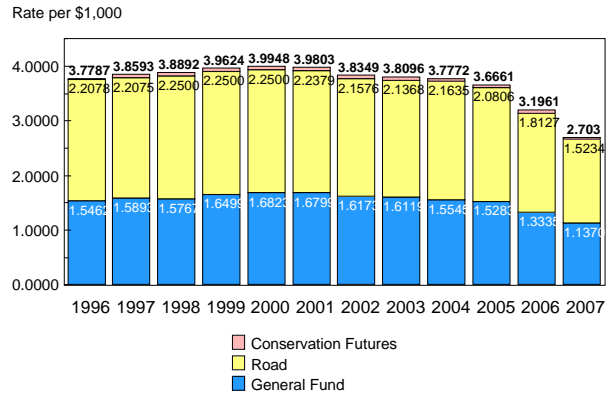
Total Assessed Valuation



Property Tax Levy Rates

Levy rates determine the amount of tax that a property owner pays per thousand dollars of assessed value. The November 2001 passage of Initiative 747 limits the maximum growth in property tax revenues from existing property to the lesser of 1% or the percentage increase in the Implicit Price Deflator (IPD), which is 3.419% in 2007 (based upon last year's actual figures). This limitation on property tax revenue growth coupled with an inflationary increase in existing property revaluations has resulted in a 14.7% reduction in the 2007 County Levy tax rate from 2006; and over 31% since the initiative was enacted. The Road Levy tax rate has decreased by 16% from the 2006 rate and the Conservation Futures tax is down 14.6% from 2006. The charts on the following page present historical and comparative detailed rate information.

Combined Property Tax Millages



Note: The Conservation Futures rate was reduced to .0247 in 1996 due to levy lid limits, and .660 in 2002, 3.0609 in 2003, .0592 in 2004, and .0571 in 2005 due to the impact of I-747 and the 1% limit.

	Property Tax Levies			
	2006		2007	
	Tax Rate ¹	Revenue	Tax Rate ¹	Revenue
	Assessed Value: \$63,955,847,441		Assessed Value: \$78,663,974,236	
A. County Levy (\$1.80 maximum)				
General Fund	\$ 1.3047	\$ 83,440,264	\$ 1.1124	\$ 87,502,100
Administrative Refund RCW 84.69	0.0021	138,346	0.0017	135,070
Sub Total General Fund	1.3068	83,578,610	1.1141	87,637,170
Veteran's Relief	0.0083	532,360	0.0072	565,100
Social Services	0.0184	1,176,788	0.0157	1,235,030
Total County Levy	1.3335	85,287,758	1.1370	89,437,300
B. Conservation Futures (\$.0625 Maximum)	0.0499	3,192,432	0.0426	3,347,720
	Assessed Value: \$27,797,261,537		Assessed Value: \$34,847,566,471	
C. Road District Levy (\$2.25 Maximum)				
Allocated to Road Fund	1.4556	40,460,630	1.2251	42,692,070
Law Enforcement Levy	0.3544	9,851,019	0.2983	10,394,310
Administrative Refund RCW 84.69	0.0027	75,081	-	-
Total Road District Levy	1.8127	50,386,731	1.5234	53,086,380
TOTAL COUNTY TAX LEVIES	\$ 3.1961	\$ 138,866,921	\$ 2.7029	\$ 145,871,400

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

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.

Debt Capacity as of September 30, 2006

2006 Assessed Valuation for 2007 Tax Collections		\$ 78,663,974,236
A. Inside Levy (issued without vote of the people)		
Legal Limit (1.5% of property value)		\$ 1,179,959,614
<i>Amount of Debt Applicable to Debt Limit:</i>		
Net Limited General Obligation Bonds	\$ 104,766,039	
Net Limited General Obligation Bonds - Proprietary Type	\$ 25,255,000	
Estimated Compensated Absences (12/31/2005)	16,588,000	
Installment Contracts - Ferries & Road	10,091,340	
Total Limited Tax General Obligation Debt		156,700,379
Limited Tax General Obligation Debt Margin Available		\$ 1,023,259,235
B. Outside Levy (issued with vote of the people)		
Legal Limit (2.5% of property value)		\$ 1,966,599,356
<i>Amount of Debt Applicable to Debt Limit:</i>		
Net Limited General Obligation Debt		\$ 156,700,379
Total General Obligation Debt Margin Available		\$ 1,809,898,977

Note: \$27,385,000 in new General Obligation Bonds has been authorized and will be issued in October of 2006.

Pierce County Bonded Debt Ratios Estimated at September 30, 2006

General Obligation Bonded Debt per Capita (excluding Proprietary GO/Debt, Compensated Absences, & Installment Contract)	\$ 135.44
Assessed Valuation per Capita	\$ 101,699
Ratio of direct G O Bonded Debt to Assessed Value (including Proprietary GO/Debt)	0.0013

