

Pierce County 2003 Budget In Brief

This document is a “brief” look at the adopted 2003 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 (2002)
Jan Shabro
Calvin Goings
Kevin Wimsett
Harold Moss
Wendell Brown
Pat O’Malley
Karen Biskey

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Pierce County Facts

General Information

- ✍ Pierce County was established in 1852 and became a Home Rule County by a vote of the people in 1981. The County is governed by an elected County Executive and seven elected Council Members. The Prosecutor, Assessor-Treasurer, Auditor, Superior Court Judges, and District Court Judges are also elected by the people.
- ✍ The County is located on scenic Puget Sound and covers 1,794 square miles (1,676 square miles of land and 118 square miles of water). Altitudes in the County range from sea level in the Tacoma metropolitan area to 14,411 feet at the top of Mount Rainier.
- ✍ The average daily temperature in the winter is 40°F and in the summer it's 70°F. Average rainfall is 39.9 inches, 75% of which falls between October and March.
- ✍ Pierce County boasts of 10 hospitals, 15 public school districts, a large number of private schools, two vocational technical colleges, two community colleges, and six four-year colleges or universities.
- ✍ The third largest army post in the United States, Fort Lewis, is located in the County as are McChord Air Force Base, Madigan Army Medical Center, and Camp Murray National Guard post. Altogether these military installations contribute over 33,000 military and civilian jobs to the local economy.

Transportation

Pierce County is served by Sea-Tac Airport 16 miles to the north and the Tacoma Narrows Airport between Gig Harbor and the City of Tacoma. There are also three general aviation airports. Interstates 5 and 705 run through the County as do numerous state highways. Pierce Transit provides excellent bus service extending from the state capital, Olympia, to the City of Seattle. Sound Transit, the regional transit authority, is building a light rail line that will connect downtown Tacoma to a major transit hub near the Tacoma Dome; this is scheduled for completion in the fall of 2003. Two transcontinental railroad systems connect the County with the rest of the nation as do 30 interstate trucking companies.

Economic Conditions

Pierce County began to feel the impact of the economic slowdown in 2001 with most key indicators moving downward. However, the County is in a good position to recover and experience future economic growth. Recent forecasts describe some of the advantages the County enjoys. "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 on the next page.

Manufacturing

Pierce County's manufactured products include chemicals, machinery, hardware, food products, and electronics. Among the major manufacturers are Intel (1,600 jobs), Boeing (1,450), Milgard Glass (900), and Simpson Tacoma Kraft wood products (510). Intel has already invested over \$160 million in Pierce County and has plans for future expansion. Boeing has completed two phases of construction on a Pierce County facility which builds components for the 777 aircraft.

Port Facilities

In describing the Port of Tacoma, the Economic Development Board of Pierce County says “The Port of Tacoma has become one of the fastest growing ports in the United States. It is strategically located...and offers efficient connections to sea, rail, highway, and air transportation networks. It enjoys strong international ties with nations on the Pacific Rim and around the world.”

As the sixth busiest container port in North America, and one of the 25 busiest in the world, the Port of Tacoma plays an important part in the local economy. This deep-water port covers 2,400 acres and offers a combination of facilities and services including 34 deepwater berths, two million square feet of warehouse and office space, and 131 acres of industrial yard. One economic impact study showed that more the 22,000 jobs in Pierce County are related to the Port activities.

Service/Government

One of the largest components of the service sector is health care. The largest employers include Multicare Medical Center (5,000), the Franciscan Health System (2,553), and Good Samaritan Hospital (1,800). In addition, Da Vita completed the renovation of a large downtown building in Tacoma which now serves as its corporate headquarters. They currently employ 634 people.

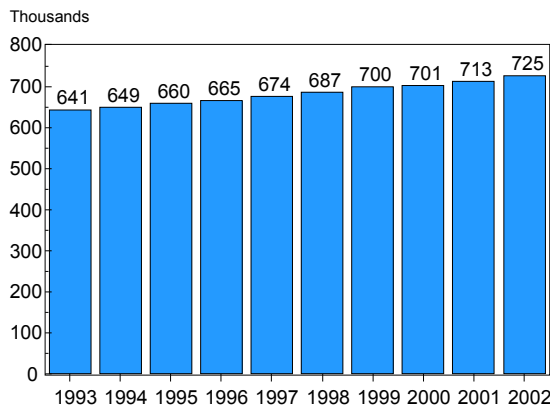
Fort Lewis Army Base and Madigan Army Medical Center occupy 86,000 acres in southwest Pierce County while the adjacent McChord Air Force Base sits on 5,000 acres. Together these facilities employ over 33,000 military and civilian personnel. Unlike many military installations across the country, Fort Lewis and McChord have expanded as people are transferred from closed facilities to the northwest. Within the last several years, a \$131 million renovation was completed at McChord to accommodate 48 new C-17 cargo planes that are stationed at the base.

Other government employment, using 2001 statistics, includes the local public school districts (12,633), the City of Tacoma including Tacoma Public Utilities (3,034), Pierce County (3,015), and, the Puyallup Tribe (1,795).

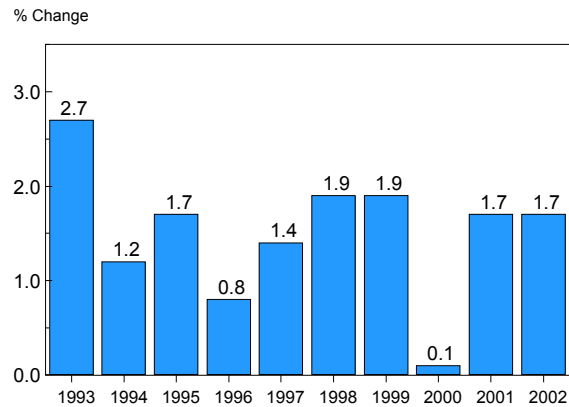
Population

Pierce County is home to an estimated 725,000 people, making it the second largest county in the state. Its five largest cities are Tacoma (194,900), Lakewood (58,580), Puyallup (34,920), University Place (30,350), and Bonney Lake (12,360).

Pierce County Population History



Pierce County Population Percent Change



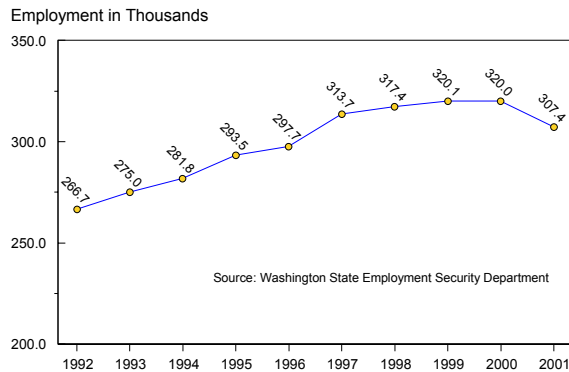
Pierce County Facts

Economic Indicators

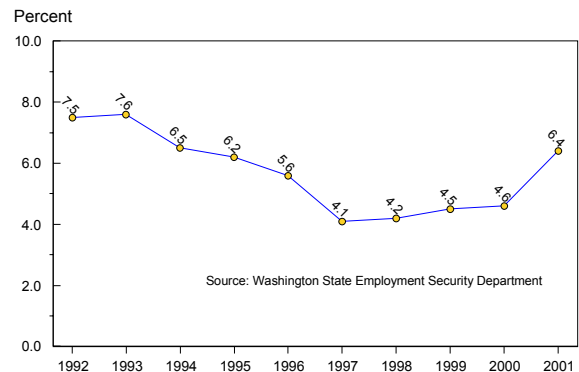
The following indicators are key elements in the evaluation of current economic conditions and are useful when developing projections or economic forecasts:

- ❖ **Inflation:** Inflation as measured by the Seattle-Tacoma-Everett Consumer Price Index for all urban consumers decreased from 4.1% in 2000 to 3.2% in 2001. During the same period, the U. S. average (CPI-U) went from 3.4% in 2000 to 1.6% in 2001.
- ❖ **Employment:** The graphs below show the impact of the economic slowdown on employment in the County. Total employment dropped to 307,400 as unemployment increased to 6.4%. This rate is the same as the statewide average of 6.4% but markedly higher than the U.S. average of 4.8%.

Pierce County Employment

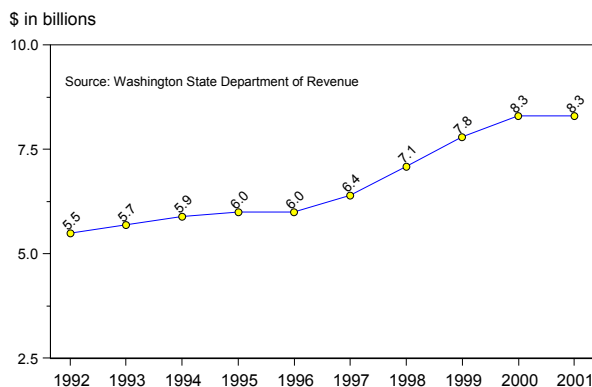


Pierce County Percent Unemployment

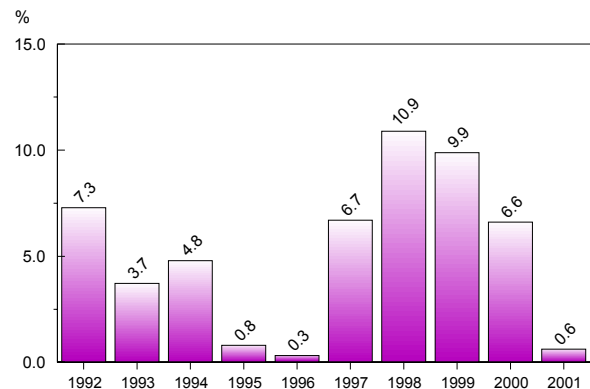


- ❖ **Taxable Retail Sales:** Taxable retail sales were flat in 2001 as the impact of the recession and higher unemployment took hold. Based on current economic forecasts, we anticipate that total taxable retail sales will be relatively flat in 2002 with some strengthening in late 2003.

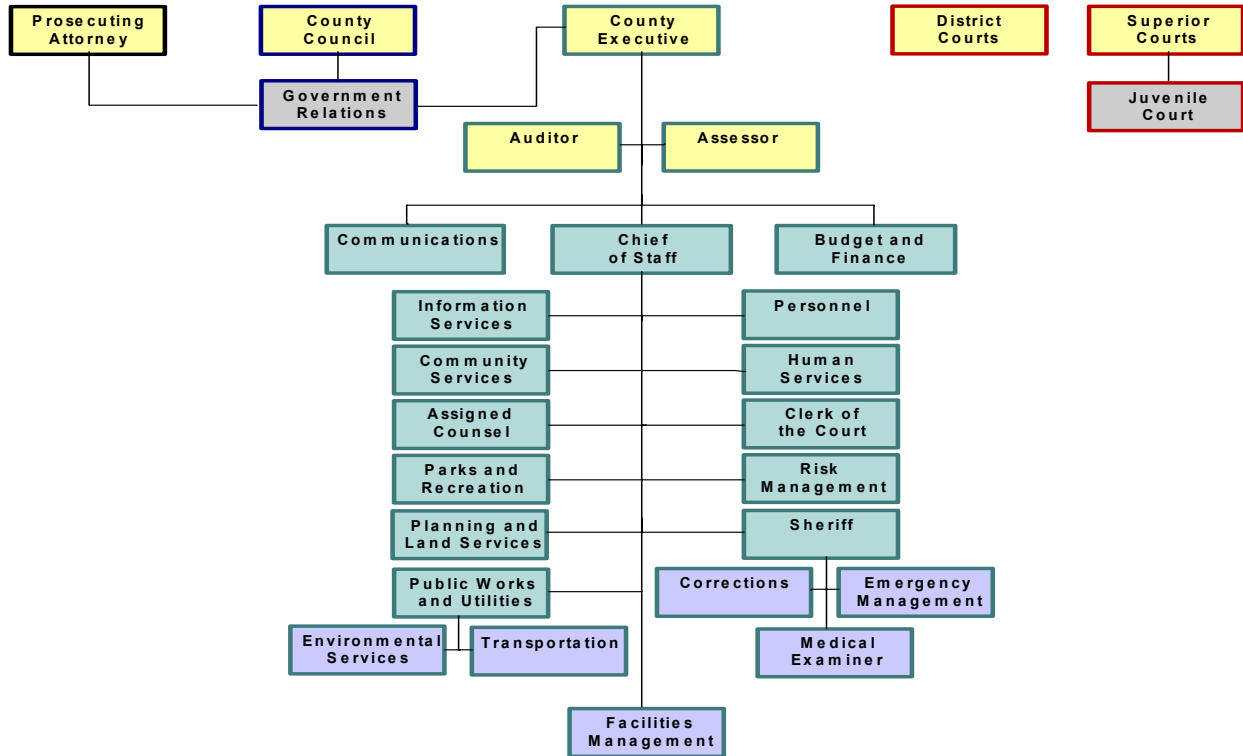
Pierce County Taxable Retail Sales



Percent Change Taxable Retail Sales



Organizational Overview



2003 COUNTY COUNCIL

Shawn Bunney	District 1
Calvin Goings	District 2
Kevin Wimsett	District 3
Harold Moss	District 4
Barbara Gelman	District 5
Pat O'Malley *	District 6
Terry Lee	District 7

*Through January 10, 2003

2003 DISTRICT COURT JUDGES

James R. Heller.....	Presiding Judge
Ronald E. Culpepper	
Jack F. Nevin	
David M. Kenworthy	
Judy Rae Jasprica	
Margaret Vail Ross	
Karla Buttorff	
Pat O'Malley	

2003 SUPERIOR COURT JUDGES

James Orlando.....	Presiding Judge
Frederick W. Fleming	
Katherine Stolz	Stehanie A. Arend
Thomas P. Larkin	Kathryn Nelson
Bryan E. Chushcoff	Bruce W. Cohoe
Vicki Hogan	Thomas J. Felnagle
Rosanne Buckner	Lisa Worswick
Brian Tollefson	Frank E. Cuthbertson
Sergio Armijo	Karen L. Strombom
D. Gary Steiner	Marywave Van Deren
John A. McCarthy	Kitty-Ann van Doorninck
	vacant

The Council is the policy setting body of the County and has all the powers of the County which are not otherwise reserved to the People, the Executive, and general law. The Council members are nominated and elected by the voters of seven districts in Pierce County. Legislative authority is exercised by the adoption and enactment of ordinances or resolutions.

