

General Overview

This section of the Budget Document provides a variety of information about Pierce County itself as well as fiscal information and overall staffing and budget summaries. A brief description of the information that can be found in this section is discussed below.

The **Organizational Overview** and the **Mission, Goals and Performance Measures** present the County's governing structure, mission and goals.

Pierce County Facts provides current and historical information about our region, economy, and population.

Information regarding Property Taxes, one of the County's largest revenue sources, can be found in **Property Taxes and Assessed Valuation**.

The basic framework for the overall fiscal management of the County is presented in the **Budget and Finance Department Fiscal Policies**.

The County's Debt Management policies and our prospective debt capacity for fiscal year 2007 are presented in **Debt Management**.

The **Summary of Unreserved Fund Balance** presents the anticipated fund balances available in 2007 for the governmental funds, and also indicates any proposed amount to be used in 2007 to balance the appropriate fund's budget.

The **Capital Improvement Program Summary** includes those projects from the County's six-year Capital Facilities Plan for which activity is budgeted in 2007.

Current and historical staffing information is shown in **Staffing Information**.

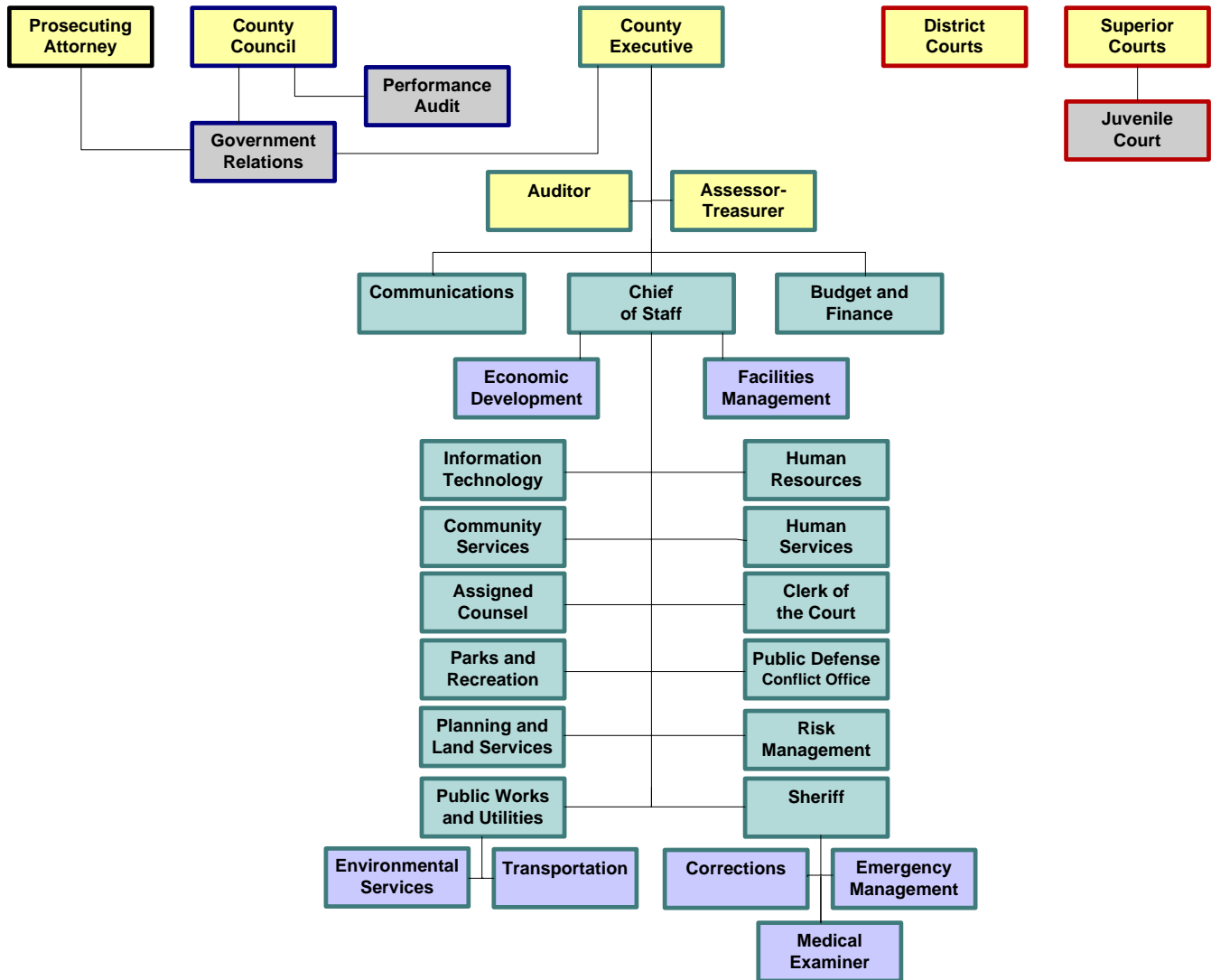
The **Revenue and Expenditure Summaries** includes several tables and charts which provide a variety of different views of the activities funded in the budget and their related revenue sources.