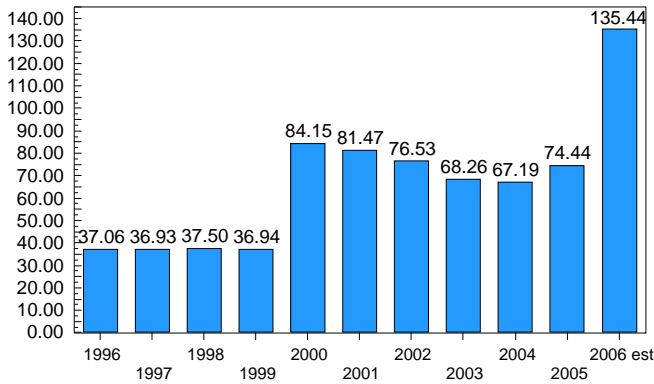
Pierce County Bond Ratings

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

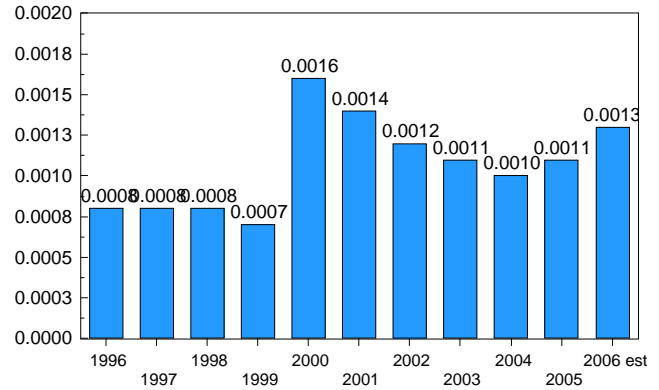
Other Financial Information

Pierce County has historically maintained consistently low bonded debt obligations, as shown in the tables below. The Net Bonded Debt per Capita increased in 2006 due to the recent sale of \$31.8 million debt for future parks development and open space preservation and the sale of \$27.4 million debt for the Roads Central Maintenance Facility. Even with these recent new bonds, the Ratio of Net Bonded Debt to Assessed Valuation is still well below national averages. We consequently have both a large legal margin available if needed, and an existing debt structure which does not have a major negative impact upon the annual budget.

**Net Bonded Debt per Capita
(General Obligation Bonds Only)**



**Ratio of Net Bonded Debt to Assessed Value
(General Obligation Bonds Only)**



The table below presents the Debt Service schedule for the bonds payable from general County revenues (excluding proprietary fund debt). As the table indicates, we will retire 23% of the outstanding principal by the end of 2010 and 41% by the end of 2015. The source for this table is the 2005 Comprehensive Annual Financial Report. These figures have not been adjusted for any financing done in 2006.

GENERAL OBLIGATION BONDS DEBT SERVICE SCHEDULE as of 12/31/2005 (amounts in thousands)

Year	Principal	Interest	Total Debt Service
2006	980	1,251	2,231
2007	1,035	1,037	2,072
2008	1,435	1,004	2,439
2009	705	958	1,663
2010	835	936	1,771
2011-2015	4,115	4,154	8,269
2016-2020	3,150	3,445	6,595
2021-2025	3,715	2,761	6,476
2026-2030	4,580	1,896	6,476
2031-2035	5,685	790	6,475
Total	\$ 26,235	\$ 18,232	\$ 44,467

2007 Capital Improvement Program

On November 29, 1994, the Pierce County Council adopted the Pierce County Comprehensive Plan to comply with the provisions of the Growth Management Act (ESHB 2929). The plan includes a six-year Capital Facilities Plan (CFP) for financing capital improvements that supports the County's current and future population and economy. This plan is amended annually. In addition to facilities under Pierce County's jurisdiction, the State legislation requires the County's Capital Facilities Plan to include certain public facilities which are not governed, owned, financed or constructed by Pierce County, such as school districts, water districts, fire districts, library districts, and public transportation systems.

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

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

In many instances, the CFP reflects other long-range or master plans which have been adopted by the County Council for certain types of facilities, such as the Transportation Improvement Plan, 14-year Ferry Plan, Comprehensive Solid Waste Plan, Comprehensive Flood Control Management Plan, Surface Water Management Plan, Parks and Recreation Master Plan, etc. New detailed six year plans to be created during 2007 include the Parks Improvement Plan, Solid Waste Improvement Plan, and Sewer Improvement Plan.

The Capital Facilities Plan does not authorize the expenditure of funds over the six-year time frame of the plan. Rather, the funds for capital projects are appropriated annually in the County's Budget.

Definition of Capital Improvement

In order to be considered a "capital improvement" for the CFP, the expenditure must be for the acquisition of a physical asset which has a useful life in excess of one year and which has a value/cost of at least \$75,000. Excluded from the definition are such items as vehicles, office and data processing equipment, other equipment items (unless they are an integral part of the larger physical improvement), and normal repairs and maintenance. Capital projects and expenditures reflected in the CFP include the cost of design/engineering, land acquisition, construction and acquisition of related equipment, debt service on bond issues, etc.

Capital Improvement Projects Summary

The 2007 Capital Improvement Program provides for enhancements to safety and security, transportation and infrastructure, land conservation and recreation, environmental services, major repairs and renovations, and increased capacity to keep pace with County growth. The table on the following page summarizes the projects planned in the CFP for each category of facility and budgeted for accordingly in 2007.

Other Financial Information

Summary of Capital Costs	2007	2008	2009	2010	2011
Airport	245,000	5,190,000	75,000	2,075,000	75,000
Adult Detention Facilities	895,000	1,215,000	300,000	300,000	300,000
General Administration Buildings	5,103,000	5,486,300	2,000,000	1,108,000	5,573,100
Human Services Buildings	2,858,100	—	—	—	—
Juvenile Detention Facilities	516,000	4,784,000	1,905,000	175,000	50,000
Law Enforcement - Sheriff Facilities	7,083,500	12,144,600	9,935,900	9,935,900	1,050,000
Parks and Recreation	15,278,100	13,042,300	2,963,100	1,414,000	1,735,000
Courts	3,356,500	3,343,000	2,519,200	100,000	100,000
River Improvement	2,509,000	1,100,000	1,100,000	1,100,000	1,100,000
Ferry System	165,000	440,000	4,400,000	50,000	600,000
Sewer Utilities	23,636,500	20,833,000	28,482,200	13,077,200	19,351,600
County Roads - Transportation Improvements	43,461,000	43,193,000	27,571,000	42,224,000	—
County Roads – Facilities	29,873,800	3,126,300	—	—	—
Solid Waste	712,000	750,000	2,375,000	375,000	375,000
Surface Water Management	12,151,600	11,272,900	13,523,000	7,298,700	7,803,500
Totals	147,844,100	125,920,400	97,149,400	79,232,800	38,113,200

Impact on the Operating Budget

These capital projects will impact operating budgets to varying degrees, and those impacts have been included in the appropriate 2007 budgets. An example of this is the maintenance and program costs related to new park facilities which increase the overall number of parks and LOS.