The executive branch is comprised of the Executive and all executive departments established by the Charter or by ordinance. Executive departments include two elected positions (Assessor-Treasurer and Auditor) with the other department directors recommended by the Executive and approved by the Council.

According to the charter, all executive departments are subject to the personnel, budgeting, expenditure and any other policies of general application established by the Executive. Control of County finances is under the authority of the Executive and is delegated to the Department of Budget and Finance.

Mission and Goals

Mission, Goals and 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**, shown below, 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.



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, and prosecution programs.
- 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 public image for Pierce County Government and improve customer service through an enhanced communications program.
- H – Improve the cost efficiency 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 an effective work force through an emphasis on diversity; and the promotion of programs which stress training, incentives, recognition, and innovation.
- K – Implement infrastructure improvements in county buildings which will address employee safety, workspace and environmental issues; and thus enhance employee morale.

Budget Highlights

The Pierce County 2003 budget reflects the fiscal realities confronting county government, the impact of a sluggish economy, and the need to make priority decisions in order to protect and augment our most vital services. Even with our fiscal limitations, my administration remains committed to effectively addressing the challenges and opportunities before us. These include public safety staffing, the opening of the New Jail, justice services workload, growth management, effective land use regulations enforcement, the endangered species act, our transportation network, flooding concerns, and intergovernmental cooperation. It is our responsibility to exhibit leadership in addressing these issues, and to provide cost-effective public services to our citizens.

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

For the 2003 budget we are replacing the previous “mission driven budget objectives” program with department Performance Measures. These Measures are more limited in number and focus on the most vital aspects of each departments operation.

Budget History

The proposed 2003 Pierce County Budget totals \$738,448,067, which is a decrease of \$50.2 million (6.4%) from 2002. Most of the decrease is due to reduced construction expenses (e.g., the New Jail project will be completed in 2002, except for the Main Jail Remodel) and the impact of I-747 (1% property tax limit).

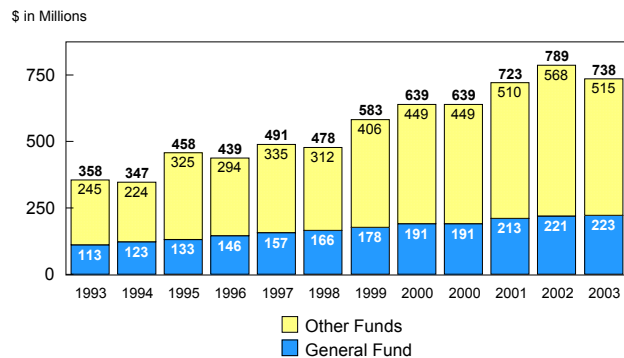
This is the second budget year which has been impacted by the crippling effects of I-747. This has caused great difficulty for our government, and for most governmental entities in the State of Washington. This initiative, the weak state of the economy, and the cutbacks in State funding resulting from their current biennium budget problems have all combined to create a severe budget crunch. The resultant revenue limitations have made it impossible for us to meet all the budget requests from our department directors, or to satisfy all service requests from our citizens

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 major construction activity

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

- ◇ First, existing challenges involving **criminal activity, domestic violence, meth labs and other drug activity will continue to place great pressure on public safety and justice services.** We have maintained the programs previously budgeted to combat these major problems, and are enhancing priority services where circumstances warrant and finances permit.
- ◇ Second, the **New Jail** is substantially completed and is scheduled to be placed in operation in early 2003. Although there are large expenses associated with this enterprise, our multi-year financing plan has allowed us to meet those costs without significant reductions in other General Fund programs.
- ◇ Third, for most of our General Fund programs, this must be considered a **“status quo” budget.** In these times of financial stress, we consider our ability to substantially maintain the status quo to be

Total Budget



Budget Highlights

a major accomplishment.

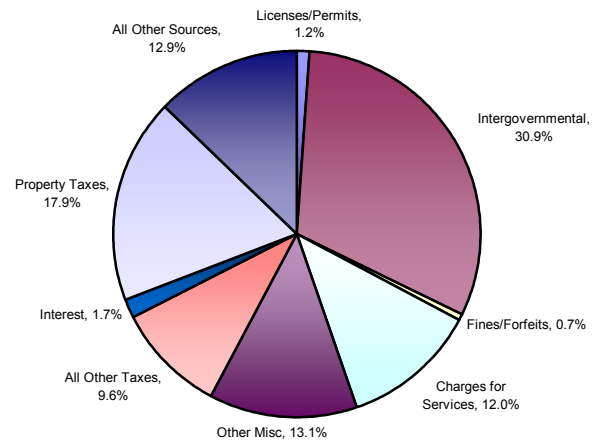
- ◇ Fourth, we will continue to emphasize **pro-active prevention programs**. This budget funds many of the alternatives to incarceration programs recommended by the Criminal Justice Task Force, including county funding for the Breaking the Cycle Program. These programs will both reduce future jail costs and promote behavior modifications leading to decreased criminal activity.
- ◇ Fifth, we will continue to fund balanced **Land Use Regulatory** programs, solid **Road Maintenance** services, and a **substantial Parks and Recreation program** utilizing recently approved parks sales tax and real estate excise tax funding sources.

Total Pierce County Revenue & Expenditure Overview

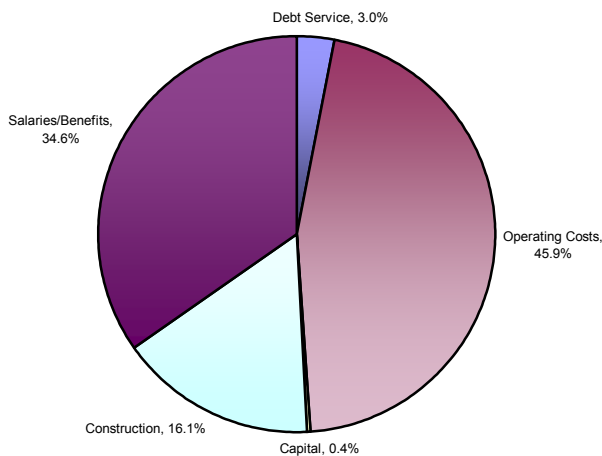
A summary of the major classifications of revenue and expense is shown in the following pie charts. In total, the County's budget will be 6.4% below the 2002 level.

Over thirty percent of the County's funding comes from Intergovernmental Revenues. Property and Other Taxes equals 27% of the total revenues, while Charges for Services, Licenses/Permits, and Fines/Forfeits provide another 14%. The 13% All Other Sources category is primarily made up of the use of prior fund balances. The 13% 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 less than 2%. The revenues for Internal Service Funds have been excluded from the totals used to calculate the percentages shown for the pie chart.

2003 Total County Revenues
Summarized by Source



2003 Total County Expenditures
Summarized by Object Classification

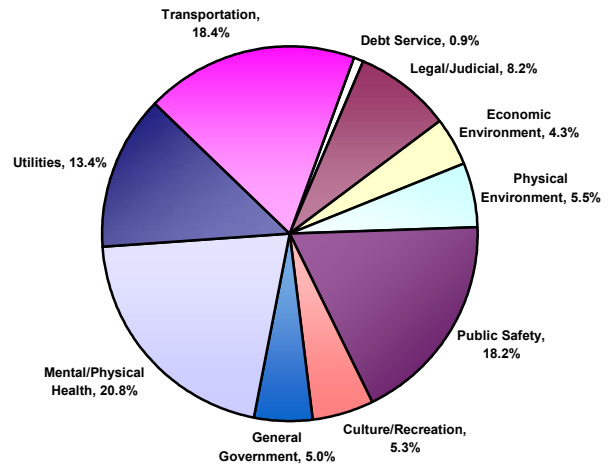


Almost thirty five percent of the County's total budget line-item is allocated to personnel costs. All other operating costs consume approximately 46%. The remaining 19% is for capital construction, and debt service.

Budget Highlights

**2003 Total County Expenditures
Summarized by Function**

Public Safety and Legal/Judicial Services combined accounts for over 26% of the total County expenditures, with the Mental and Physical Health system absorbing almost 21%. Just over 37% of the total expenditures is invested in the support of Transportation, Utilities, and the Physical Environment. Just over 5% of the total expenditures is related to Culture and Recreation. Four percent is expended for Economic Environment activity and almost 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 the most flexibility in terms of resource allocation alternatives.

Revenues

A summary of the 2003 revenues, with a comparison to the current year, is shown in the table below:

GENERAL FUND REVENUE SUMMARY				
	2003 Budget	2002 Budget	Absolute Change	Percent Change
General Property Taxes	\$ 74,190,190	\$ 71,270,800	\$ 2,919,390	4.1 %
Law Enforcement Property Taxes	8,490,470	8,108,270	382,200	4.7
Other Taxes	8,899,540	8,699,000	200,540	2.3
Sales Taxes	41,290,000	39,240,000	2,050,000	5.2
Licenses and Permits	5,435,030	5,382,110	52,920	1.0
Intergovernmental Revenue	36,852,430	39,494,780	(2,642,350)	(6.7)
Charges for Services	29,230,430	26,752,258	2,478,172	9.3
Fines and Forfeitures	4,954,680	4,488,270	466,410	10.4
Interest Revenue	7,543,430	9,474,700	(1,931,270)	(20.4)
Other Miscellaneous Revenue	3,362,470	2,201,948	1,160,522	52.7
Subtotal Revenues	\$ 220,248,670	\$ 215,112,136	\$ 5,136,534	2.4 %
Fund Balance	2,753,000	6,285,000	(3,532,000)	(56.2)
Total Available Resources	\$ 223,001,670	\$ 221,397,136	\$ 1,604,534	0.7 %

Our revenue projections are based largely upon the following assumptions:

- ◇ The local economy will grow at a relatively slow pace in 2003. The level of economic growth will be sharply less than that experienced in the 1995-2001 fiscal years.
- ◇ Inflation will be approximately 2-3% next year, thus giving a modest boost to Sales Taxes, Intergovernmental Revenues, and Charges for Services.
- ◇ Interest rates will stay at their current very low levels, which will result in less interest revenues than were earned in recent periods.
- ◇ We will continue to receive city contract revenues for several major services (principally police services, jail, roads maintenance, and court services).

Based upon the above assumptions and an in-depth review of our revenue patterns, we are projecting a growth in General Fund revenues of 2.4% in 2003. However, the 2002 budget also included an allocation of \$6,285,000 in Prior Fund Balance. Since the recommended use of Prior Fund Balance in 2003 is only \$2,753,000, the resulting increase in **available resources** to finance next year's budget is only 0.7%.

Comparative revenue increase figures for the last decade are shown in the Figure 1 on the following page. The projected increase of 2.4% in 2003 is the second lowest in the decade, due to four factors:

- ◇ Initiative 747 continues to erode our real financial base. The negative impact grows exponentially each year (see next page).
- ◇ In several of the preceding years there was a major new revenue source (e.g., state criminal justice funds, criminal justice sales tax, jail/juvenile sales tax, and the law levy transfer to the General Fund). No major new revenue source is projected to be forthcoming in 2003.
- ◇ During most years there are mid-year events which give rise to revenue increases, but which almost always are accompanied by at least a corresponding increase in related expenses (e.g., new specific

grants, storm reimbursements, special elections). This could well happen again as fiscal 2003 unfolds; thus pushing the final percent increase above the originally budgeted 2.4%.

- ◇ The economy is much less robust than in earlier years, and the climb out of the state recession is projected to be gradual.