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Organizational Overview

Pierce County's home-rule charter was approved by the voters in November 1980 and became effective on May 1, 1981. The charter separated executive and legislative responsibilities by establishing the position of County Executive to serve as the chief executive officer and a seven-member Council to serve as the legislative branch.



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

The executive branch is comprised of the Executive and all executive departments established by the Charter or by ordinance. Executive departments include 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.

Organizational Overview

Legislative Branch

County Council:

- ◆ Government Relations - *in Special Projects*
- ◆ Hearing Examiner - *in Special Projects*
- ◆ Ombudsman Program – *in Special Projects*
- ◆ Performance Audit - *in Special Projects*

Executive Branch

County Executive (elected official):

- ◆ Assessor-Treasurer (elected official)
- ◆ Assigned Counsel
- ◆ Auditor (elected official)
- ◆ Budget and Finance
 - Fleet Rental Fund
 - General Services Fund
- ◆ Clerk of the Superior Court
 - Judson Family Justice Center Fund
- ◆ Communications
 - Rainier Communication Commission Fund
- ◆ Community Services
 - 1% for Arts Construction Fund
 - Arts & Cultural Services Fund
 - Community Action Fund
 - Community Development Fund
 - Community Contracts Admin. - *in Special Projects*
 - Dispute Resolution Center Fund
 - Homeless Housing Fund
 - Housing Repair Program Fund
 - Low Income Housing Fee Fund
 - Prevention Services & Programs
 - Tourism, Promotion, & Capital Facilities Fund
 - WSU PC Extension
- ◆ Criminal Justice Fund
- ◆ Limited G O Bond Redemption
- ◆ Economic Development
- ◆ Emergency Management
 - Emergency Medical Services
 - Emergency Management Grants Fund
 - Fire Prevention Services
 - Radio Communications Fund
 - 911 System Fund
- ◆ Endangered Species Act Fund
- ◆ Facilities Management Fund
 - Capital Improvement Projects
 - Permanent Jail Construction Fund
 - Real Estate Excise Tax Capital Improvement Fund
 - Property Management Services - *in Special Projects*
 - 2501 Corporate Express Building Fund
- ◆ Federal Forest Services Fund
- ◆ Health Services
- ◆ Human Resources
 - Employee Assistance Program Fund
- ◆ Human Services Fund
 - Human Services Construction Fund
- ◆ Information Technology Fund
 - Auditor’s M & O Fund (Imaging Fund)
 - Geographical Information Services Fund
 - REET Electronic Technology Fund

Organizational Overview

Executive Branch (con't)

- ◆ Medical Examiner
- ◆ Miscellaneous Current Expense
- ◆ Parks and Recreation Services
 - Conservation Futures Fund
 - Golf Courses Fund
 - Parks Construction Fund
 - Parks Impact Fee Fund
 - Parks Sales Tax Fund
 - Paths and Trails Fund
 - Second REET Fund-Parks Fund
- ◆ Pierce County Fair Fund
- ◆ Planning and Land Services
- ◆ Public Defense Conflict Office
- ◆ Public Works and Utilities
 - Environmental Services:
 - *Chambers Bay Golf Course Fund*
 - *Sewer Utility Fund*
 - *Sewer Revenue Bonds Fund*
 - *Sewer Utility Construction Fund*
 - *Solid Waste Management Fund*
 - *Sewer Facility Restricted Reserve Fund*
 - Transportation Services
 - *Airport*
 - *County Road Fund*
 - *Equipment Rental and Revolving Fund*
 - *Pierce County Ferry Services Fund*
 - *Public Works Construction Fund*
 - *Second REET Fund – Roads Fund*
 - *Traffic Impact Fee Fund*
 - *Transportation Facilities Fund*
 - Water Programs:
 - *Drinking Water Supply Program - in Special Projects*
 - *Real Estate Excise Tax – River fund*
 - *Surface Water Management Fund*
 - *Water Utility Fund*
- ◆ Self Insurance Fund
 - Workers Compensation Fund
- ◆ Sheriff
 - Corrections
 - Detention Center Commissary Fund
 - Drug Investigation Fund
 - Marine Services Fund
- ◆ Special Projects
 - ESA – Habitat Protection & Restoration
 - Family Services – Domestic Violence programs
 - Farmlands Preservation Program
 - Law & Justice Commission
 - Pierce County Board of Equalization
- ◆ State Auditor
- ◆ Veterans' Relief Fund

Judicial Branch

District Court Superior Court

- ◆ Juvenile Court

Prosecuting Attorney

Prosecuting Attorney

Mission, Goals and Performance Measures

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

I.

The Mission Statement

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

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

III. **Performance Measures** are developed for each departmental budget. These measures are specific and quantifiable statements of what major items will be accomplished in this fiscal year and are listed in each department's section of the 2007 Budget Document.