Several of the regional park projects are through partnerships with other entities who will participate in future maintenance costs. Continued flood plain purchases with REET-River funds are expected to reduce future maintenance costs associated with river control.

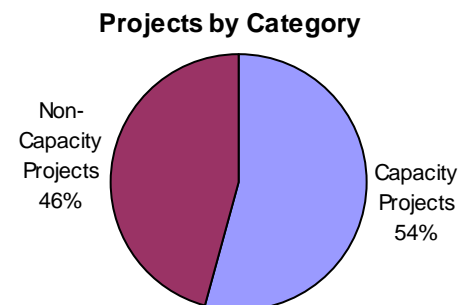
Existing County maintenance programs will absorb costs resulting from the completion of the Foothills Trail, capital improvements to the airport, county-owned facilities, the new Roads maintenance facilities, and additional infrastructure projects (road/transportation, storm drainage, and sewer utility).

Summary of Net Operating Costs	2007	2008	2009	2010	2011
Law Enforcement - Sheriff Facilities	25,000	90,000	120,000	120,000	120,000
Parks and Recreation	194,800	2,592,100	2,896,900	3,010,300	3,104,200
Courts	2,638,000	3,020,500	3,050,500	3,020,500	3,020,500
Sewer Utilities	100,300	188,300	190,600	190,600	191,100
Surface Water Management	1,245,000	1,283,000	1,321,000	1,361,000	1,402,000
Totals	4,203,100	7,173,900	7,579,000	7,702,400	7,837,800

2007 Capital Improvement Projects

The following section discusses the projects in the Capital Facilities Plan proposed in the 2007 Budget. All 2007 activity is financed with available fund balance unless otherwise noted in the following summary or in the budget section detail. Additional project details can be found in the individual budget sections of this document, and in the Capital Facilities Plan which is part of the Pierce County Comprehensive Plan.

Capacity projects are defined as those that increase space or capabilities. Non-capacity projects are major repairs or renovations of existing facilities.

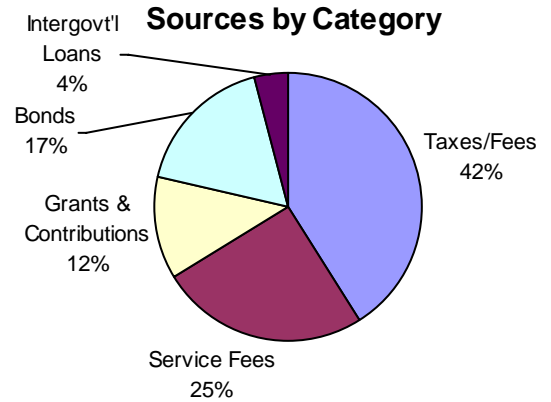


Other Financial Information

2007 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.
- ◇ 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. This category is used for loans from one department to another, or from a tax/fees fund to a user fee (enterprise) fund.



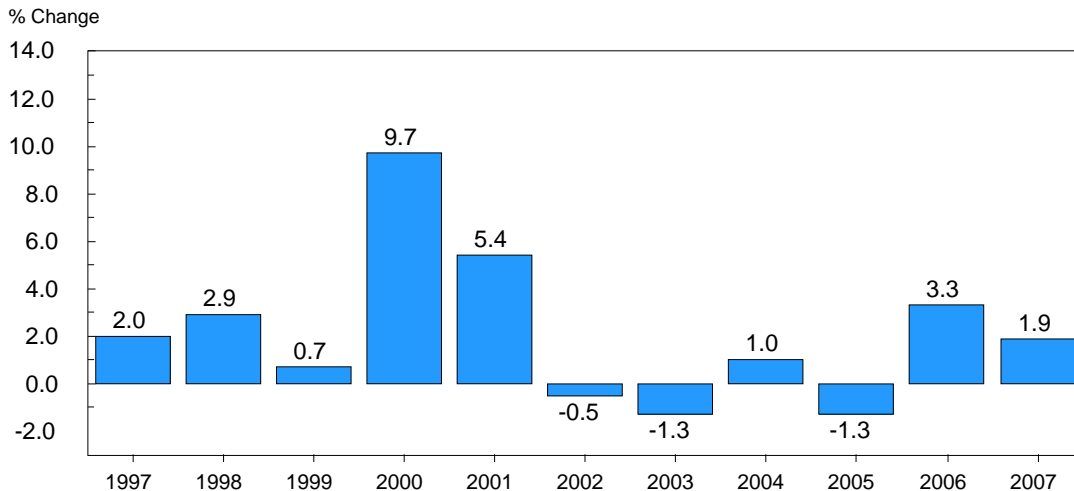
Summary of 2007 Sources of Funds	Taxes/Fees	Service Fees	Grants & Contributions	Bonds	Intergov't'l Loans	Total
Airport	245,000					245,000
Adult Detention Facilities	895,000					895,000
General Administration Buildings	4,809,000		294,000			5,103,000
Human Services Buildings	750,000		2,108,100			2,858,100
Juvenile Detention Facilities	516,000					516,000
Law Enforcement - Sheriff Facilities	2,216,500	4,867,000				7,083,500
Parks and Recreation	11,415,400	2,662,700	1,200,000			15,278,100
Courts	3,356,500					3,356,500
River Improvement	1,710,000	150,000	649,000			2,509,000
Ferry System	165,000					165,000
Sewer Utilities		16,498,500		4,138,000	3,000,000	23,636,500
County Roads - Transportation Improvements	30,872,000		12,589,000			43,461,000
County Roads - Facilities	4,000,000		1,297,100	21,229,800	3,346,900	29,873,800
Solid Waste		712,000				712,000
Surface Water Management		12,151,600				12,151,600
Totals	60,950,400	37,041,800	18,137,200	25,367,800	6,346,900	147,844,100

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 312 FTEs (18%) since 1997 while staffing in all other funds (special revenue, enterprise, and internal services) has increased by 329 FTEs (34%). Overall, 641 FTEs have been added since 1997, an increase of 23.4%.