Percent Change in General Fund Revenues

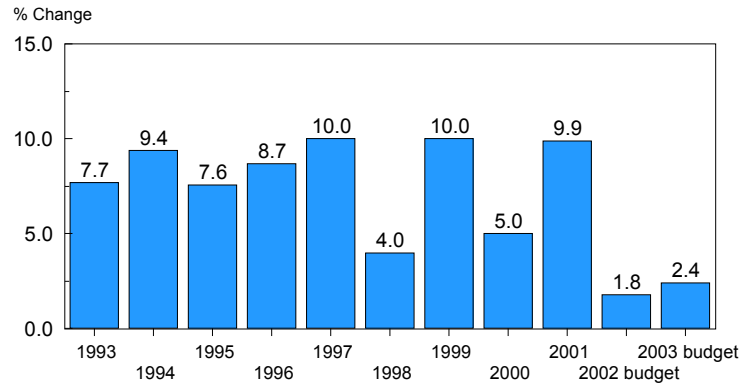


Figure 1

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%), except with voter approval. 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 are necessary in this budget, and will grow in future years. The exact revenue loss over the next several years due to I-747 is difficult to precisely determine (depends upon inflationary increases in existing property values). To provide just one possible example, with a 4% annual growth in assessed valuation (excluding new construction) the potential revenue loss versus the 6% limit would be as follows:

General Fund	
2002	\$ 3,848,000
2003	8,033,000
2004	12,676,000
2005	17,801,000
2006	22,314,000
Total	\$ 64,672,000

These are very significant revenue losses, and are geometric in impact. By fiscal 2006, the revenue loss in just that year is equal to approximately 10% of our 2003 General Fund budget. The cumulative 5 year loss is more than the construction costs of the New Jail and New Parking Garage combined. The Road fund levy is also affected by I-747, although to a lesser extent (2003 loss estimated at \$1.7 million).

This initiative will result in an inexorable erosion in our financial foundation and lead to significant reductions in public safety, the justice system, road maintenance, health services, and other vital county programs.

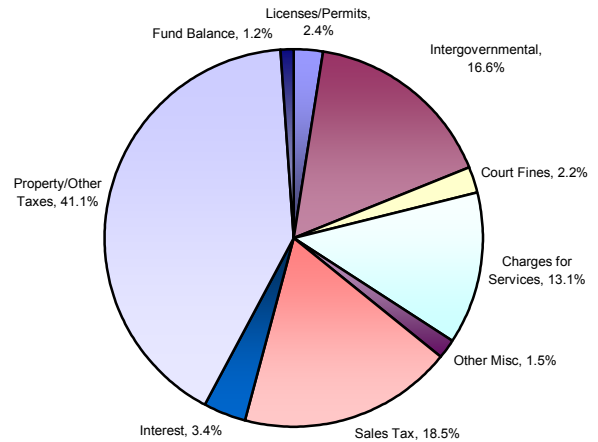
General Fund

Revenue Sources

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

- ◇ General and Law Levy Property Taxes are projected to increase by 4.1% and 4.7% respectively in 2003. 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 related to new construction and improvements.
- ◇ Other Taxes are simply increasing with inflation.
- ◇ Sales Taxes are projected to increase by 5.2% in 2003. This is based upon the actual revenue patterns for 2002 Y-T-D, coupled with projections for moderate growth in the next 12-16 months.
- ◇ Licenses and Permits are projected to grow by a modest 1.0% in 2003, reflecting proposed fee increases in P.A.L.S
- ◇ Intergovernmental Revenues – this category of revenue is projected to show a bottom-line decrease of 6.7% in 2003. This is because a) Federal and State Grants will be below the 2002 level, and b) we will no longer receive “MVET back-fill” monies from the State. It should be noted that the loss of grant funding will often (but not always) result in a corresponding reduction in expenditures.
- ◇ Charges for Services Revenues are estimated to be above 2002 budget by 9.3%. This bottom-line change is composed of many dramatic changes in specific revenue sources, both increases and decreases:
 - Recording Fees are currently running well above 2002 budgeted levels, and we are projecting that increased level of activity to continue in 2003.
 - Election expense reimbursements will be significantly above 2002 because the state is required to reimburse us for their election costs in odd numbered years.
 - Indirect Cost Charges to other funds will increase by 19%, due to the figures generated by the plan methodology. This reflects the growth in our non-General Fund activities.
 - An increase in P.A.L.S. fees is included in the proposed budget.
- ◇ Fines and Forfeits are projected to be above the 2002 Budget by 10.4%, based mostly upon the actual revenue pattern in the current year.
- ◇ Interest Revenues are projected to show a major decline from the 2002 budgeted amounts, due to the decreases in interest rates over the last 12 to 18 months.
- ◇ Miscellaneous Revenues will increase by 53% in 2003, due largely to the transfer of \$900,000 from the Road Fund to partially finance Sheriff traffic enforcement costs.
- ◇ **Prior Fund Balance** use was budgeted at \$6,285,000 in 2002, of which \$3.6 million was for the computerized appraisal and tax administration system (one-time allocation). For next year we are recommending that we allocate only \$2,753,000, which will be used for Building Remodeling expenses (\$2,000,000) and other one time expenses in the 2003 budget (\$753,000).

2003 General Fund Revenues



Expenditures

The 2.4% revenue growth discussed in the preceding section would, especially in light of the opening of the New Jail, be insufficient to continue most programs and staff at the 2002 level. However, we have kept our expenses in check through modest salary increases, cost efficient technology investments, and district court consolidation. Despite those measures, we have had to reduce budgets in certain areas in order to provide resources to enhance vital programs and services.

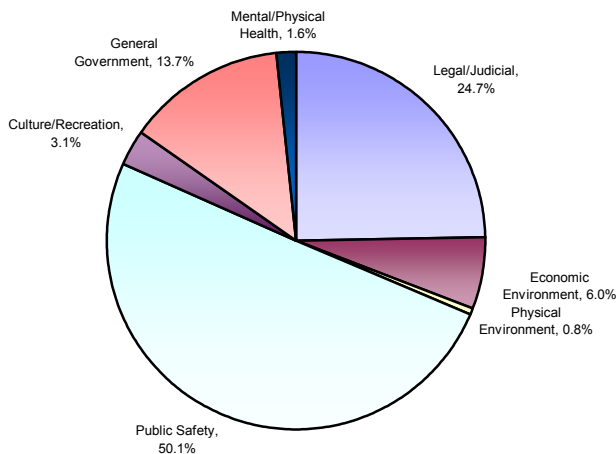
The following table summarizes the 2003 General Fund Expenditure Budget, and compares it with the 2002 budget.

GENERAL FUND EXPENDITURES BY FUNCTION				
	2003 Budget	2002 Budget	Absolute Change	Percent Change
General Government	\$ 30,442,310	\$ 33,707,600	\$ (3,265,290)	(9.7) %
Public Safety	111,795,470	108,025,521	3,769,949	3.5
Physical Environment	1,741,460	1,629,050	112,410	6.9
Legal & Judicial	55,187,940	54,154,521	1,033,419	1.9
Economic Environment	13,305,310	13,195,784	109,526	0.8
Mental/Physical Health	3,535,100	3,569,990	(34,890)	(1.0)
Cultural & Recreation	6,994,080	7,114,670	(120,590)	(1.7)
Total General Fund	\$ 223,001,670	\$ 221,397,136	\$ 1,604,534	0.7 %

As indicated by the functions table, the emphasis in 2003 continues to be Public Safety and Legal/Judicial services. If we exclude the 2002 C.A.T.S. allocation from our calculations, the General Fund expenditures increase is \$4.9 million. Approximately \$4.7 million of that increase is allocated to these two major functions. **That equals 96% of next year's budget increase.** In total, 75% of the entire General Fund budget is now allocated to these priority services. This percentage continues to grow by approximately 1% of the total each year, and is higher than other large Washington counties. This emphasis on public safety and justice services continues the pattern established over the last decade. Approximately 90% of all the staff added in the General Fund in the last decade have been in the Public Safety and Justice Services departments.

As shown in Figure 2, the 2.4% budget increase for expenditures is considerably less than all previous years in the last decade. It should be noted that the 2002 budget figure would have been much lower had we not used a large amount of fund balance to support that budget.

2003 General Fund Expenditures



Percent Change in General Fund Expenditures

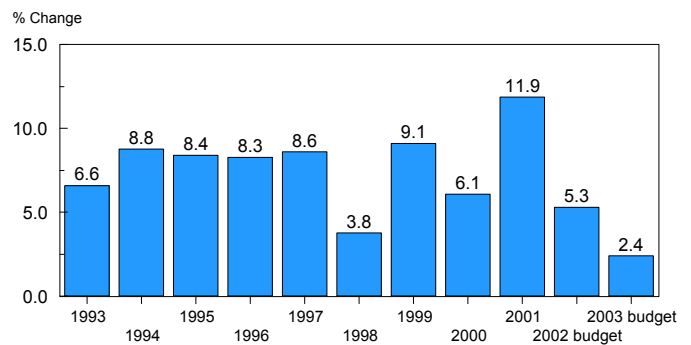


Figure 2

General Fund

The major 2003 budget and program changes by functional category and department are listed as follows:

2003 Service & Program Changes

Public Safety And Justice Services: _____

Sheriff

- ◇ 6 new deputies assigned to the Peninsula patrol (2), South Hill patrol (2), and the Community Support team (2)
- ◇ 2 sergeant positions
- ◇ 1 detective for the sexual offender registration program
- ◇ the deletion of the "Steilacoom contract chief position"

Corrections

- ◇ a full year operating costs for the New Jail, which is now scheduled to open in early 2003
- ◇ the inclusion of the debt service costs for the New Jail bond issue (previously budgeted in the Jail Construction Reserve account)
- ◇ the deletion of 8 positions due to the previously approved reduction of 1 Pod from the New Jail capacity use schedule

Superior Court

- ◇ County funding for Breaking The Cycle program.

Juvenile

- ◇ the addition of 2 detention officers to reduce overtime and extra hire expenses
- ◇ 1 additional accounting assistant for the revenue generating programs

Jail Construction Reserve

- ◇ funding for the fifth phase of the Jail financing plan, with the jail debt service now being charged to the Corrections budget

Assigned Counsel

- ◇ two positions and extra hire reduced in the Dependency pilot project due to a cutback in State funding

Involuntary Treatment Program

- ◇ Due to a reduced level of state funding, we are scaling back the program and deleting the following staff positions:

Prosecutor – one county attorney

Clerk – one legal assistant position and a reduction in court reporting expenses

Assigned Counsel – 1 attorney and .3 legal assistant

District Court

- ◇ reflects the consolidation of all 4 district courts into one court structure, with the reduction of 4 positions

District Court Probation

- ◇ the reduction of one work crew chief and related expenses (Superior Court)

All Other Programs & Services:

Assessor/Treasurer

- ◇ the reduction of 8 positions (September 2003) due to the efficiencies from the C.A.T.S. project

Planning & Land Services

- ◇ 7 new staff in the development engineering section and the replacement of the Development Center Information System; funded through fee increases

Council

- ◇ the reduction of .5 clerical aide

Parks & Recreation

- ◇ one new office assistant position at the Sprinker Recreation Center

Building Remodel Projects

- ◇ an allocation of \$2,000,000 from prior fund balance for building remodeling, especially at the County-City Building

The remaining General Fund departments not mentioned above experienced a largely status-quo budget.

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

- ◇ Many departments had grants or service contracts in 2002 which are not renewed in 2003, or vice versa.
- ◇ Several departments have other unique items in 2002 which are not present in 2003 (special election costs, capital equipment purchases, one time projects, etc.).

It is necessary to review each department's situation in some detail to determine what is happening in 2003.

STAFFING LEVEL CHANGES

The impact upon staffing levels of the previously described changes, plus other changes in non-General Fund operations, are summarized below. As the figures indicate, we have made priority adjustments so that our most vital programs could be enhanced where possible.

Staff Decreases:

1) Council	- .5	Clerical position
2) District Court	-4.05	Court consolidation
3) Assessor Treasurer	-8.0	Positions related to C.A.T.S. (September 2003)
4) Information Services	-6.0	Positions related to C.A.T.S. (September 2003)
5) District Court Probation	-1.0	Work crew chief (Superior Court)
6) Corrections	-8.0	Delayed hiring due to phased opening of New Jail
7) Prosecutor	-1.0	Attorney, involuntary commitment
8) Clerk	-1.0	Legal Assistant, involuntary commitment
9) Assigned Counsel	-3.3	Attorney and Paralegal (dependency), one Attorney and .30 Legal Assistant (involuntary commitment)

General Fund

10) Radio Communications Fund	-1.0	Grant funded position ends
11) Sheriff	<u>-1.0</u>	Contract for Steilacoom "chief" expires
	-34.85	

Staff Increases:

1) P.A.L.S.	+7.0	Development Engineering staff (funded with new fees)
2) Sheriff	+9.0	2 Sergeants, 6 Deputies, 1 Detective
3) Parks and Recreation	+1.0	Office Assistant at Sprinker (extra hire issue)
4) Juvenile	+1.0	Accounting Assistant (revenue/fee functions)
	+2.0	Detention Officers (extra hire/O.T. issues)
5) Information Services	+1.0	Info Technology Specialist (Sheriff – Criminal Justice Fund)
6) Roads Fund	<u>+2.0</u>	Design Team to keep capital projects on schedule
	+23.0	

Use of Prior Fund Balance

The tables below present the actual financial results for the General Fund during the 1992-2001 period, and the budgeted amounts for 2002-2003. As indicated in the table, the trend during the last decade has been largely positive. Both a strong economy and prudent fiscal policies have produced favorable financial results. However, in fiscal 2002 we have budgeted a \$6.3 million deficit, most which is for one-time expenses. The proposed 2003 budget also reflects a deficit (\$2.8 million); again for one-time expenses.