Executive Goals

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

Pierce County Facts

General Information

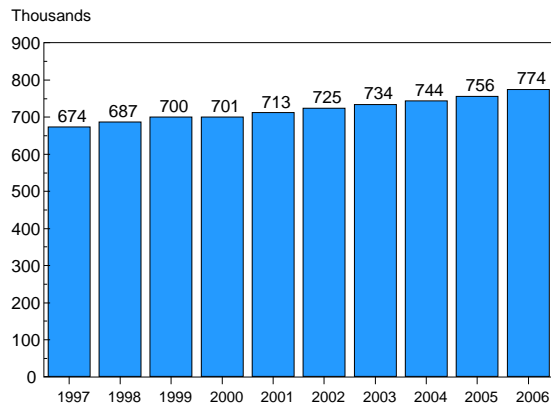
Pierce County was established in 1852 and became a Home Rule County by a vote of the people in 1981. The County is governed by an elected County Executive and seven elected Council Members. The Prosecutor, Assessor-Treasurer, Auditor, Superior Court Judges, and District Court Judges are also elected 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). Pierce County boasts of 10 hospitals, 15 public school districts, a large number of private schools, two vocational technical colleges, two community colleges, and six four-year colleges or universities.

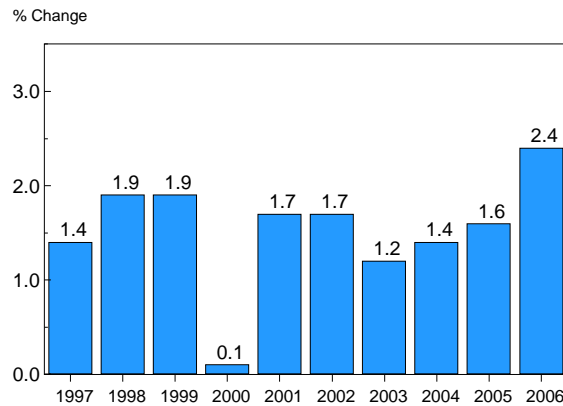
The third largest army post in the United States, Fort Lewis, is located in the County as are McChord Air Force Base, Madigan Army Medical Center, and Camp Murray National Guard post. Altogether these military installations contribute over 53,000 military and civilian jobs to the local economy.

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

Pierce County Population History



Pierce County Population Percent Change



Transportation

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

Economic Conditions

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

Manufacturing

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

Port Facilities

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

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

Service/Government

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

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

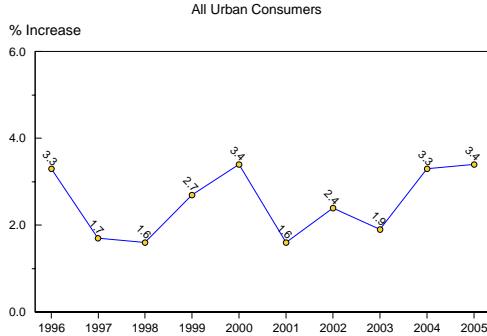
Other government employment includes the local Public School Districts (13,275), the State of Washington (7,649), the City of Tacoma (3,457), Pierce County (3,160), Washington State Higher Education (2,958), and the United States Postal Service (1,173).

Economic Indicators

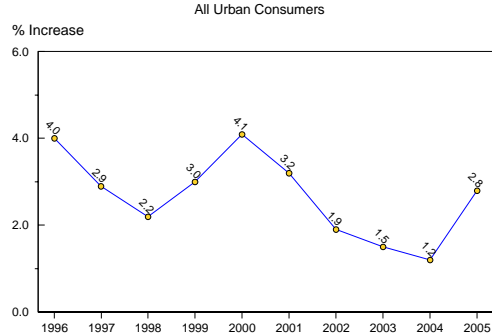
The following indicators are key elements in the evaluation of current economic conditions and are useful when developing projections or economic forecasts:

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

U. S. Consumer Price Index

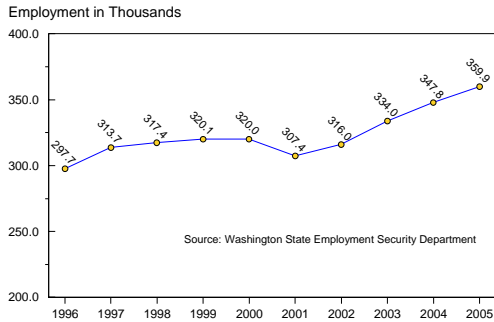


Tacoma-Seattle Consumer Price Index

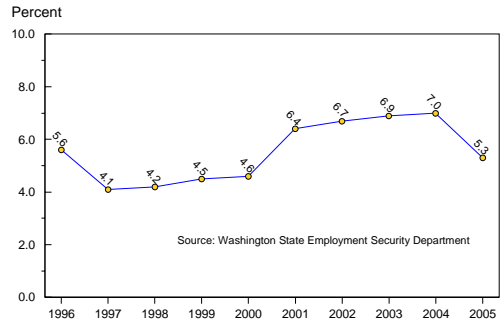


- ❖ **Employment:** In 2005, total employment in Pierce County increased to 359,900, resulting in a decreased unemployment rate of 5.3%. Pierce County unemployment matched the statewide average of 5.3% and was slightly higher than the U.S. average of 5.1%.