Percent Change in County-wide Staffing



Changes over the first three years reflect moderate staffing increases for the new Jail Annex, an expanded juvenile detention facility, judicial system caseload issues, public safety enhancements, and Human Services.

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.

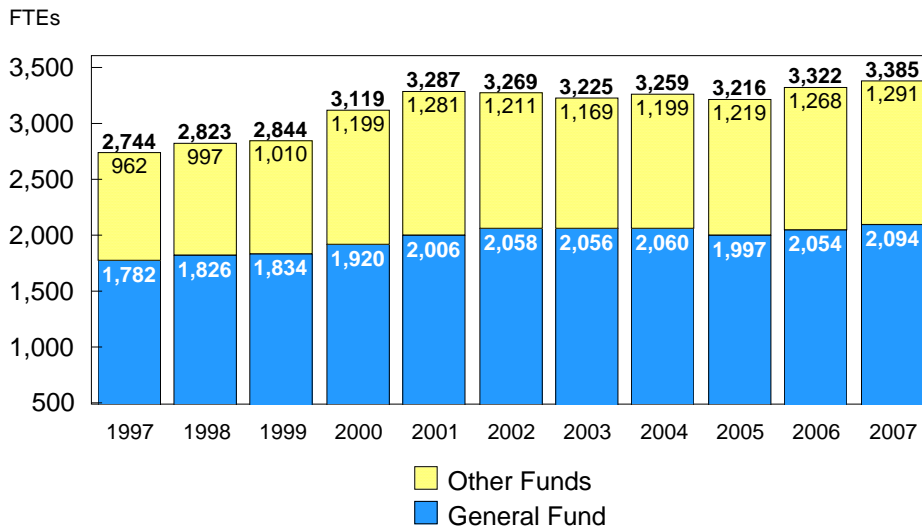
The percentage changes in 2002-2005 reflect either only a small increase or an actual decrease due to the following factors:

- The P.S.B.H. 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.

The 2006 budget again reflects 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, Special Projects, Transportation and Environmental Services, and the Auditor's office for animal control services.

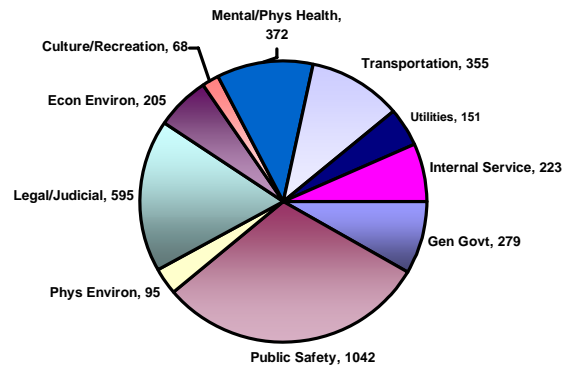
As in 2006, the 2007 budget reflects new positions throughout the County to enhance service levels, although to a smaller degree. Additional staff are being proposed in almost all of the functional areas including Public Safety, Legal/Judicial, Parks and Recreation, General Government, Information Services, Facilities Management, Transportation and Environmental Services.

County-wide Staffing Summary



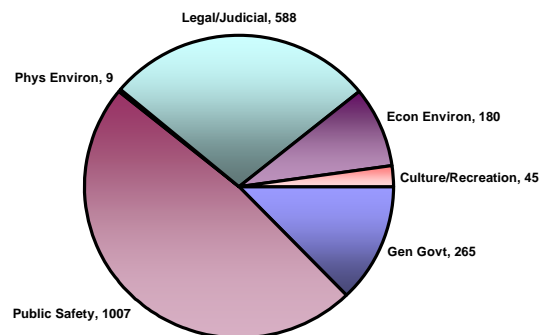
2007 Total County Staffing Summarized by Function

The Public Safety and Legal/Judicial systems combined accounts for 48% of the total County staff, with the Mental and Physical Health system at almost 11%. Almost 18% of the total staff provides Transportation, Utilities, and the Physical Environment services. Two percent of the total staff is related to Culture and Recreation. Just over 6 % are involved in Economic Environment activity and 15% staffing provide general government functions (including internal service funds).



2007 General Fund Staffing Summarized by Function

The Public Safety and Legal/Judicial systems combined accounts for 76% of all General Fund staff. Thirteen percent provide General Governmental services. Just under 9% of the General Fund staff support Economic Environment activities and just over 2% are involved in Culture and Recreation, and Physical Environment activities.