If the 2002 actual results match the budget, the General Fund balance will be approximately \$20.3 million at the end of 2002 (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 8% of the budget. We will still be slightly above that range at the end of fiscal 2002, and exactly at the top of the range at the end of 2003 (as shown in Figure 5).

It should be noted that the preceding charts for 2002-2003 represent the budgeted figures. Our late summer projections had indicated that fiscal 2002 actual results were likely to be slightly more positive than budgeted. However, the economy remains weak, and our projections are quite tentative.

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

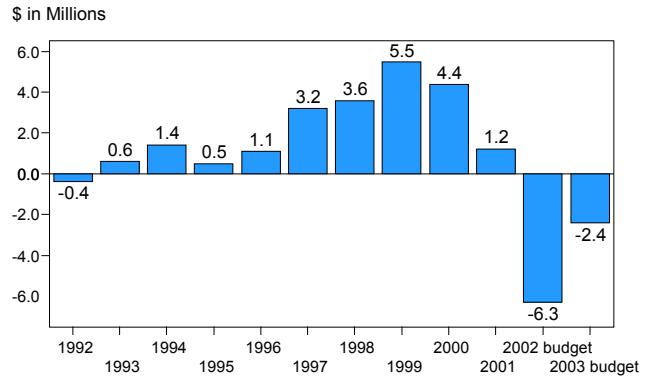


Figure 3

Unreserved General Fund Balance

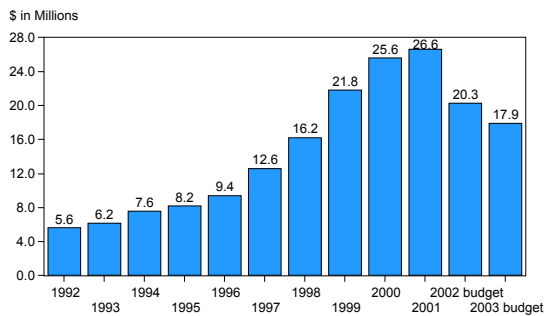


Figure 4

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

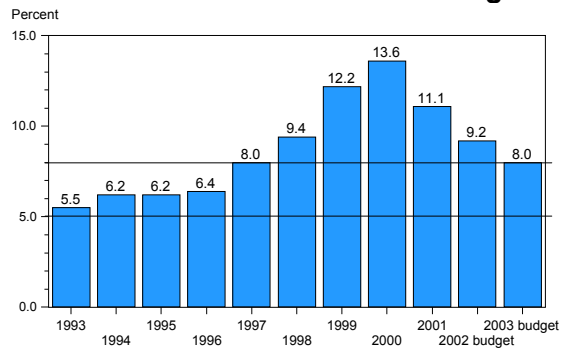


Figure 5

Other County Funds

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

Community & Human Services Funds

The County is a major provider of community and human state and federal grants, which often vary significantly for each fiscal period. The reduction in **Community Action** is due primarily to fluctuations in the spending allocations from HUD and Welfare to Work grants. The 2003 budget for **Community Development** anticipates a reduction in the federal CDBG allocation. The 2003 budget for the **Housing Repair Program** is significantly less than 2002 due to the fluctuation in the federally funded Supportive Housing and Home Programs.

services through programs funded primarily from

Community & Human Services		
Fund	2003 Budget	2002 Budget
Community Action	\$ 5,353,650	\$ 5,736,379
Community Development	6,068,790	7,408,040
Housing Repair Program	9,962,450	10,274,536
Human Services	81,801,630	83,283,971
Puget Sound Behavioral Hlth	15,660,970	19,949,680
Total	\$ 118,847,490	\$ 126,652,606

Human Services shows a slight decrease in funding overall, as the Mental Health programs continue to see funding reductions. The **Puget Sound Behavioral Health** fund separately accounts for the community inpatient program which is a service under the Mental Health unit of the Human Services Department.

The 2003 Budget reflects an overall decrease due largely to the delay of the remodeling projects.

It is our belief that the funding from state and federal sources is simply inadequate to finance the service levels which ought to be provided. We are working with state and federal agencies in an attempt to increase the funding levels, and it is possible that additional grant monies will be secured in 2003. However, even these potential new grants will probably be insufficient to cope with many of the human service needs in Pierce County.

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

General Fund Contributions	
AIDS Foundation.....	\$20,270
Alliance Against Domestic Violence.....	33,000
Breast Cancer Awareness Center.....	23,040
Centro Latino	71,080
Community Action Grant Match	75,000
Day Care Referral Program	20,270
Domestic Violence Commission.....	59,250
D.U.I. Program	8,730
Emergency Food Network.....	12,900
Family Counseling Services.....	3,460
Involuntary Commitment Program	98,000
Mental Health Services in the Corrections operations	628,470
Pierce County Alliance – CRESTOS.....	8,290
Senior Centers	198,590
Sexual Assault – Allenmore	10,140
Social Service Programs (earmarked property taxes)	1,046,000
Social Service (substance abuse program from liquor taxes).....	21,500
TACID	26,110
	<u>\$2,364,100</u>

County Road Funds

The County Road activities are actually divided into two separate funds - one for Maintenance and the other for Construction projects. The **Maintenance Fund** provides for all the administrative, general engineering, and roadway maintenance activities, and is budgeted above the 2002 level. This budget level will provide for a moderate increase in maintenance activity, and includes monies for new facilities and capital projects. The **Roads Construction** fund is budgeted at a total of \$51.8 million in 2003, which is well above actual prior year expenses. This budget will provide for a strong road construction and improvement program next year.

Road Maintenance Expenditures	
1997 Actual	\$ 43,956,810
1998 Actual	\$ 41,540,239
1999 Actual	\$ 43,414,053
2000 Actual	\$ 47,104,468
2001 Actual	\$ 44,290,866
2002 Budget	\$ 54,116,410
2003 Budget	\$ 59,328,570

Enterprise Funds

The County operates six enterprise funds, so named because they function as business enterprises which charge their customers for the services provided. These funds are **Sewer Utility, Golf Courses, Solid Waste, Airport, Ferry Services** and **Water Utility** funds.

Also related to the Sewer Utilities fund are several other funds which provide resources for, or are used to account for, activities of the overall Sewer Utility (usually construction and debt service funds). The comparative budget figures for both 2003 and 2002 are shown in the table. **Major** Budget changes are due to:

Enterprise Funds			
Fund	2003 Budget	2002 Budget	% Change
Sewer Utility	\$ 85,221,620	\$ 101,611,260	(16.1)%
Golf Courses	1,079,310	1,229,950	(12.2)%
Airport	583,880	1,034,770	(43.6)%
Solid Waste Mgmt	5,664,540	5,589,840	1.3 %
Ferry Services	2,615,250	2,507,520	4.3 %
Water Utility	426,490	432,880	(1.5)%

- The decrease in the **Sewer Utility** is due to a reduction in the capital construction program.
- The **Golf Courses** fund decrease resulted from a lower budget for capital and facility improvements in fiscal 2003.
- The large decrease in the 2003 **Airport** fund is also due to a lower allocation for capital and repair items.

We are proposing fee increases for the Golf Courses, the Airport, and Solid Waste landfill fees.

Internal Service Funds

Internal Service Fund operations provide services, supplies, and equipment to other County departments, which pay for these services through various billing systems. In essence, these funds operate under the enterprise fund business model, except that their customers are other County departments. The long-range goal is to establish rates which will pay all operating and capital costs, and to insure that the General Fund does not need to subsidize these activities. The following summarizes any **significant** changes in the 2003 budgets:

- ◇ **Equipment Rental & Revolving** – the increase results from scheduled vehicle replacements, and the request for new additions to the fleet.

Other County Funds

- ◇ **Facilities Management** – reflects a significant increase due to the full year facility maintenance expenses at the New Jail.
- ◇ **Information Services** – reflects the reduction of 6 positions due to the projected efficiencies from the new C.A.T.S. system.
- ◇ **Fleet Rental** – reflects an increase for both replacement vehicles and the vehicle purchase costs for the new Sheriff's department staff.
- ◇ **Self Insurance** and **Worker Compensation** funds reflect sharp increases in 2003 based upon claims experience in the 2000-2002 period.

Many of these internal service funds will rely upon prior fund balance in order to support their 2003 budgets. This results from both the scheduled replacement of capital assets using depreciation reserves, and our desire to keep charges to other funds (especially the General Fund) to a minimum.

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 2003 budget highlights are:

- ◇ The **Conservation Futures** fund reflects a very large land acquisition program.
- ◇ The **Imaging System** fund contains major allocations to preserve the oldest records in the Auditor's Office, image the "property cards" in the Assessor's office, and complete an imaging project for official county records in the Executive's Office.
- ◇ The **Parks Sales Tax/Parks Construction** funds contain significant amounts for the construction of new park and recreational facilities.
- ◇ The **911 System** fund includes major allocations for technology improvements.

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 2003.

- ◇ Office Space/Courtrooms – we will be renting at least 160,000 sq. ft. of office space and 40,000 sq. ft. of storage space next year, at an estimated cost in excess of \$2,000,000. This problem becomes more acute each year, and needs to be addressed in the near future. A more immediate space problem concerns the Superior Court, which needs additional courtrooms, judges chambers, and space for support staff. That need is likely to grow in the next several years.
- ◇ Medical Insurance – preliminary rate quotes for medical insurance are well in excess of what is budgeted, and what we can reasonably afford. Medical premiums have increased 50% in the last four years, and such increases are not financially sustainable. We are in the process of analyzing alternative proposals which we hope will maintain our basic benefit program at rates that are affordable.
- ◇ Endangered Species Act – the County's responsibilities under the Endangered Species Act are still unfolding, and subject to a future series of federal and state guidelines, plan approvals, and locally adopted regulations and practices. We have already budgeted significant monies to fund our participation in this process, to assist in the generation of the necessary regulations and plans, and to finance several capital improvements. It is uncertain whether additional allocations may be required to fully comply with all that will be eventually mandated by this Act.
- ◇ Emergency Operations Center/Emergency Communications Sales Tax – both the Executive and Council feel that the current location of the emergency operation center in the basement of the County-City Building is inappropriate. It is our plan to partner with the City of Tacoma (and perhaps other jurisdictions) to co-locate a permanent joint site. We are also involved in coordinating a series of meetings with local emergency communications entities (county, cities, and fire districts) to determine the needs that exist in this area and the prospects for financing those needs and the E.O.C. through the .1% sales tax approved by the State legislation last year. It is likely that this measure will be placed before the electorate in 2003; perhaps as early as March.
- ◇ Union Negotiations – many of our union contracts expire at the end of 2002. If the eventual settlement is beyond the amounts included in the budget, further budget adjustments may be necessary.

Overview

The 2003 budget is being submitted to the County Council at a time of unusual economic and financial stress. Issues surrounding the general state of the economy, the impact of the War on Terrorism, the crippling impact of I-747, and the eventual impact of the State's budget crisis argue for a cautious approach to next year's budget. We are also advising caution with regard to the use of any fund balance reserves. It is our view that the use of reserves should only be for one-time activities or projects (e.g. new facilities, building remodeling), or for emergencies. They should not be allocated for ongoing staff and programs.

Despite these pressures and uncertainties, we still have a responsibility to move forward and make the best use of the resources available to us. We believe that this proposed budget does that.

Summation

Prognosis for Fiscal 2004

It now appears that the state and local economies are in for a period of uncertainty and, at best, moderate growth over the next 24 months. This will in turn place great pressure on our revenues.

The major service contracts with the new cities (sheriff services, corrections, and road maintenance) will likely be maintained at least through 2004. However, an additional incorporation (Frederickson) is being considered within the next 12 months. The impact of this potential incorporation would be uncertain, but not as significant as was the case with the University Place-Lakewood-Edgewood incorporations in 1995-1996.