Pierce County Employment

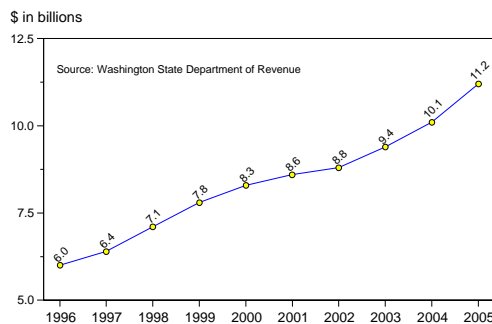


Pierce County Percent Unemployment

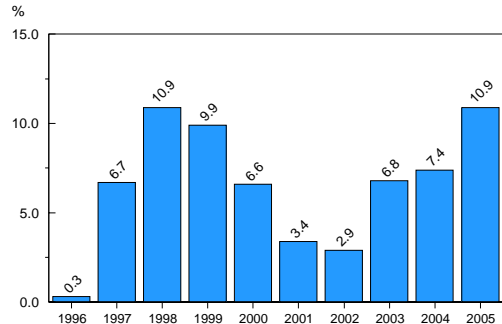


- ❖ **Taxable Retail Sales:** Taxable retail sales continued very strong in 2005 increasing 10.9% compared to 2004. Based on current forecasts, we expect sales growth to continue in 2006, albeit at a more moderate pace.

Pierce County Taxable Retail Sales

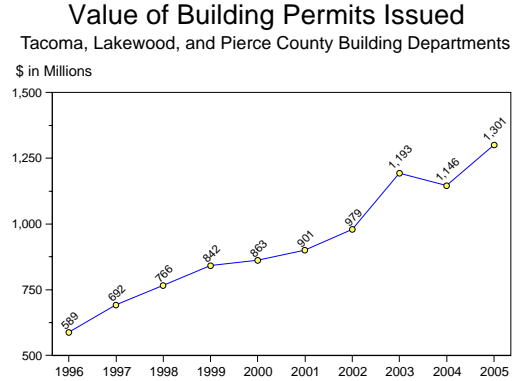
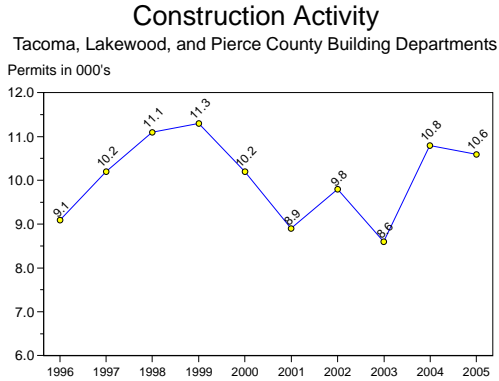


Percent Change Taxable Retail Sales



Pierce County Facts

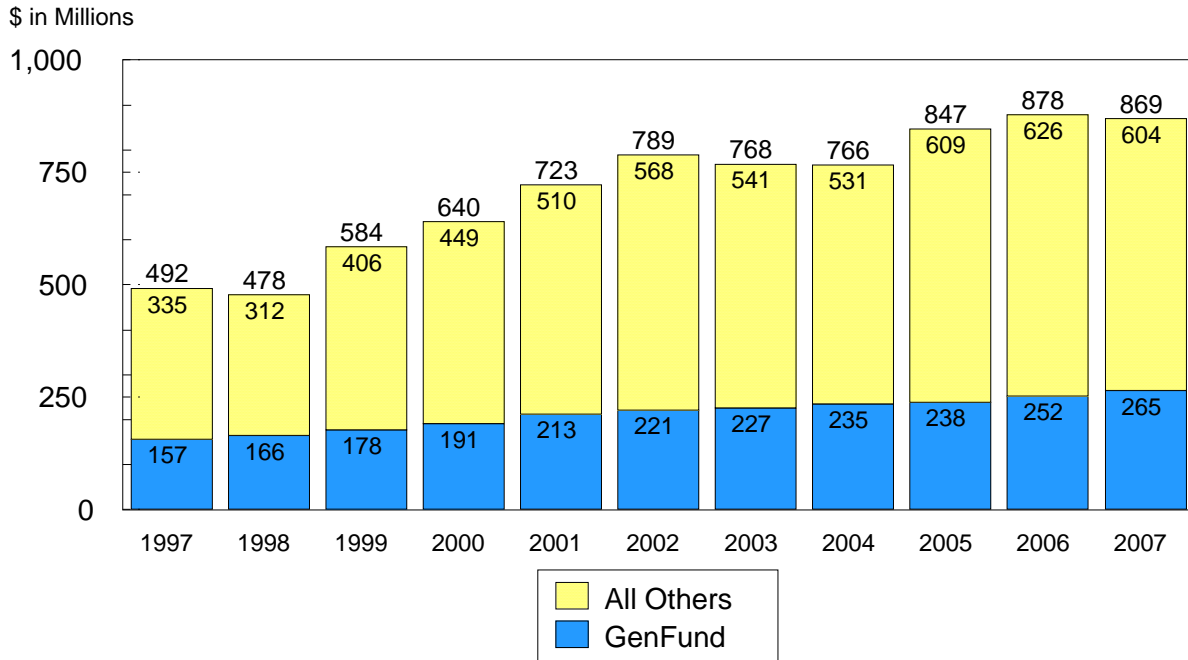
Construction: New construction activity is an important economic indicator since it greatly impacts County operations and workload in areas such as planning, permits, land services, public works, and public construction. Property tax revenues are also affected by fluctuations in new construction activity.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