Other Financial Information

STAFFING SUMMARY

	1997 FTE	2000 FTE	2002 FTE	2003 FTE	2004 FTE	2005 FTE	2006 FTE	2007 FTE	Change from 1997
General Fund:									
Assessor/Treasurer	98.00	98.80	98.30	90.30	90.10	90.60	91.80	92.30	(5.70)
Assigned Counsel	87.87	89.50	83.20	85.00	85.60	89.30	93.20	96.60	8.73
Auditor	42.00	41.00	43.00	43.00	43.00	45.00	51.00	52.00	10.00
Budget & Finance	42.85	43.95	43.45	43.20	44.20	44.15	44.15	44.95	2.10
Clerk of the Superior Court	50.50	52.50	53.50	57.00	58.00	57.00	57.50	57.50	7.00
Communications	-	-	5.00	5.00	5.00	5.00	4.00	4.00	4.00
Corrections	330.60	347.80	393.80	377.70	377.80	375.70	383.10	395.10	64.50
County Council	32.00	31.00	29.50	29.00	29.00	29.00	31.00	31.00	(1.00)
County Executive	8.75	6.75	8.00	8.00	8.00	8.00	8.00	8.00	(0.75)
District Court	69.00	65.50	64.50	70.00	74.00	74.00	74.00	109.50	40.50
District Court 2 - Gig Harbor	6.00	6.00	6.00	-	-	-	-	-	(6.00)
District Court 3 - Eatonville	3.75	3.75	2.25	-	-	-	-	-	(3.75)
District Court 4 - Buckley	1.10	1.30	1.30	-	-	-	-	-	(1.10)
District Court Probation	27.00	35.00	37.00	36.00	36.00	35.50	35.50	-	(27.00)
Economic Development	3.58	3.80	4.80	6.15	7.15	7.00	8.00	8.00	4.42
Emergency Management	20.90	21.40	22.12	22.07	23.03	28.00	31.00	32.00	11.10
Human Resources	22.00	24.00	24.60	24.60	26.60	27.60	28.60	29.60	7.60
Juvenile	167.32	174.52	179.12	186.62	176.12	173.12	174.82	175.82	8.50
Medical Examiner	14.00	13.00	14.00	14.00	14.50	14.50	15.00	15.50	1.50
Parks & Recreation Services	47.58	49.68	50.63	50.65	49.52	43.05	39.41	40.41	(7.17)
Planning & Land Services	122.00	127.75	124.50	131.50	131.62	150.62	164.32	172.32	50.32
Prevention Services & Programs	-	.80	.41	.64	1.22	-	-	-	-
Prosecuting Attorney	212.67	219.07	231.72	232.22	227.22	228.50	230.70	231.70	19.03
Public Defense Conflict Office	-	-	-	-	-	-	4.00	4.00	4.00
Sheriff *	277.00	357.00	434.00	440.00	449.00	364.00	374.00	381.00	104.00
Special Projects	11.14	14.99	10.60	10.49	10.92	11.00	11.75	12.67	1.53
Superior Court	80.38	87.38	88.88	88.88	88.88	92.88	95.38	95.38	15.00
WSU PC Extension	3.60	3.60	3.60	3.62	3.62	3.60	3.60	4.60	1.00
Total General Fund	1,781.59	1,919.84	2,057.78	2,055.64	2,060.10	1,997.12	2,053.83	2,093.95	312.36
Special Revenue Funds:									
Arts & Cultural Services Fund	3.10	1.79	1.64	1.51	1.66	1.59	1.59	1.44	(1.66)
Auditor's Maint. & Operation Fund	1.00	2.00	.50	.50	.50	.50	2.50	2.00	1.00
Community Action Fund	32.76	59.31	52.21	49.30	50.77	49.77	49.77	48.42	15.66
Community Development Fund	13.32	9.96	10.22	9.92	8.66	11.31	11.31	11.31	(2.01)
Conservation Futures Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	3.00	2.00
County Road Fund	328.20	326.35	327.03	330.28	335.70	337.33	344.98	349.19	20.99
Criminal Justice Fund	1.00	-	1.00	2.00	2.00	2.00	3.00	4.00	3.00
Detention Ctr Commissary Fund	-	-	2.40	3.00	3.90	3.00	1.00	1.00	1.00
Drug Investigation Fund	1.00	-	-	-	2.00	4.00	7.00	7.00	6.00
Emergency Mgmt Grants Fund	-	-	3.88	8.88	10.87	12.88	16.50	16.50	16.50
Endangered Species Act Fund	-	-	.62	.62	-	-	-	-	-
Judson Family Justice Ctr Fund	-	-	-	-	-	1.50	8.40	8.30	8.30
Geographical Info Services Fund	18.00	19.00	18.00	17.00	17.00	17.00	19.00	20.00	2.00
Homeless Housing Fund	-	-	-	-	-	-	2.00	2.00	2.00
Housing Repair Program Fund	12.00	12.00	11.50	12.26	12.66	12.00	12.00	11.00	(1.00)