It is likely that fiscal 2004, without a major new revenue source provided by the State Legislature, will be worse than fiscal 2003 for the following reasons:

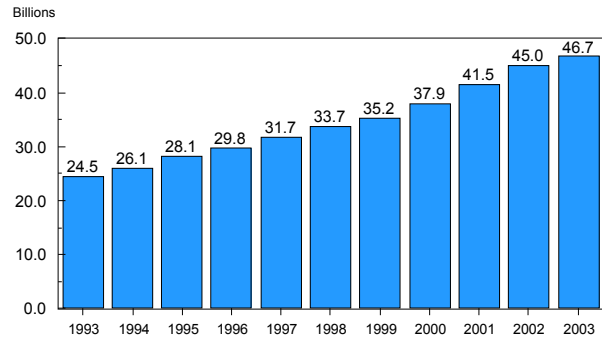
- the impact of I-747 becomes progressively worse with each passing year
- the massive State budget problems will likely result in reduced grants and allocations to local units of government
- state-determined pension rates are proposed to be increased in mid 2003, due to the dramatic declines in stock market valuations
- the impact of the New Jail (with the likely opening of an additional cluster) will add to our Corrections Department expenses
- Salary increases are projected to be moderate in 2003 (low C.P.I. for the last twelve months). It is likely that the 2004 C.P.I. will be higher.

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 this revenue is dependent upon both the actual growth in assessed valuation and the tax rate. The growth in assessed valuation from 2002 to 2003 is approximately \$1.7 billion (3.7%), which is the lowest percentage growth experienced in the last decade. Approximately 80% of the growth is due to new construction, and 20% is due to the revaluation of existing properties.

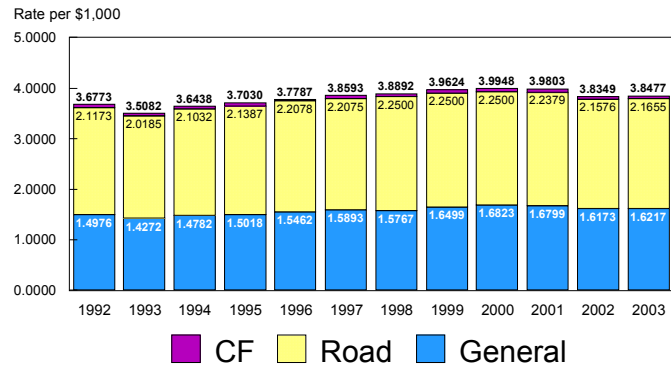
Total Assessed Valuation



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 1.16% in 2003. This limitation on the growth in property tax revenues coupled with an inflationary increase in existing property revaluations has resulted in almost no change in the 2003 tax rate from 2002. Please keep in mind that the County's General Fund share of the total property tax is only 11% of the total. Most of the property tax paid by our citizens is allocated to the State of Washington, cities, and local schools.

Combined Property Tax Millages



Note: The Conservation Futures rate was reduced to .0247 in 1996 due to levy lid limits and .0600 in 2002 and .0605 in 2003 due to the impact of I747 and the 1% limit.

Property Tax Levies				
	2002		2003	
	Tax Rate ¹	Revenue	Tax Rate ¹	Revenue
	Assessed Value: \$45,019,204,999		Assessed Value: \$46,696,512,248	
A. County Levy (\$1.80 maximum)				
General Fund	\$ 1.5811	\$ 71,179,866	\$ 1.5852	\$ 74,022,080
Administrative Refund RCW 84.69	0.0031	139,560	0.0036	168,110
Sub Total General Fund	1.5842	71,319,426	1.5888	74,190,190
Veteren's Relief	0.0107	481,705	0.0105	492,000
Social Services	0.0224	1,008,430	0.0224	1,046,000
Total County Levy	1.6173	72,809,561	1.6217	75,728,190
B. Conservation Futures (\$.0625 Maximum)	0.0600	2,701,152	0.0605	2,826,270
	Assessed Value: \$19,196,600,722		Assessed Value: \$20,024,792,787	
C. Road District Levy (\$2.25 Maximum)				
Allocated to Road Fund	1.7318	33,244,673	1.7415	34,872,490
Law Enforcement Levy	0.4216	8,093,287	0.4240	8,490,470
Administrative Refund RCW 84.69	0.0042	80,626	-	-
Total Road District Levy	2.1576	41,418,586	2.1655	43,362,960
TOTAL COUNTY TAX LEVIES	\$ 3.8349	\$ 116,929,299	\$ 3.8477	\$ 121,917,420

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, 2002		
2002 Assessed Valuation for 2003 Tax Collections		\$ 46,696,512,248
A. Inside Levy (issued without vote of the people)		
Legal Limit (1.5% of property value)		\$ 700,447,684
<i>Amount of Debt Applicable to Debt Limit:</i>		
Net Limited General Obligation Bonds	\$ 57,825,000	
Net Limited General Obligation Proprietary Type Bonds	2,490,000	
Estimated Compensated Absences (12/31/2001)	12,366,762	
Installment Contract - Ferry (12/31/2001)	1,852,339	
Bond Anticipation Note	-	
Total Limited Tax General Obligation Debt		<u>74,534,101</u>
Limited Tax General Obligation Debt Margin Available		\$ 625,913,583
B. Outside Levy (issued with vote of the people)		
Legal Limit (2.5% of property value)		\$ 1,167,412,806
<i>Amount of Debt Applicable to Debt Limit:</i>		
Net Limited General Obligation Debt		<u>\$ 74,534,101</u>
Total General Obligation Debt Margin Available		\$ 1,092,878,705

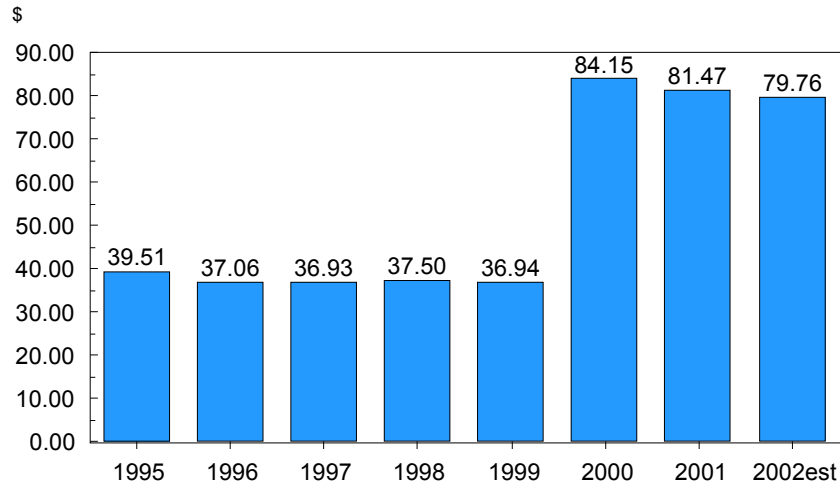
Pierce County Bonded Debt Ratios Estimated at September 30, 2002		
General Obligation Bonded Debt per Capita (excluding Proprietary GO/Debt, Compensated Absences, & Installment Contract)		\$ 79.76
Ratio of direct G.O. Bonded Debt to Assessed Value (including Proprietary GO/Debt)		0.13%
Assessed Valuation per Capita		\$ 64,409

Pierce County Bond Ratings		
	General Obligation	Sewer Revenue (Uninsured)
Moody's	Aa3	A-1
Standard and Poor's	AA-	A+

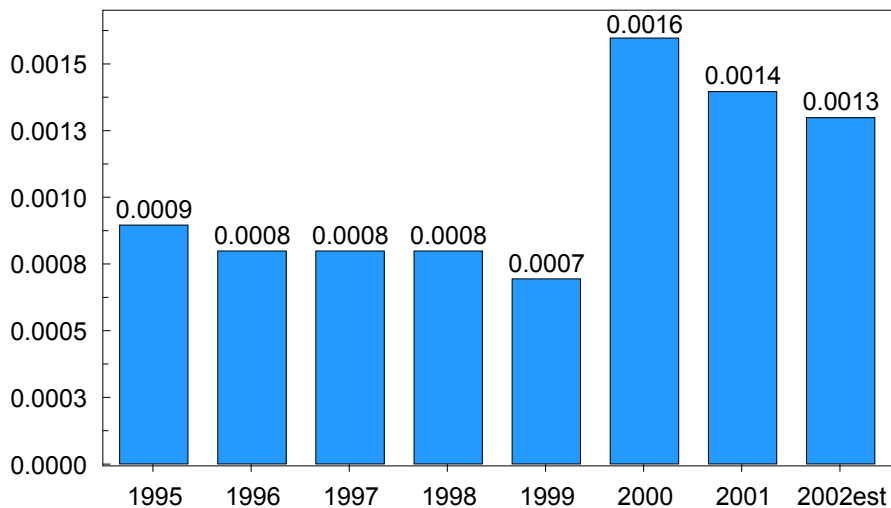
Other Financial Information

Pierce County has historically maintained consistently low bonded debt obligations, as shown in the ratio table below. The ratios of Net Bonded Debt per Capita and Net Bonded Debt to Assessed Valuation did not change appreciably in the five years prior to 2000, and are well below national averages. We consequently have both a large legal margin available if needed, and an existing debt structure which does not have a major negative impact upon the annual budget. The sale of \$37 million debt for the new Detention Center (in late 2000) significantly affected these ratios, although we still remain well below national averages.

Net Bonded Debt per Capita (G.O. Bonds Only)



Ratio of Net Bonded Debt to Assessed Value (G.O. Bonds Only)



Other Financial Information

Capital Improvement Program Summary

On November 29, 1994 the Pierce County Council adopted the Pierce County Comprehensive Plan to comply with the provisions of the Growth Management Act (ESHB 2929). The plan includes a six-year Capital Facilities Plan (CFP) for financing capital improvements that supports the County's current and future population and economy. This plan is amended annually. The plan amendment to reflect projects for 2003 through 2008 was adopted by the County Council in November of 2002. 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, and the Parks and Recreation Master 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", the expenditure must be for the acquisition of a physical asset which has a useful life in excess of one year and which has a value/cost of at least \$25,000. Excluded from the definition are such items as vehicles, office and data processing equipment, other equipment items (unless they are an integral part of the larger physical improvement), and normal repairs and maintenance. Capital projects and expenditures reflected in the CFP include the cost of design/engineering, land acquisition, construction and acquisition of related equipment, debt service on bond issues, etc.

Impact on the 2003 Operating Budget

The 2003 budget includes capital improvement projects related to roads, utilities, parks, general government buildings, and river and surface water systems as shown in the following summary. When completed, these capital projects will impact 2003 operating budgets to varying degrees, and those impacts have been included in the appropriate budgets.

Minimal maintenance and operating costs are anticipated due to the land acquisitions in Conservation Futures. Several of the regional park projects are through partnerships with other entities who will participate in future maintenance costs. Continued flood plain purchases with REET-River funds is expected to reduce future maintenance costs associated with river control.

Other Financial Information

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

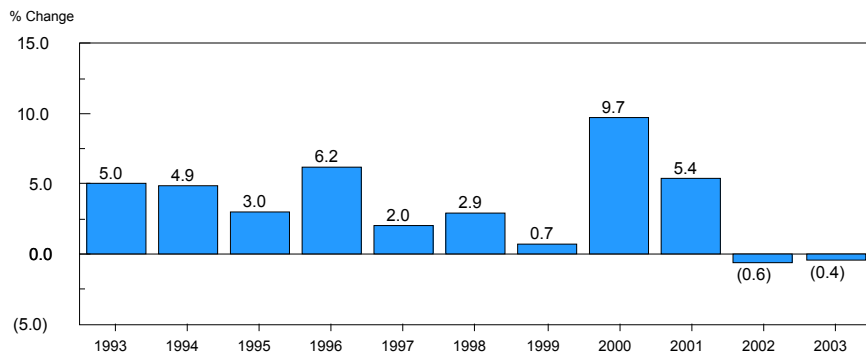
Airport - improvement projects	\$ 203,000
Adult Detention Center - new facility	4,859,200
General Administration Buildings- improvement projects and major repairs	2,453,700
Juvenile Detention Facilities - improvement projects and major repairs	190,000
Parks and Recreation - regional parks/paths and trails	21,817,100
River Improvement- various projects	2,085,600
County Roads - Transportation Improvement Plan projects	51,845,000
County Roads – facility improvements	8,430,000
Sewer Utilities - system capital improvements	23,479,000
Solid Waste Management - Prarie Ridge Capacity Expansion	162,000
Surface Water Management - stormwater systems	5,000,300
Total Capital Project Appropriation–2003	\$ 120,524,900

Other Financial Information

Staffing Information

As the population of Pierce County has increased, the demand for county services has risen correspondingly. General Fund staffing has increased by 557 FTEs (37%) since 1993 while staffing in all other funds (special revenue, enterprise, and internal services) has increased by 354 FTEs (42%). Overall, 911 FTEs have been added since 1993, which represents an increase of 39%.