Budget History

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

Total Budget



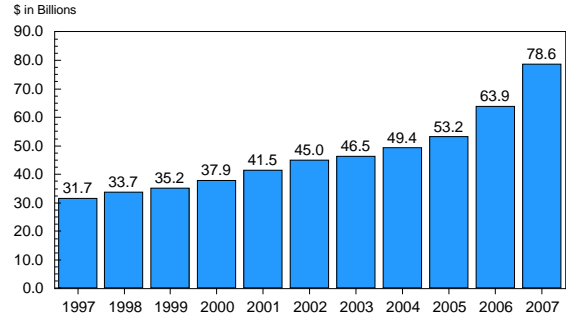
Property Taxes and Assessed Valuation

Property Taxes Assessed Valuation

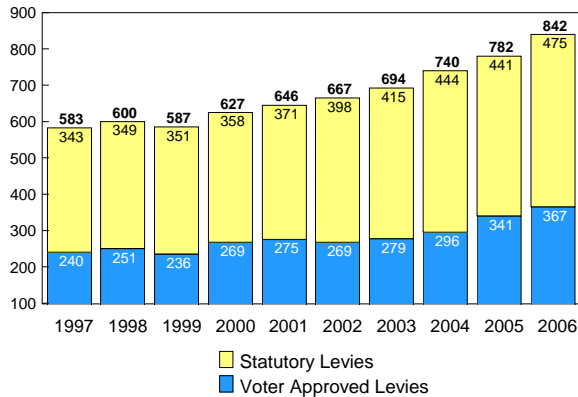
Property tax is the largest source of revenue in the General Fund and is a major source of revenue for the Road Fund. The Assessor-Treasurer values and provides information on approximately 1,080,000 acres of land in Pierce County. Of this total, 51% is taxable acreage, the remaining being exempt under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

Total Assessed Valuation

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

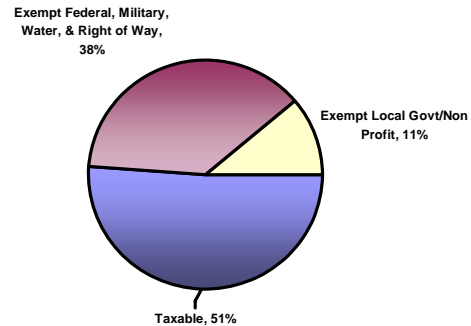


Voter Approved and Statutory Property Taxes



Of the total tax levies for 2005 (collected in 2006), 44% are voter approved and 56% are statutory levies. These percentages will not be known for the 2006 tax levies (collected in 2007) until January of 2007 when the final certification figures are available.

Pierce County Acreage Exemption Status



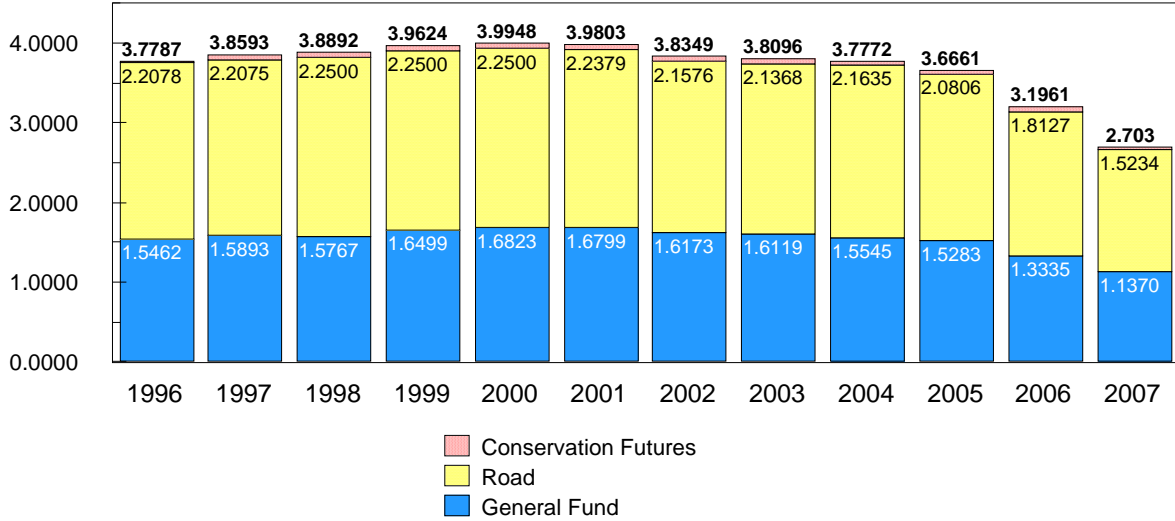
Of the total Pierce County acreage 49% is tax exempt. Federal and Military lands, major lakes, and local Right-of-Way make up 38% of the exempted properties. Eleven percent is local governments and non-profits (mostly schools and churches).

Property Tax Levy Rates

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

Combined Property Tax Millages

Rate per \$1,000



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

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

Budget and Finance Department Fiscal Policies

The Pierce County Budget and Finance Department fiscal and budget policies, compiled below, set forth the basic framework for the overall fiscal management of the County. Operating independently of changing circumstances and conditions, these policies assist the decision-making process of the County Executive and the County Council. Most of the policies represent principles, traditions, and practices which have guided the County in the past, have helped maintain financial stability, and provide criteria for evaluating both current activities and proposals for future programs.