Other Financial Information

STAFFING SUMMARY

	1997 FTE	2000 FTE	2002 FTE	2003 FTE	2004 FTE	2005 FTE	2006 FTE	2007 FTE	Change from 1997
Human Services Fund	122.57	143.74	202.11	220.20	220.37	224.47	278.41	320.06	197.49
Law Enforcement Fund	72.00	47.00	-	-	-	-	-	-	(72.00)
Park Impact Fees Fund	-	-	-	-	-	.05	.05	.05	.05
Parks Sales Tax Fund	-	-	-	-	.64	1.00	6.15	7.15	7.15
Paths and Trails Fund	2.25	1.47	1.52	2.11	2.02	1.02	2.21	2.21	(0.04)
Peninsula Recreation Prgm Fund	-	-	1.00	2.00	2.00	2.00	-	-	-
Puget Sound Behavioral Hlth Fd	-	183.29	170.05	108.40	106.04	97.86	41.05	-	-
Rainier Communicatns Comm Fd	5.00	5.00	6.00	6.00	6.00	6.00	7.00	7.00	2.00
Real Estate Exc Tax-River Imp Fd	3.90	2.02	1.79	1.95	1.71	1.57	1.39	1.51	(2.39)
Second REET Parks Fund	-	-	-	.25	.89	1.15	1.20	1.20	1.20
Surface Water Mgmt Fund	32.20	43.15	46.11	46.15	52.06	55.27	60.29	62.00	29.80
Tourism, Promotion & Cap Fac Fd	-	.13	.10	.43	.42	-	-	-	-
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	-	-	-	-	-	-	(1.00)
911 System Fund	3.55	4.50	4.78	4.88	4.96	4.00	4.00	4.46	.91
Total Special Revenue Funds	656.85	865.71	866.46	831.64	846.83	851.27	884.80	893.80	236.95
Capital Projects:									
Admin Bldg & Facilities Fund	.10	.17	.16	.16	-	-	-	-	(0.10)
Parking Facility Fund	.33	.56	-	-	-	-	-	-	(0.33)
Permanent Jail Construction Fund	2.21	8.51	4.90	4.92	.89	.50	.22	-	(2.21)
REET Capital Improvement Fund	1.27	1.07	2.69	2.74	3.47	2.85	3.98	4.65	3.38
1% for Arts Construction Fund	-	-	.15	.25	.10	.10	.60	.75	.75
2501 Corporate Express Bldg Fd	-	-	-	-	-	1.29	1.39	1.80	1.80
Transportation Facilities Fund	-	-	-	-	-	-	1.00	1.00	1.00
Total Capital Projects	3.91	10.31	7.90	8.07	4.46	4.74	7.19	8.20	4.29
Enterprise Funds:									
Airport Fund	1.02	1.50	1.60	1.60	1.60	1.60	2.63	2.62	1.60
Chambers Bay Golf Course Fund	-	-	-	-	-	.80	.75	.50	.50
Golf Courses Fund	8.55	8.45	8.45	8.84	8.78	8.78	8.53	9.53	.98
P.C. Ferry Services Fund	-	.67	1.32	1.07	1.61	1.89	2.80	2.62	2.62
Sewer Utility Fund	91.65	103.26	104.66	104.66	111.76	118.39	126.38	135.09	43.44
Sewer Utility Construction Fund	2.00	-	-	-	-	-	-	-	(2.00)
Solid Waste Mgmt Fund	13.56	11.11	13.71	13.71	14.44	16.02	16.11	15.68	2.12
Water Utility Fund	-	.90	.30	.30	.31	.09	.01	.10	.10
Total Enterprise Funds	116.78	125.89	130.04	130.18	138.50	147.57	157.21	166.14	49.36
Internal Serv Funds:									
Equipment Rental & Revolving Fd	26.12	24.10	24.43	24.43	24.47	24.46	24.27	24.30	(1.82)
Facilities Management Fund	36.10	41.86	44.62	44.75	45.99	52.21	52.66	52.88	16.78
Fleet Rental Fund	3.15	3.15	3.15	3.40	3.40	3.45	3.45	3.45	.30
General Services Fund	7.45	8.20	8.20	8.20	8.20	8.20	8.20	8.80	1.35
Information Technology Fund	97.04	104.00	108.00	102.00	110.00	111.00	114.50	116.50	19.46
Radio Communication Fund	6.05	7.10	9.10	8.05	8.02	7.00	7.00	7.54	1.49
Self Insurance Fund	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	-
Workers Compensation Fund	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	-
Total Internal Serv Fnds	184.91	197.41	206.50	199.83	209.08	215.32	219.08	222.47	37.56
TOTAL FUNDS	2,744.04	3,119.16	3,268.68	3,225.36	3,258.97	3,216.02	3,322.11	3,384.56	640.52