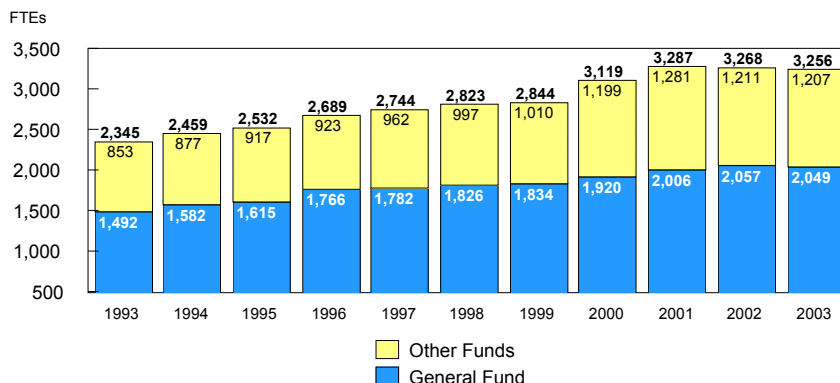
Percent Change in County-wide Staffing



In 1993 - 1995 we saw a slight upsurge as the impact of the state criminal justice revenue, the local option .1% sales tax and additional Road Fund revenues resulted in new staffing. The growth in 1996 through 2000 has been due to a) staffing requirements for the Jail Annex and expanded juvenile detention facility, b) additional staff to address caseload issues in the court system, primarily the Prosecutor's Office, c) public safety staff enhancements (especially the Sheriff's Department), and d) an increase in Human Services staff related to continued implementation of the Mental Health Regional Support Network and Prepaid Health Plan.

In August of 2000, the County took over Inpatient Services at Puget Sound Behavioral Health (PSBH), eventually adding 239 new staff positions to the County in fiscal 2000 and 2001. The PSBH FTE count will subsequently drop to 171 in 2002 as service centers are finalized; and with the chemical dependency outpatient, detoxification center and associated services being eliminated. This is a major cause for the 2002 percentage changes in Countywide staffing totals. The other cause is Initiative 747 (1% property tax limitation). The 2003 staffing levels reflect, in part, the continuing impact of I-747 on resources. The 2003 budget includes the elimination of a net 8 positions in the General Fund, and 4 positions in all other funds. This is only the second year in which the staffing levels have been reduced in over 15 years.

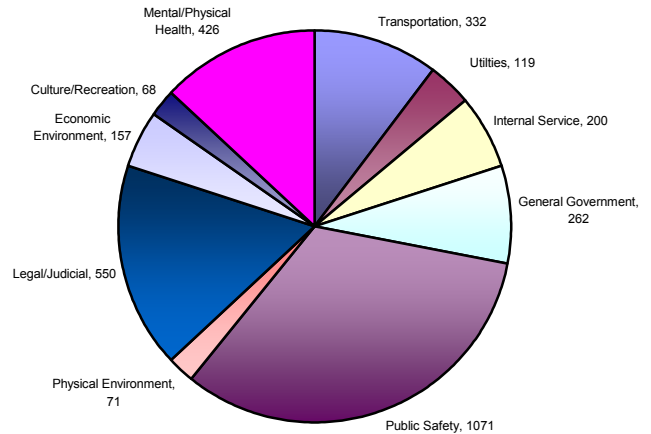
County-wide Staffing Summary



Other Financial Information

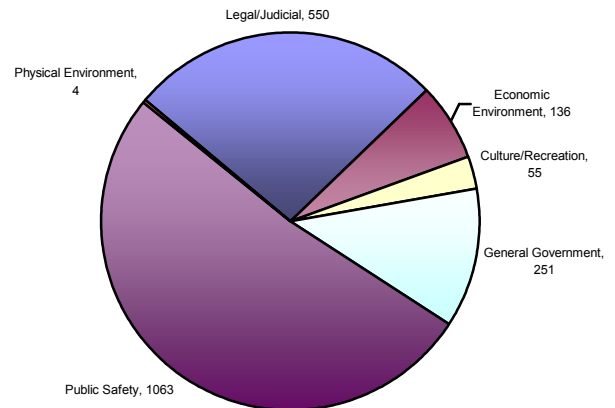
2003 Total County Staffing Summarized by Function

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



2003 General Fund Staffing Summarized by Function

The Public Safety and Justice Services systems combined accounts for 79% of all General Fund staff. Twelve percent provide General Governmental services. Almost 7% of the General Fund staff support Economic Environment activities and almost 3% are involved in Culture and Recreation, and Physical Environment activities.



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

Other Financial Information

STAFFING SUMMARY

	1994 FTE	1996 FTE	1998 FTE	2000 FTE	2001 FTE	2002 FTE	2003 FTE	Change from 1994
General Fund:								
Assessor/Treasurer	96.25	96.50	97.80	98.80	100.30	98.30	90.30	(5.95)
Assigned Counsel	71.31	87.77	92.70	89.50	85.90	83.20	79.90	8.59
Auditor	41.00	41.00	41.00	41.00	42.00	43.00	43.00	2.00
Budget & Finance	42.20	42.65	42.85	43.95	43.95	43.45	43.45	1.25
Clerk of the Superior Court	45.00	49.50	50.00	52.50	54.50	53.50	52.50	7.50
Communications	-	-	-	-	5.00	5.00	5.00	5.00
Cooperative Extension	3.60	3.60	3.60	3.60	3.60	3.60	3.60	-
Corrections	234.00	331.60	341.30	347.80	349.80	392.80	384.80	150.80
County Council	31.00	31.00	32.00	31.00	29.50	29.50	29.00	(2.00)
County Executive	8.75	8.75	6.75	6.75	8.75	8.00	8.00	(0.75)
District Court	64.00	69.10	68.20	65.50	64.50	64.50	70.00	6.00
District Court 2 - Gig Harbor	6.00	6.00	6.77	6.00	6.00	6.00	-	(6.00)
District Court 3 - Eatonville	3.75	3.75	3.75	3.75	3.75	2.25	-	(3.75)
District Court 4 - Buckley	1.10	1.10	1.25	1.30	1.30	1.30	-	(1.10)
District Court Probation	16.50	22.00	29.00	35.00	37.00	37.00	36.00	19.50
Economic Development	2.75	2.15	3.58	3.80	5.80	4.80	4.80	2.05
Emergency Management	23.30	23.30	21.30	21.40	22.40	22.12	22.07	(1.23)
Facilities Management	3.56	-	-	-	-	-	-	(3.56)
Juvenile	142.40	167.20	173.22	174.52	178.82	179.12	182.12	39.72
Medical Examiner	12.00	14.00	12.00	13.00	13.00	14.00	14.00	2.00
Parks & Recreation Services	46.00	47.23	47.95	49.68	50.68	50.63	51.63	5.63
Personnel	19.00	22.00	22.00	24.00	24.60	24.60	24.60	5.60
Planning & Land Services	135.00	123.00	121.50	127.75	125.50	124.50	131.50	(3.50)
Prevention Services & Pgms	-	-	-	.80	.73	.41	.46	.46
Prosecuting Attorney	176.50	207.00	215.60	219.07	221.57	231.72	230.72	54.22
River Improvement	11.77	-	-	-	-	-	-	(11.77)
Sheriff	267.00	273.00	293.50	357.00	428.00	434.00	442.00	175.00
Special Projects	6.25	11.54	14.63	14.99	9.89	10.60	10.28	4.03
Superior Court	72.40	81.40	83.38	87.38	88.88	88.88	88.88	16.48
Total General Fund	1,582.39	1,766.14	1,825.63	1,919.84	2,005.72	2,056.78	2,048.61	466.22
Special Revenue Funds:								
Anti-profiteering Revolv. Fd	-	1.00	-	-	-	-	-	-
Arts & Cultural Services	3.10	3.10	3.10	1.79	1.79	1.64	1.54	(1.56)
Auditor Maint. & Operations	1.00	1.00	1.00	2.00	.50	.50	.50	(0.50)
Community Action	47.91	35.82	47.88	59.31	59.56	52.21	52.21	4.30
Community Development	9.80	12.75	13.32	9.96	12.00	10.22	9.99	.19
Conservation Futures Fund	.85	1.00	1.00	1.00	1.00	1.00	1.00	.15
County Road Fund	327.00	329.00	329.20	326.35	328.70	327.03	329.03	2.03
Criminal Justive Fund	-	-	1.00	-	1.00	1.00	2.00	2.00
Detention Center Commissary	-	-	-	-	-	2.40	2.40	2.40
Drug Investigation Fund	2.00	2.00	-	-	-	-	-	(2.00)
Emergency Mgmt Grant Fd	-	-	-	-	-	3.88	3.88	3.88
Endangered Species Act	-	-	-	-	-	.62	.62	.62
Geographical Info.System	6.00	17.00	18.00	19.00	19.00	18.00	18.00	12.00

Other Financial Information

STAFFING SUMMARY

	1994 FTE	1996 FTE	1998 FTE	2000 FTE	2001 FTE	2002 FTE	2003 FTE	Change from 1994
Housing Repair Program	10.00	10.00	10.00	12.00	12.00	11.50	11.50	1.50
Human Services	94.00	116.30	134.12	143.74	185.23	202.11	202.11	108.11
Law Enforcement Fund	86.30	71.50	72.00	47.00	-	-	-	(86.30)
Paths and Trails	1.50	1.25	2.05	1.47	1.47	1.52	1.52	.02
Peninsula Park Services	-	-	-	-	-	1.00	1.00	1.00
Puget Sound Behavioral Health	-	-	-	183.29	238.59	170.05	170.05	170.05
Rainier Commun. Comm.	-	2.00	5.00	5.00	6.00	6.00	6.00	6.00
Real Est Exc Tax Rvr	3.48	3.73	3.91	2.02	1.72	1.79	1.97	(1.51)
Safe Streets Fund	.86	-	-	-	-	-	-	(0.86)
Surface Water Mgmt. Fd.	15.00	30.15	35.05	43.15	43.50	46.11	46.13	31.13
Tourism, Promo., Cap. Fac.	-	-	-	.13	.16	.10	.40	.40
Veterans Relief Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-
Wellness Program	1.00	1.00	1.00	1.00	-	-	-	(1.00)
911 System	3.70	3.70	4.35	4.50	4.50	4.78	4.88	1.18
Total Spc Rev Funds	616.50	645.30	684.98	865.71	919.72	866.46	869.73	253.23
Capital Projects:								
Admin Bldg & Fac. Fund	.35	.10	.13	.17	.16	.16	.16	(0.19)
Interim Jail Construction	-	.78	-	-	-	-	-	-
Parking Facility Fund	-	-	.64	.56	-	-	-	-
Permanent Jail Const.	-	-	1.43	8.51	35.10	4.90	4.90	4.90
REET-Capital Projects	1.23	1.27	1.07	1.07	1.69	2.69	2.69	1.46
Remann Hall Improv. Fund	1.72	1.10	-	-	-	-	-	(1.72)
1% for Arts Construction	-	-	-	-	-	.15	.25	.25
Total Capital Proj	3.30	3.25	3.27	10.31	36.95	7.90	8.00	4.70
Enterprise Funds:								
Airport	1.00	1.00	2.02	1.50	1.60	1.60	1.60	.60
Golf Courses	8.65	8.65	8.45	8.45	8.45	8.45	8.45	(0.20)
P.C. Ferry Services	-	-	-	.67	1.32	1.32	1.32	1.32
Sewer Utilities Fund	86.00	86.02	98.65	103.26	102.11	104.66	104.66	18.66
Sewer Utility Construction	-	2.00	1.10	-	-	-	-	-
Solid Waste Mgmt. Fund	10.00	12.35	12.61	11.11	11.21	13.71	13.71	3.71
Water Utility Fund	-	-	-	.90	1.00	.30	.30	.30
Total Enterp Funds	105.65	110.02	122.83	125.89	125.69	130.04	130.04	24.39
Internal Srv Funds:								
Equipment Rental & Rev.	24.00	24.00	24.12	24.10	24.10	24.43	24.43	.43
Facilities Management	20.14	27.40	36.45	41.86	42.82	44.62	44.62	24.48
Fleet Rental	3.30	3.15	3.15	3.15	3.15	3.15	3.15	(0.15)
General Services	6.76	7.20	7.20	8.20	8.20	8.20	8.20	1.44
Information Services Fund	85.98	89.04	99.64	104.00	105.00	108.00	102.00	16.02
Radio Communic. Fund	4.50	5.50	6.35	7.10	7.10	9.10	8.05	3.55
Self Insurance Fund	5.65	5.80	6.30	6.30	6.30	6.30	6.30	.65
Workers Compensation	1.35	2.20	2.70	2.70	2.70	2.70	2.70	1.35
Total Int Serv Fnds	151.68	164.29	185.91	197.41	199.37	206.50	199.45	47.77
TOTAL FUNDS	2,459.52	2,689.00	2,822.62	3,119.16	3,287.45	3,267.68	3,255.83	796.31

Other Financial Information

Revenue and Expenditure Summaries

The following revenue and expenditure summaries present a variety of views of the funding sources available to the County, and the services and activities provided with these resources. A brief description of each of the tables is given below.

All Funds Comparison of 2003 Revenues and Expenditures33

The most comprehensive presentation of the functional expenditures and their related funding sources can be found in the All Funds Comparison of 2003 Revenues and Expenditures which displays this information by fund type.

Total Expenditures/Expenses.....34

The total 2003 budget for each Fund, or each department in the General Fund, can be found in the Total Expenditures/Expenses table

Departmental Expenditures/Expenses By Function36

The Departmental Expenditures/Expenses By Function table organizes the various Fund budgets and department budgets of the General Fund by functional category. The functional categories presented comply with the Budgeting, Accounting and Reporting System maintained by the State Auditor's Office.