Budgetary Policies – the Budget for the County shall:

- present a complete financial plan for the budget year. The Budget will be prepared as one comprehensive management and balanced financial plan, including operating requirements, financing requirements, and debt service funding.
- provide estimates of all taxes to be collected for the year and all revenues derived from other sources.
- be prepared and presented in such a manner that it serves as a policy document, a financial plan, an operations guide, and a communication device to its staff, public officials, and to the citizenry.
- include measurable performance measures to be achieved within a defined time frame.
- be balanced (expenditures equal revenues plus recommended use of prior fund balance) at the time of adoption in accordance with State law, and be reviewed regularly to identify changes in revenues and expenditures so that necessary balancing corrections can be made.

Fund Balance Policies:

- The County shall retain a fund balance in the General Fund which is between 5% and 8% of the fund's budget for emergency and working capital purposes.
- Fund Balance in the General Fund will be utilized to fund one-time activities such as, but not limited to, equipment outlay, capital construction, and one-time operational projects.
- The County shall retain reserves in all other funds (non General Fund) to allow for adequate cash flow, support designated mandates, finance infrastructure needs, meet equipment replacement schedules, and comply with other minimum requirements as may be established specifically for each fund.

Revenue Policies:

- The County shall seek to maintain a diversified and stable revenue structure.
- The County shall calculate and consider the full cost of services provided when establishing user charges and service rates. Such charges and rates will be reviewed regularly.
- Grants and contracts shall be pursued only for those programs and activities that address recognized needs and are consistent with the County's policies and scope of services.
- Billable revenues shall be processed in a timely manner to minimize negative cash flow impacts.
- One-time non-recurring revenues (from such items as asset sales, court settlements, tax collection, and windfalls) should only be allocated for one time projects or expenses.
- Revenues which are difficult to accurately predict shall be conservatively estimated in order to avoid serious budget adjustments later in the year if the budgeted revenues do not materialize.

Expenditure Policies:

- The County shall strive to maintain current service delivery levels, (especially for essential services), and improve priority services as finances permit.
- The County shall make every effort to minimize budgetary growth through the use of sound management techniques, and the encouragement of technology or process improvements which will reduce service costs without reducing service quality.
- Expenditure budget increases and reductions will be considered on a case by case basis.
- Expenditures shall be accounted for as necessary and appropriate to ensure adequate documentation for related revenue collections such as grant reimbursements, fee calculations, etc.
- Expenditure payments shall be processed within necessary timelines to avoid late fees and still maximize positive cash flow.
- Capital budgets will be developed with the consideration of, and pro-active planning for, the impact of capital spending upon the annual operating budget.
- The County shall pursue partnerships with other entities to increase the quality and/or quantity of services, and eliminate redundancies.
- Capital assets will be replaced on a cost effective and scheduled basis.

Debt Management

Pierce County Debt Management Policies

The following debt management policies were adopted by the County Council Resolution No. R95-133 and should be used to provide the general framework for planning, reviewing, and structuring debt proposals. The County recognizes that there are no absolute rules that can substitute for a thorough review of all information affecting the issuance of debt. Debt decisions should result from a balanced consideration of all relevant factors.

- The County shall seek to maintain and, if possible, improve our current A+ bond rating so our borrowing costs are minimized and our access to credit is assured.
- The County will issue long-term debt only for the purpose of:

Acquiring land, acquiring or constructing capital assets or improvements, making major repairs or renovations to existing capital assets, acquiring capital equipment/systems whose life extends beyond 1 year or refunding existing long term debt.

- The County may issue short-term debt in anticipation of a subsequent definite source of revenues. Such definite revenue sources could include, but would not be limited to:

Approved grants, authorized but unsold long term debt, taxes anticipated to be received later in the current fiscal year, asset sales.

- Short-term debt should not have maturities greater than 3 years, should not be rolled over for a period greater than 1 year, and should not be issued solely upon speculation that interest rates will rise in the near future.
- If long-term debt is issued to finance capital improvement projects, to the maximum extent possible, it shall be only for those projects referenced in the County's Capital Facilities Plan.
- Long-term debt will be issued for a period not to exceed the useful life of the projects or improvements financed, but in no event beyond thirty (30) years.

- The amount of non-voter approved General Obligation debt principal outstanding to be retired by the General Fund shall not exceed 1% of the County's total assessed valuation.
- The ratio of annual non-voter approved General Fund Debt Service to the total General Fund budget should not exceed 5% in any fiscal year.
- Bond maturity schedules should be structured to achieve total debt service payments which are level or only slightly increasing over time.
- To the extent possible given the unique nature of each bond issue, the County will attempt to issue bonds through a competitive bid sale.
- The County shall, as a target, maintain an average life of 10 years or less for all outstanding debt. In no event shall the total average life exceed 14 years.
- The County shall attempt to maintain a general obligation direct net debt per capita ratio which is 90% or less of Moody's Investor's Service published median for counties of comparable size.