* Sheriff staff was also budgeted in Law Enforcement Fund in 1997 and 2000

Other Financial Information

TOTAL EXPENDITURES/EXPENSES

	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	Absolute Change	Percent Change
General Fund						
Assessor/Treasurer	\$ 10,525,818	\$ 10,585,010	\$ 10,412,890	\$ 10,989,110	\$ 404,100	3.8 %
Assigned Counsel	12,012,988	12,448,820	12,659,470	13,360,670	911,850	7.3
Auditor	7,937,338	8,109,550	8,214,100	8,261,290	151,740	1.9
Bond Debt Service	1,121,617	1,369,500	1,369,500	697,610	(671,890)	(49.1)
Budget & Finance	4,558,039	4,801,120	4,791,460	5,157,210	356,090	7.4
Capital Improvement Projects	2,840,327	4,650,000	4,650,000	390,000	(4,260,000)	(91.6)
Clerk	4,290,516	4,606,080	4,612,790	5,091,370	485,290	10.5
Communications	603,569	626,920	626,920	660,670	33,750	5.4
Corrections	39,710,327	40,824,900	41,868,369	44,970,680	4,145,780	10.2
County Council	3,297,929	3,708,870	3,708,870	4,040,990	332,120	9.0
County Executive	985,312	1,037,920	1,034,270	1,130,050	92,130	8.9
District Court	7,312,927	7,492,120	7,485,850	10,979,960	3,487,840	46.6
District Court Probation	2,578,390	2,750,100	2,634,687	—	(2,750,100)	(100.0)
Economic Development	913,781	1,014,080	1,008,660	1,059,130	45,050	4.4
Emergency Management	3,154,954	3,271,930	3,019,250	3,331,250	59,320	1.8
Health Services	3,082,700	3,041,020	3,041,020	3,053,020	12,000	0.4
Human Resources	2,933,410	3,292,260	3,292,260	3,582,480	290,220	8.8
Juvenile	16,787,317	17,821,628	17,821,779	19,071,360	1,249,732	7.0
Medical Examiner	1,660,621	1,701,920	1,658,563	1,820,650	118,730	7.0
Miscellaneous Current Expense	5,015,839	5,798,738	5,797,698	5,262,185	(536,553)	(9.3)
Parks and Recreation Services	5,940,796	5,967,710	5,967,710	6,259,710	292,000	4.9
Planning and Land Services	15,329,879	16,542,042	16,538,442	18,916,640	2,374,598	14.4
Prevention Services & Programs	1,339,689	1,450,000	1,450,000	1,665,000	215,000	14.8
Prosecuting Attorney	21,815,255	22,762,940	22,658,830	24,230,970	1,468,030	6.4
Public Defense Conflict Office	—	228,840	241,880	628,630	399,790	174.7
Sheriff	46,430,500	50,224,985	50,224,249	53,983,020	3,758,035	7.5
Sheriff Transition	1,177,452	—	—	—	—	—
Special Projects	2,147,845	2,445,010	2,424,700	2,708,390	263,380	10.8
State Auditor	151,926	172,100	172,100	180,970	8,870	5.2
Superior Court	11,336,035	12,205,090	12,205,090	12,703,920	498,830	4.1
WSU PC Extension	588,660	651,320	651,320	936,770	285,450	43.8
Total General Fund	237,581,756	251,602,523	252,242,727	265,123,705	13,521,182	5.4
Special Revenue Funds						
Antiprofitteering Revolving Fnd	20	—	200	—	—	—
Arts and Cultural Services Fd	247,142	232,240	232,240	206,760	(25,480)	(11.0)
Auditor's Maint & Oper Fund	453,166	1,450,000	1,329,680	1,169,710	(280,290)	(19.3)
Community Action Fund	6,736,710	7,035,072	7,033,472	6,611,170	(423,902)	(6.0)
Community Development Fund	3,538,062	5,369,710	3,752,200	4,749,660	(620,050)	(11.5)
Conservation Futures Fund	3,070,923	26,324,600	24,358,370	3,527,740	(22,796,860)	(86.6)
County Road Fund	55,562,597	60,403,700	58,515,506	70,409,560	10,005,860	16.6
Criminal Justice Fund	511,605	906,041	880,289	1,199,010	292,969	32.3
Detention Center Commissary Fd	731,912	705,970	698,280	734,810	28,840	4.1
Dispute Resolution Center Fund	131,931	175,000	171,550	158,000	(17,000)	(9.7)
Drug Investigation Fund	513,666	771,430	757,858	1,328,230	556,800	72.2
Emergency Managemt Grants Fd	5,951,271	5,343,480	4,598,490	4,577,730	(765,750)	(14.3)
Employee Assistance Program Fd	58,204	66,260	66,260	69,580	3,320	5.0
Endangered Species Act Fund	103,952	223,740	219,980	204,920	(18,820)	(8.4)
Federal Forest Services Fund	143,469	160,700	160,700	120,270	(40,430)	(25.2)
GIS Fund	2,756,259	3,382,320	3,273,420	3,652,190	269,870	8.0
Homeless Housing Program Fund	16,905	1,235,000	222,760	1,772,920	537,920	43.6
Housing Repair Programs Fund	5,427,822	6,412,190	8,067,760	6,728,480	316,290	4.9
Human Services Fund	72,367,013	81,695,200	81,442,169	87,982,290	6,287,090	7.7
Judson Family Justice Ctr Fd	271,212	1,335,917	1,288,027	1,462,790	126,873	9.5
Low Income Housing Fee Fund	1,863,088	5,218,800	1,743,260	4,179,760	(1,039,040)	(19.9)
Marine Services Fund	178,330	132,000	132,000	190,960	58,960	44.7
Parks Impact Fee Fund	871,253	2,979,310	89,310	3,992,600	1,013,290	34.0
Parks Sales Tax Fund	1,661,128	5,436,030	3,299,810	5,271,400	(164,630)	(3.0)
Paths and Trails Fund	1,774,152	4,465,930	1,686,000	4,654,790	188,860	4.2
Peninsula Recreation Program	222,327	—	—	—	—	—
Pierce County Fair Fund	165,905	184,060	184,060	181,520	(2,540)	(1.4)
Puget Sound Behavioral Hlth Fd	12,740,779	12,222,850	6,136,907	—	(12,222,850)	(100.0)
Rainier Communicatn Commission Fd	889,964	1,172,460	1,115,400	1,255,800	83,340	7.1
REET Electronic Technology Fd	—	124,000	20,000	211,700	87,700	70.7
REET River Improvement Fund	657,619	5,981,820	5,979,970	4,108,470	(1,873,350)	(31.3)
Second REET Parks Fund	2,129,990	2,320,000	1,787,200	3,903,420	1,583,420	68.3
Second REET Roads Fund	4,200,415	5,171,820	4,573,140	14,046,090	8,874,270	171.6
Surface Water Management Fund	14,639,023	25,917,630	18,945,060	26,265,850	348,220	1.3
Tourism, Promotion, Facilities	465,283	956,060	556,060	1,019,570	63,510	6.6
Traffic Impact Fee Fund	—	—	—	8,000,000	8,000,000	—
Veterans Relief Fund	523,464	582,690	582,690	701,310	118,620	20.4
911 System Fund	4,919,702	5,467,090	4,834,490	5,518,270	51,180	0.9
Total Special Revenue Funds	\$ 206,496,263	\$ 281,561,120	\$ 248,734,568	\$ 280,167,330	\$ (1,393,790)	(0.5) %