Other Financial Information

ALL FUNDS COMPARISON OF 2003 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	\$ 29,230,430	\$ 18,809,850	\$ —	\$ 1,004,000	\$ 27,741,600	\$ 21,181,780	\$ 4,871,801	\$ 102,839,461
Contributed Capital	—	—	—	—	4,074,000	—	—	4,074,000
Fines and Forfeitures	4,954,680	—	—	—	—	—	—	4,954,680
Intergovernmental Rev	36,852,430	135,844,510	—	16,482,220	1,040,490	207,810	20,211,503	210,638,963
Licenses and Permits	5,435,030	51,000	—	—	—	—	2,965,613	8,451,643
Other Financing Sources	—	2,650,000	—	—	1,500,630	—	—	4,150,630
Other Miscellaneous Rev	10,905,900	6,642,780	5,950,120	38,233,950	31,637,330	31,231,270	3,349,230	127,950,580
Other Taxes	17,371,010	9,585,080	—	3,000,000	110,000	—	—	30,066,090
Property Taxes	74,209,190	39,236,760	—	—	—	—	—	113,445,950
Sales Taxes	41,290,000	2,433,000	—	—	—	—	—	43,723,000
Use of Fund Balance	2,753,000	28,465,080	88,660	20,031,380	29,487,040	3,892,890	3,435,020	88,153,070
Total Revenues	\$ 223,001,670	\$ 243,718,060	\$ 6,038,780	\$ 78,751,550	\$ 95,591,090	\$ 56,513,750	\$ 34,833,167	\$ 738,448,067
Expenditures/Expenses:								
Cultural & Recreation	\$ 6,994,080	\$ 9,858,180	\$ —	\$ 18,371,060	\$ 1,079,310	\$ —	\$ —	\$ 36,302,630
Debt Service	—	—	6,038,780	—	—	—	—	6,038,780
Economic Environment	13,305,310	16,031,240	—	—	—	—	—	29,336,550
General Government	30,442,310	1,418,770	—	2,550,150	—	—	—	34,411,230
Internal Service	—	—	—	—	—	56,513,750	—	56,513,750
Legal & Judicial	55,187,940	369,040	—	361,800	—	—	—	55,918,780
Mental/Physical Health	3,535,100	103,315,900	—	—	—	—	34,833,167	141,684,167
Physical Environment	1,741,460	35,800,310	—	—	—	—	—	37,541,770
Public Safety	111,795,470	6,340,750	—	5,623,540	—	—	—	123,759,760
Transportation	—	70,583,870	—	51,845,000	3,199,130	—	—	125,628,000
Utilities	—	—	—	—	91,312,650	—	—	91,312,650
Total Expenditures	\$ 223,001,670	\$ 243,718,060	\$ 6,038,780	\$ 78,751,550	\$ 95,591,090	\$ 56,513,750	\$ 34,833,167	\$ 738,448,067

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

Internal Services are those services provided to ourselves, such as data processing, telecommunications, self insurance, vehicle and equipment pools, facilities maintenance, routing, mail processing, etc. The revenues to these Internal Service Funds are expenditures for the other funds receiving their services. Therefore, to obtain a truer net total budget for the County as a whole, we must remove the budget for the Internal Services (less fund balance and any revenues from non-county sources). The “netted” 2003 Budget for Pierce County is \$686,035,017 (total budget of \$738,448,067 less Internal Service Funds of \$56,513,750 plus \$207,810 in Intergovernmental Revenue from non-county sources and \$3,892,890 in use of fund balance).

Other Financial Information

TOTAL EXPENDITURES/EXPENSES

	2001 Actual	2002 Budget	2002 Estimate	2003 Budget	Absolute Change	Percent Change
General Fund						
Assessor/Treasurer	\$ 9,477,768	\$ 9,908,690	\$ 9,846,464	\$ 10,126,020	\$ 217,330	2.2 %
Assigned Counsel	9,640,350	9,759,770	10,158,920	9,684,780	(74,990)	(0.8)
Auditor	5,800,307	6,224,150	6,219,760	5,682,570	(541,580)	(8.7)
Bond Debt Service	2,041,680	1,936,260	1,936,260	2,070,640	134,380	6.9
Budget & Finance	4,107,665	4,174,300	4,171,040	4,278,750	104,450	2.5
Building Remodel Projects	750,000	1,500,000	1,500,000	2,000,000	500,000	33.3
Clerk	3,904,058	3,698,020	3,652,630	3,630,220	(67,800)	(1.8)
Communications	494,464	547,920	547,920	553,090	5,170	0.9
Cooperative Extension	523,201	566,780	566,780	578,610	11,830	2.1
Corrections	30,922,122	31,349,990	31,349,045	36,094,000	4,744,010	15.1
County Council	2,899,421	3,087,480	3,083,675	3,143,920	56,440	1.8
County Executive	920,629	928,630	928,630	948,000	19,370	2.1
District Court	5,527,829	5,558,400	5,558,210	6,527,040	968,640	17.4
District Court # 2 Gig Harbor	635,422	645,030	597,509	—	(645,030)	(100.0)
District Court # 3 Eatonville	297,595	265,530	261,399	—	(265,530)	(100.0)
District Court # 4 Buckley	120,615	125,830	125,820	—	(125,830)	(100.0)
District Court Probation	2,141,760	2,404,820	2,309,996	2,462,720	57,900	2.4
Economic Development	444,827	664,930	664,930	673,600	8,670	1.3
Emergency Management	2,474,602	2,396,840	2,392,030	2,499,540	102,700	4.3
Health Services	3,434,590	3,080,340	3,080,340	3,080,340	—	—
Juvenile	15,260,801	15,520,152	15,515,444	15,515,180	(4,972)	—
Medical Examiner	1,611,669	1,718,220	1,677,360	1,707,960	(10,260)	(0.6)
Miscellaneous Current Expense	4,510,011	4,387,320	4,373,770	4,440,810	53,490	1.2
New Jail Construction Reserve	4,863,000	5,563,000	5,563,000	2,000,000	(3,563,000)	(64.0)
Parks and Recreation Services	5,744,042	6,035,350	6,031,560	6,130,800	95,450	1.6
Personnel	2,155,295	2,361,160	2,361,160	2,475,420	114,260	4.8
Planning and Land Services	12,112,172	11,904,594	11,828,944	12,151,970	247,376	2.1
Prevention Services & Programs	843,452	1,125,000	1,125,000	1,200,000	75,000	6.7
Prosecuting Attorney	18,006,227	19,497,490	19,361,401	19,840,380	342,890	1.8
Sheriff	46,563,830	48,577,330	48,576,671	50,854,260	2,276,930	4.7
Special Projects	2,095,337	5,265,250	5,265,250	1,845,630	(3,419,620)	(64.9)
State Auditor	139,617	182,110	182,110	160,600	(21,510)	(11.8)
Superior Court	9,565,875	10,436,450	10,424,625	10,644,820	208,370	2.0
Total General Fund	210,030,233	221,397,136	221,237,653	223,001,670	1,604,534	0.7
Special Revenue Funds						
Antiprofitereing Revolving Fnd	5	—	—	—	—	—
Arts and Cultural Services	273,776	335,510	335,510	292,240	(43,270)	(12.9)
Auditor's Maint & Operation	508,955	877,600	960,200	400,000	(477,600)	(54.4)
Community Action	5,862,266	5,736,379	5,736,379	5,353,650	(382,729)	(6.7)
Community Development Fund	5,277,131	7,408,040	4,692,212	6,068,790	(1,339,250)	(18.1)
Conservation Futures Fund	1,096,526	7,853,590	4,998,470	10,674,010	2,820,420	35.9
County Road Fund	44,290,866	54,116,410	43,323,380	59,328,570	5,212,160	9.6
Criminal Justice Fund	427,320	617,310	564,960	486,350	(130,960)	(21.2)
Detention Center Commissary	—	638,950	634,879	712,180	73,230	11.5
Dispute Resolution Center Fund	134,359	146,000	146,000	146,000	—	—
Drug Investigation Fund	194,997	185,720	185,713	221,630	35,910	19.3
Emergency Managment Grants Fd	433,747	415,520	415,520	318,000	(97,520)	(23.5)
Employee Assistance Program	—	50,000	50,000	55,000	5,000	10.0
Endangered Species Act	1,098,632	380,620	153,560	632,890	252,270	66.3
Federal Forest Services	—	157,000	157,000	157,000	—	—
GIS Fund	2,429,253	2,669,000	2,459,330	2,680,470	11,470	0.4
Housing Repair Program	4,746,647	10,274,536	10,274,536	9,962,450	(312,086)	(3.0)
Human Services	88,474,980	83,283,971	82,848,600	81,801,630	(1,482,341)	(1.8)
Law Enforcement Fund	—	675,010	675,010	255,000	(420,010)	(62.2)
Low Income Housing Fee	—	—	11,500	1,630,000	1,630,000	—
Marine Services Fund	134,984	179,510	179,510	343,000	163,490	91.1
Park Impact Fee Fund	—	3,545,000	1,180,460	2,977,520	(567,480)	(16.0)
Parks Sales Tax	11,201	22,350,000	1,223,420	2,175,000	(20,175,000)	(90.3)
Paths and Trails Fund	1,756,206	1,969,290	1,967,180	2,143,750	174,460	8.9
Peninsula Recreation Program	—	—	—	200,000	200,000	—
Pierce County Fair	151,664	169,400	169,400	181,230	11,830	7.0
Puget Sound Behavioral Health	19,525,410	19,949,680	14,157,640	15,660,970	(4,288,710)	(21.5)
Rainier Communications Commiss	875,896	957,900	857,610	963,770	5,870	0.6
Real Estate Ex Tx River Imp Fd	1,908,481	1,536,350	1,536,350	2,058,600	522,250	34.0
Second Reet Fund	—	4,050,000	550,000	8,956,740	4,906,740	121.2
Surface Water Management Fund	15,959,006	16,515,270	15,804,500	17,967,340	1,452,070	8.8
Tourism, Promotion, Facilities	313,664	400,000	354,110	433,000	33,000	8.2
Vehicle License Fee Fund	4,920,214	3,700,000	3,700,000	3,754,000	54,000	1.5
Veterans Relief	459,930	491,620	491,620	499,650	8,030	1.6
911 System	3,099,096	4,083,150	4,072,270	4,227,630	144,480	3.5
Total Special Revenue Funds	\$ 204,365,212	\$ 255,718,336	\$ 204,866,829	\$ 243,718,060	\$ (12,000,276)	(4.7) %