Debt Capacity

Under Washington State Law, a county may issue general obligation debt for general county purposes in an amount not to exceed 2½% of all actual value of all taxable property. Unlimited tax debt requires an approving vote of the people, and any election to validate General Obligation Debt must have a voter turnout of at least 40% of those who voted in the last state general election, and 60% of those voting must be in the affirmative. The County Council may, by ordinance, authorize the issuance of limited tax General Obligation Debt in an amount up to 1½% of the actual valuation within the County without a vote of the people. No combination of limited or unlimited tax debt may exceed 2½% of the actual valuation. The debt service on unlimited tax debt is secured by excess tax levies, whereas the debt service on limited tax debt is secured by taxes collected within the \$1.80 per \$1,000 of assessed value county operating levy.

Debt Management

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

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

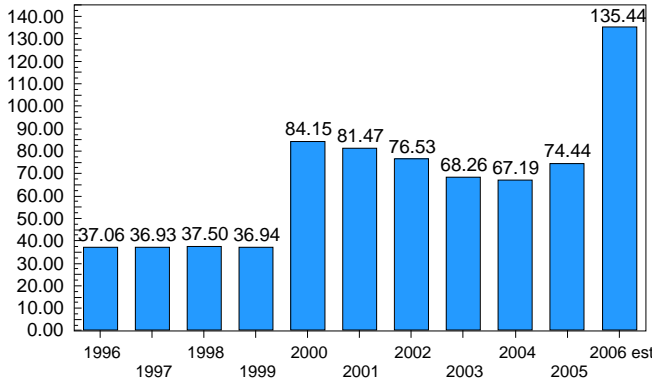
Pierce County Bonded Debt Ratios Estimated at September 30, 2006		
General Obligation Bonded Debt per Capita (excluding Proprietary GO/Debt, Compensated Absences, & Installment Contract)	\$	135.44
Assessed Valuation per Capita	\$	101,699
Ratio of direct G O Bonded Debt to Assessed Value (including Proprietary GO/Debt)		0.0013

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

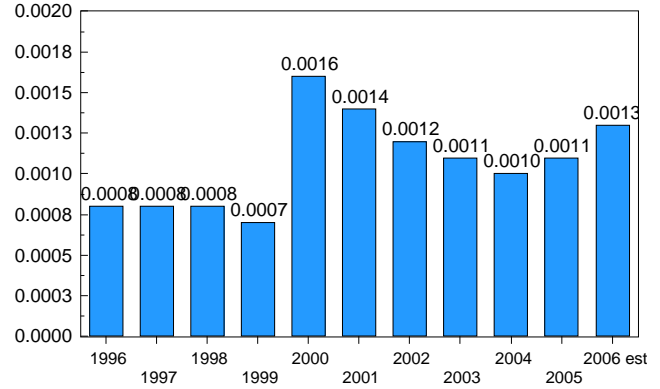
Debt Management

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

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



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



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

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

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

Summary of Unreserved Fund Balance

The following table summarizes the estimated unreserved fund balances for the General Fund and Special Revenue Funds. An overall total is not provided for the Special Revenue Funds as each is for a restricted purpose. Working left to right, the table begins with the actual Unreserved Fund Balance at the end of 2005. To this is added the net projected change due to 2006 activity, for an estimated ending funding balance for fiscal year 2006. To this is added the budgeted Use of Fund Balance in 2007, which results in the Estimated Fund Balance at the end of 2007. Further detailed information on the various sources and uses that net to the 2007 budgeted use of fund balance can be found in the "All Funds Comparison of 2007 Revenues and Expenditures" table and the other summary revenue and expenditure tables presented later in this section, as well as in the individual budget sections.

As a general policy, the County normally budgets "use of prior fund balance" in the General Fund for one time projects or activities. In 2007, we are proposing the use of \$817,725 in fund balance for such purposes. Additional discussion on the use of the prior fund balance in the General Fund can be found in the Executive's Message. The level of use of prior fund balance in the various Special Revenue Funds fluctuates with each fund, and is usually allocated for previously planned activities.