Other Financial Information

TOTAL EXPENDITURES/EXPENSES						
	2005	2006	2006	2007	Absolute	Percent
	Actual	Budget	Estimate	Budget	Change	Change
Limited GO Bond Redemption Fund						
CRID Bond Fund, No 2-88 Et Al	23,985	—	—	—	—	—
Limited GO Bond Redemption Fund	40,246,355	6,487,970	6,487,970	9,181,510	2,693,540	41.5
Total Limited GO Bond Redemption Fun	40,270,340	6,487,970	6,487,970	9,181,510	2,693,540	41.5
Capital Projects Fund						
Human Services Construction Fund	405,607	3,027,240	3,027,240	2,865,810	(161,430)	(5.3)
Parks Bond A Const Fund	9,448,495	11,465,100	11,465,100	—	(11,465,100)	(100.0)
Parks Construction Fund	1,957,599	5,358,840	2,099,450	7,850,580	2,491,740	46.5
Permanent Jail Construction Fund	1,704,588	1,876,360	1,797,930	1,423,260	(453,100)	(24.1)
Public Works Construction Fund	21,865,917	33,357,000	33,357,000	43,461,000	10,104,000	30.3
REET Capital Improvement Fund	4,937,602	12,633,490	10,484,010	10,295,850	(2,337,640)	(18.5)
Transportation Facilities Fund	8,458,528	26,838,880	12,599,546	25,873,790	(965,090)	(3.6)
1% For Arts Construction Fund	120,037	734,110	194,040	653,350	(80,760)	(11.0)
2501 Corporate Express Building Fund	607,761	12,776,380	6,161,980	7,743,550	(5,032,830)	(39.4)
Total Capital Projects Fund	49,506,134	108,067,400	81,186,296	100,167,190	(7,900,210)	(7.3)
Enterprise Funds						
Airport Fund	520,954	3,052,407	2,910,765	742,200	(2,310,207)	(75.7)
Chambers Bay Golf Course Fund	4,531,120	15,993,950	14,378,220	5,268,820	(10,725,130)	(67.1)
Golf Courses Fund	1,747,316	1,996,950	1,860,470	2,150,000	153,050	7.7
PC Ferry Services Fund	5,382,036	14,531,870	14,318,976	3,957,020	(10,574,850)	(72.8)
Sewer Bond Funds	5,645,578	5,671,730	5,671,730	5,615,240	(56,490)	(1.0)
Sewer Facil Restrict Reserve Fund	1,644,908	11,065,200	5,417,000	13,561,000	2,495,800	22.6
Sewer Utility Const Funds	13,750,480	27,732,290	15,903,310	23,636,500	(4,095,790)	(14.8)
Sewer Utility Fund	43,444,297	48,984,330	44,348,910	48,611,360	(372,970)	(0.8)
Solid Waste Management Fund	4,639,374	4,971,130	4,449,830	5,483,470	512,340	10.3
Water Utility Fund	115,365	304,170	304,070	312,900	8,730	2.9
Total Enterprise Funds	81,421,428	134,304,027	109,563,281	109,338,510	(24,965,517)	(18.6)
Intragovernmental Service Fund						
Equipment Services Division Fund	10,990,726	12,529,550	11,874,567	18,748,500	6,218,950	49.6
Facilities Management Fund	9,807,967	10,675,420	10,502,500	11,435,330	759,910	7.1
Fleet Rental Fund	3,538,967	3,963,290	3,831,770	4,040,170	76,880	1.9
General Services Fund	2,849,574	3,094,120	2,815,555	3,263,620	169,500	5.5
Information Technology Fund	15,652,990	17,321,060	17,305,690	18,657,810	1,336,750	7.7
Radio Communications Fund	1,797,517	2,534,150	2,234,180	2,405,970	(128,180)	(5.1)
Self Insurance Fund	5,930,392	8,795,540	5,160,642	8,449,390	(346,150)	(3.9)
Workers Compensation Fund	1,921,466	3,064,600	3,514,000	3,121,120	56,520	1.8
Total Intragovernmental Service Fund	52,489,599	61,977,730	57,238,904	70,121,910	8,144,180	13.1
Health Department	37,279,316	33,768,429	33,768,429	34,831,073	1,062,644	3.1
Grand Total	\$ 705,044,836	\$ 877,769,199	\$ 789,222,175	\$ 868,931,228	\$ (8,837,971)	(1.0) %

Other Financial Information

ALL FUNDS COMPARISON OF 2007 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	\$ 36,174,850	\$ 29,642,000	\$ —	\$ 34,910	\$ 38,648,330	\$ 27,038,580	\$ 6,056,692	\$ 137,595,362
Contributed Capital	—	—	—	—	5,625,000	—	—	5,625,000
Fines and Forfeitures	5,464,490	10,000	—	—	—	—	—	5,474,490
Intergovernmental Rev	29,594,530	126,682,450	—	16,557,550	2,125,460	100	20,719,021	195,679,111
Licenses and Permits	9,676,760	79,500	—	—	—	—	3,837,088	13,593,348
Other Financing Sources	—	—	—	8,865,260	2,687,900	—	—	11,553,160
Other Miscellaneous Rev	18,293,720	15,778,100	8,831,510	34,686,330	30,485,210	32,853,630	671,935	141,600,435
Other Taxes	2,819,150	15,057,420	—	6,000,000	210,000	—	—	24,086,570
Property Taxes	105,532,480	47,839,920	—	—	—	—	—	153,372,400
Sales Taxes	56,750,000	2,840,000	—	—	—	—	—	59,590,000
Use of Fund Balance	817,725	42,237,940	350,000	34,023,140	29,556,610	10,229,600	3,546,337	120,761,352
Total Revenues	\$ 265,123,705	\$ 280,167,330	\$ 9,181,510	\$ 100,167,190	\$ 109,338,510	\$ 70,121,910	\$ 34,831,073	\$ 868,931,228
Expenditures/Expenses:								
Cultural & Recreation	\$ 8,012,950	\$ 19,230,060	\$ —	\$ 8,503,930	\$ 7,418,820	\$ —	\$ —	\$ 43,165,760
Debt Service	—	—	9,181,510	—	—	—	—	9,181,510
Economic Environment	21,031,280	17,430,820	—	—	—	—	—	38,462,100
General Government	36,350,110	2,706,790	—	3,744,550	—	—	—	42,801,450
Internal Service	—	—	—	—	—	70,121,910	—	70,121,910
Legal & Judicial	66,872,900	2,075,790	—	5,814,490	—	—	—	74,763,180
Mental/Physical Health	3,703,640	95,294,770	—	2,865,810	—	—	34,831,073	136,695,293
Physical Environment	2,331,750	37,879,440	—	—	—	—	—	40,211,190
Public Safety	126,577,575	13,094,010	—	9,903,620	—	—	—	149,575,205
Transportation	243,500	92,455,650	—	69,334,790	4,699,220	—	—	166,733,160
Utilities	—	—	—	—	97,220,470	—	—	97,220,470
Total Expenditures	\$ 265,123,705	\$ 280,167,330	\$ 9,181,510	\$ 100,167,190	\$ 109,338,510	\$ 70,121,910	\$ 34,831,073	\$ 868,931,228

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" 2007 Budget for Pierce County is \$809,039,018 (total budget of \$868,931,228 less Internal Service Funds of \$70,121,910 plus \$100 in Intergovernmental Revenue from non-county sources and \$10,229,600 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 2005 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 2006 and 2007. The General Fund is discussed in significant detail throughout this document. The other funds are described and discussed in their respective individual budget sections.