Other Financial Information

TOTAL EXPENDITURES/EXPENSES

	2001 Actual	2002 Budget	2002 Estimate	2003 Budget	Absolute Change	Percent Change
Debt Service Fund						
CRID Bond Fund, No 2-88 Et Al	16,258	5,410	5,410	—	(5,410)	(100.0)
Limited Tax GOB Fund 1992	285,908	284,110	284,110	286,290	2,180	0.8
Ltd Tax GO Bond Fund 1994	1,087,504	1,094,490	1,094,490	1,094,650	160	—
Ltd Tax GO Bond Fund 1997B	168,790	174,710	174,710	175,140	430	0.2
Ltd Tax GO Bond Fund 1999	414,318	416,900	416,900	419,020	2,120	0.5
Ltd Tax GO Bond Fund 2000	1,497,178	2,396,240	2,396,240	2,396,240	—	—
Ltd Tax GO Refund Bd Fd 1992	661,575	664,610	664,610	660,400	(4,210)	(0.6)
Ltd Tax GO Refund Bd Fd 1997	971,235	990,920	990,920	1,007,040	16,120	1.6
Total Debt Service Fund	5,102,766	6,027,390	6,027,390	6,038,780	11,390	0.2
Capital Projects Fund						
Administration Building Fund	13,606	17,550	16,540	16,140	(1,410)	(8.0)
Parking Facility Fund	191,113	—	—	—	—	—
Parks Bond Construction Fund	—	22,100,000	6,160,000	16,899,350	(5,200,650)	(23.5)
Parks Construction Fund	1,362,004	2,647,490	1,341,250	1,168,310	(1,479,180)	(55.9)
Permanent Jail Construction	23,627,398	21,083,380	21,083,380	4,919,350	(16,164,030)	(76.7)
PSBH Facilities Construction	—	3,759,100	—	—	(3,759,100)	(100.0)
Public Works Construction Fund	15,831,916	54,428,110	33,760,076	51,845,000	(2,583,110)	(4.7)
Real Estate Ex Tax Cap Improv	4,010,095	5,354,250	5,331,780	3,600,000	(1,754,250)	(32.8)
RID Construction Fund	42,302	42,000	42,000	—	(42,000)	(100.0)
1% For Arts Construction	239,469	372,150	77,360	303,400	(68,750)	(18.5)
950 Building Acquisition	18,116	200,000	—	—	(200,000)	(100.0)
Total Capital Projects Fund	45,336,019	110,004,030	67,812,386	78,751,550	(31,252,480)	(28.4)
Enterprise Funds						
Airport Fund	539,420	1,034,770	1,034,770	583,880	(450,890)	(43.6)
Golf Courses	894,626	1,229,950	1,087,640	1,079,310	(150,640)	(12.2)
Pierce County Ferry Services	2,780,396	2,507,520	2,153,830	2,615,250	107,730	4.3
Sewer Bond Funds	16,850,892	6,634,340	6,597,520	6,541,670	(92,670)	(1.4)
Sewer Facil Restricted Reserve	10,225,575	21,759,880	14,667,190	16,036,530	(5,723,350)	(26.3)
Sewer ULID Construction Funds	399,662	—	—	—	—	—
Sewer Utilities Fund	35,901,110	40,962,040	39,694,400	39,164,420	(1,797,620)	(4.4)
Sewer Utility Const Funds	14,743,413	32,255,000	23,774,790	23,479,000	(8,776,000)	(27.2)
Solid Waste Mgmt Fund	3,171,512	5,589,840	4,833,040	5,664,540	74,700	1.3
Water Utility Fund	100,721	432,880	267,880	426,490	(6,390)	(1.5)
Total Enterprise Funds	85,607,327	112,406,220	94,111,060	95,591,090	(16,815,130)	(15.0)
Intragovernmental Service Fund						
Equipment Services Division	8,550,533	11,026,990	10,396,790	12,371,040	1,344,050	12.2
Facilities Management	8,276,298	8,837,410	8,640,500	9,621,070	783,660	8.9
Fleet Rental	3,368,718	3,435,860	3,203,285	3,838,980	403,120	11.7
General Services	2,418,349	2,598,990	2,598,280	2,729,610	130,620	5.0
Information Services Fund	13,066,990	17,381,110	15,698,540	15,518,900	(1,862,210)	(10.7)
Radio Communications Fund	2,166,002	1,809,831	1,746,922	1,715,860	(93,971)	(5.2)
Self Insurance Fund	7,235,778	7,642,260	7,622,279	8,367,590	725,330	9.5
Workers Compensation	2,516,833	2,097,300	2,994,899	2,350,700	253,400	12.1
Total Intragovernmental Service Fund	47,599,501	54,829,751	52,901,495	56,513,750	1,683,999	3.1
Health Department	30,993,253	28,246,745	32,863,611	34,833,167	6,586,422	23.3
Grand Total	\$ 629,034,311	\$ 788,629,608	\$ 679,820,424	\$ 738,448,067	\$ (50,181,541)	(6.4) %

Other Financial Information

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

	2003 Budget	2002 Budget	Absolute Change	Percent Change
General Government				
Administration Building Fund	\$ 16,140	\$ 17,550	\$ (1,410)	(8.0) %
Assessor/Treasurer	10,126,020	9,908,690	217,330	2.2
Auditor	5,682,570	6,224,150	(541,580)	(8.7)
Auditor'S Maint & Operation	400,000	877,600	(477,600)	(54.4)
Bond Debt Service	705,310	578,010	127,300	22.0
Budget & Finance	4,278,750	4,174,300	104,450	2.5
Building Remodel Projects	—	195,000	(195,000)	(100.0)
Communications	553,090	547,920	5,170	0.9
County Council	3,143,920	3,087,480	56,440	1.8
County Executive	948,000	928,630	19,370	2.1
Employee Assistance Program	55,000	50,000	5,000	10.0
Miscellaneous Current Expense	1,387,130	1,156,800	230,330	19.9
Personnel	2,475,420	2,361,160	114,260	4.8
Rainier Communications Commiss	963,770	957,900	5,870	0.6
Real Estate Ex Tax Cap Improv	2,534,010	2,606,460	(72,450)	(2.8)
Special Projects	981,500	4,363,350	(3,381,850)	(77.5)
State Auditor	160,600	182,110	(21,510)	(11.8)
Total General Government	34,411,230	38,217,110	(3,805,880)	(10.0)
Public Safety				
Bond Debt Service	955,730	950,780	4,950	0.5
Corrections	36,094,000	31,349,990	4,744,010	15.1
Criminal Justice Fund	263,310	390,190	(126,880)	(32.5)
Detention Center Commissary	712,180	638,950	73,230	11.5
District Court Probation	2,462,720	2,404,820	57,900	2.4
Drug Investigation Fund	221,630	185,720	35,910	19.3
Emergency Management	2,499,540	2,396,840	102,700	4.3
Emergency Managemt Grants Fd	318,000	415,520	(97,520)	(23.5)
Juvenile	13,544,080	13,484,621	59,459	0.4
Law Enforcement Fund	255,000	675,010	(420,010)	(62.2)
Marine Services Fund	343,000	179,510	163,490	91.1
Medical Examiner	1,707,960	1,718,220	(10,260)	(0.6)
Miscellaneous Current Expense	388,170	360,920	27,250	7.6
New Jail Construction Reserve	2,000,000	5,563,000	(3,563,000)	(64.0)
Permanent Jail Construction	4,919,350	21,083,380	(16,164,030)	(76.7)
Prevention Services & Programs	1,200,000	1,125,000	75,000	6.7
Prosecuting Attorney	—	5,000	(5,000)	(100.0)
Real Estate Ex Tax Cap Improv	704,190	2,274,170	(1,569,980)	(69.0)
Sheriff	50,854,260	48,577,330	2,276,930	4.7
Special Projects	89,010	89,000	10	—
911 System	4,227,630	4,083,150	144,480	3.5
Total Public Safety	123,759,760	137,951,121	(14,191,361)	(10.3)
Physical Environment				
Conservation Futures Fund	10,674,010	7,853,590	2,820,420	35.9
Endangered Species Act	632,890	380,620	252,270	66.3
Federal Forest Services	157,000	157,000	—	—
GIS Fund	2,680,470	2,669,000	11,470	0.4
Low Income Housing Fee	1,630,000	—	1,630,000	—
Miscellaneous Current Expense	1,205,450	1,054,040	151,410	14.4
Real Estate Ex Tx River Imp Fd	2,058,600	1,536,350	522,250	34.0
Special Projects	536,010	575,010	(39,000)	(6.8)
Surface Water Management Fund	17,967,340	16,515,270	1,452,070	8.8
Total Physical Environment	37,541,770	30,740,880	6,800,890	22.1
Legal & Judicial				
Assigned Counsel	9,684,780	9,759,770	(74,990)	(0.8)
Bond Debt Service	409,600	407,470	2,130	0.5
Building Remodel Projects	2,000,000	1,105,000	895,000	81.0
Clerk	3,630,220	3,698,020	(67,800)	(1.8)
Criminal Justice Fund	223,040	227,120	(4,080)	(1.8)
Dispute Resolution Center Fund	146,000	146,000	—	—
District Court	6,527,040	5,558,400	968,640	17.4
District Court # 2 Gig Harbor	—	645,030	(645,030)	(100.0)
District Court # 3 Eatonville	—	265,530	(265,530)	(100.0)
District Court # 4 Buckley	—	125,830	(125,830)	(100.0)
Juvenile	1,971,100	2,035,531	(64,431)	(3.2)
Miscellaneous Current Expense	480,000	625,000	(145,000)	(23.2)
Prosecuting Attorney	19,840,380	19,492,490	347,890	1.8
Real Estate Ex Tax Cap Improv	361,800	473,620	(111,820)	(23.6)
Superior Court	10,644,820	10,436,450	208,370	2.0
950 Building Acquisition	—	200,000	(200,000)	(100.0)
Total Legal & Judicial	\$ 55,918,780	\$ 55,201,261	\$ 717,519	1.3 %

Other Financial Information

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

	2003 Budget	2002 Budget	Absolute Change	Percent Change
Economic Environment				
Community Development Fund	6,068,790	7,408,040	(1,339,250)	(18.1)
Economic Development	673,600	664,930	8,670	1.3
Housing Repair Program	9,962,450	10,274,536	(312,086)	(3.0)
Miscellaneous Current Expense	240,630	388,370	(147,740)	(38.0)
Planning And Land Services	12,151,970	11,904,594	247,376	2.1
Special Projects	239,110	237,890	1,220	0.5
Total Economic Environment	29,336,550	30,878,360	(1,541,810)	(5.0)
Mental/Physical Health				
Community Action	5,353,650	5,736,379	(382,729)	(6.7)
Health Department	34,833,167	28,246,745	6,586,422	23.3
Health Services	3,080,340	3,080,340	—	—
Human Services	81,801,630	83,283,971	(1,482,341)	(1.8)
Miscellaneous Current Expense	454,760	489,650	(34,890)	(7.1)
PSBH Facilities Construction	—	3,759,100	(3,759,100)	(100.0)
Puget Sound Behavioral Health	15,660,970	19,949,680	(4,288,710)	(21.5)
Veterans Relief	499,650	491,620	8,030	1.6
Total Mental/Physical Health	141,684,167	145,037,485	(3,353,318)	(2.3)
Cultural & Recreation				
Arts And Cultural Services	292,240	335,510	(43,270)	(12.9)
Building Remodel Projects	—	200,000	(200,000)	(100.0)
Cooperative Extension	578,610	566,780	11,830	2.1
Golf Courses	1,079,310	1,229,950	(150,640)	(12.2)
Miscellaneous Current Expense	284,670	312,540	(27,870)	(8.9)
Park Impact Fee Fund	2,977,520	3,545,000	(567,480)	(16.0)
Parks And Recreation Services	6,130,800	6,035,350	95,450	1.6
Parks Bond Construction Fund	16,899,350	22,100,000	(5,200,650)	(23.5)
Parks Construction Fund	1,168,310	2,647,490	(1,479,180)	(55.9)
Parks Sales Tax	2,175,000	22,350,000	(20,175,000)	(90.3)
Paths And Trails Fund	2,143,750	1,969,290	174,460	8.9
Peninsula Recreation Program	200,000	—	200,000	—
Pierce County Fair	181,230	169,400	11,830	7.0
Second Reet Fund	1,455,440	1,012,500	442,940	43.7
Tourism, Promotion, Facilities	433,000	400,000	33,000	8.2
1% For Arts Construction	303,400	372,150	(68,750)	(18.5)
Total Cultural & Recreation	36,302,630	63,245,960	(26,943,330)	(42.6)
Debt Service				
CRID Bond Fund, No 2-88 Et Al	—	5,410	(5,410)	(100.0)
Limited Tax GOB Fund 1992	286,290	284,110	2,180	0.8
Ltd Tax GO Bond Fund 1994	1,094,650	1,094,490	160	—
Ltd Tax GO Bond Fund 1997B	175,140	174,710	430	0.2
Ltd Tax GO Bond Fund 1999	419,020	416,900	2,120	0.5
Ltd Tax GO Bond Fund 2000	2,396,240	2,396,240	—	—
Ltd Tax GO Refund Bd Fd 1992	660,400	664,610	(4,210)	(0.6)
Ltd Tax GO Refund Bd Fd 1997	1,007,040	990,920	16,120	1.6
Total Debt Service	6,038,780	6,027,390	11,390	0.2
Transportation				
Airport Fund	583,880	1,034,770	(450,890)	(43.6)
County Road Fund	59,328,570	54,116,410	5,212,160	9.6
Pierce County Ferry Services	2,615,250	2,507,520	107,730	4.3
Public Works Construction Fund	51,845,000	54,428,110	(2,583,110)	(4.7)
RID Construction Fund	—	42,000	(42,000)	(100.0)
Second Reet Fund	7,501,300	3,037,500	4,463,800	147.0
Vehicle License Fee Fund	3,754,000	3,700,000	54,000	1.5
Total Transportation	125,628,000	118,866,310	6,761,690	5.7
Utilities				
Sewer Bond Funds	6,541,670	6,634,340	(92,670)	(1.4)
Sewer Facil Restricted Reserve	16,036,530	21,759,880	(5,723,350)	(26.3)
Sewer Utilities Fund	39,164,420	40,962,040	(1,797,620)	(4.4)
Sewer Utility Const Funds	23,479,000	32,255,000	(8,776,000)	(27.2)
Solid Waste Mgmt Fund	5,664,540	5,589,840	74,700	1.3
Water Utility Fund	426,490	432,880	(6,390)	(1.5)
Total Utilities	91,312,650	107,633,980	(16,321,330)	(15.2)
Internal Service				
Equipment Services Division	12,371,040	11,026,990	1,344,050	12.2
Facilities Management	9,621,070	8,837,410	783,660	8.9
Fleet Rental	3,838,980	3,435,860	403,120	11.7
General Services	2,729,610	2,598,990	130,620	5.0
Information Services Fund	15,518,900	17,381,110	(1,862,210)	(10.7)
Radio Communications Fund	1,715,860	1,809,831	(93,971)	(5.2)
Self Insurance Fund	8,367,590	7,642,260	725,330	9.5
Workers Compensation	2,350,700	2,097,300	253,400	12.1
Total Internal Service	56,513,750	54,829,751	1,683,999	3.1
County Fund Total	\$ 738,448,067	\$ 788,629,608	\$ (50,181,541)	(6.4) %

Other Financial Information