2007 FUND BALANCE ESTIMATE

	2005 CAFR Unreserved Fund Balance	Estimated 2006 Revenues minus Expenditures	2006 Estimated Year-End Unreserved Fund Balance	2007 Budgeted Use of Fund Balance	2007 Estimated Year-End Unreserved Fund Balance
General Fund	\$ 24,751,621	\$ (4,083,653)	\$ 20,667,968	\$ (817,725)	\$ 19,850,243
Special Revenue Funds					
Antiprofitereing Revolving Fund	34,028	(200)	33,828	—	33,828
Arts and Cultural Services Fund	55,217	(25,000)	30,217	(21,020)	9,197
Auditor's Maint & Oper Fund	1,327,937	(429,450)	898,487	(269,710)	628,777
Community Action Fund	647,140	(119,000)	528,140	(206,870)	321,270
Community Development Fund	—	—	—	—	—
Conservation Futures Fund	2,577,397	1,736,836	4,314,233	—	4,314,233
County Road Fund	11,330,821	190,134	11,520,955	(5,103,060)	6,417,895
Criminal Justice Fund	3,492,620	(761,728)	2,730,892	(1,199,010)	1,531,882
Detention Center Commissary Fd	407,640	(7,310)	400,330	(21,810)	378,520
Dispute Resolution Center Fund	35,556	(14,750)	20,806	—	20,806
Drug Investigation Fund	1,880,938	(231,218)	1,649,720	(631,290)	1,018,430
Emergency Managemt Grants Fd	66,771	57,710	124,481	(81,010)	43,471
Employee Assistance Program Fd	111,480	(41,260)	70,220	(69,580)	640
Endangered Species Act Fund	387,800	(100,640)	287,160	(204,920)	82,240
Federal Forest Services Fund	—	—	—	—	—
GIS Fund	1,984,685	(591,610)	1,393,075	(362,690)	1,030,385
Homeless Housing Fund	667,596	1,217,240	1,884,836	(332,920)	1,551,916
Housing Repair Program Fund	89,240	(280)	88,960	(5,000)	83,960
Human Services Fund	5,204,918	456,611	5,661,529	(367,920)	5,293,609
Judson Family Justice Center Fd	113,426	20,105	133,531	—	133,531
Low Income Housing Fee Fund	2,818,038	(193,260)	2,624,778	(2,624,760)	18
Marine Services Fund	148,854	(3,380)	145,474	(70,960)	74,514
Parks Impact Fee Fund	2,478,795	910,690	3,389,485	(3,032,600)	356,885
Parks Sales Tax Fund	4,233,027	(766,910)	3,466,117	(2,671,950)	794,167
Paths and Trails Fund	875,416	(497,770)	377,646	—	377,646
Pierce County Fair Fund	115,471	(7,140)	108,331	(7,180)	101,151
Puget Sound Behavioral Hlth Fd	1,831,456	(1,831,456)	—	—	—
Rainier Communicatn Commiss Fd	844,764	(29,510)	815,254	(99,130)	716,124
REET Electronic Technology Fd	56,131	85,000	141,131	(101,700)	39,431
REET River Improvement Fund	4,404,324	(161,870)	4,242,454	(1,505,470)	2,736,984
Second REET Parks Fund	3,202,245	407,500	3,609,745	(2,003,420)	1,606,325
Second REET Roads Fund	15,578,380	1,810,930	17,389,310	(8,346,090)	9,043,220
Surface Water Management Fund	21,009,771	(4,740,420)	16,269,351	(11,810,650)	4,458,701
Tourism, Promotion, Facility Fund	981,212	(116,060)	865,152	(579,570)	285,582
Traffic Impact Fee Fund	—	—	—	—	—
Veterans' Relief Fund	195,346	(43,600)	151,746	(130,000)	21,746
911 System Fund	798,596	(301,600)	496,996	(377,650)	119,346

Capital Improvement Program Summary

2007 Capital Improvement Program

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

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

For each category of public facility, the Plan includes a current facilities inventory, LOS capacity analysis and projected facility requirements, proposed projects, and related financing plans and operating impacts. The overall purpose of the CFP is to use sound fiscal policies to provide adequate public facilities

consistent with the Land Use Element of the Comprehensive Plan on a schedule concurrent with, or prior to, the impacts of development. This will allow the County to achieve and maintain adopted standards for LOS, and to exceed the adopted standards, when possible.

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

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

Definition of Capital Improvement

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

Capital Improvement Projects Summary

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

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

Impact on the Operating Budget

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

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

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

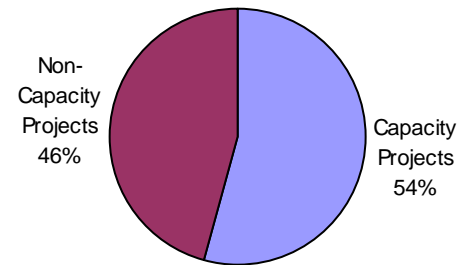
Summary of Net Operating Costs	2007	2008	2009	2010	2011
Law Enforcement - Sheriff Facilities	25,000	90,000	120,000	120,000	120,000
Parks and Recreation	194,800	2,592,100	2,896,900	3,010,300	3,104,200
Courts	2,638,000	3,020,500	3,050,500	3,020,500	3,020,500
Sewer Utilities	100,300	188,300	190,600	190,600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

2007 Capital Improvement Projects

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

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

Projects by Category

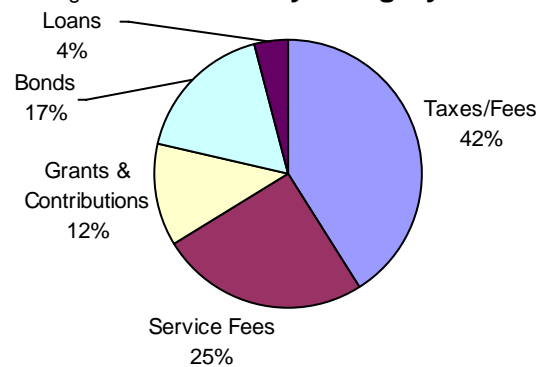


2007 Capital Improvement Projects Sources of Funds

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

- Taxes/Fees.** This source of revenue includes non-dedicated taxes and fees such as sales tax, property tax, court fines, licenses and permits. This category also includes dedicated taxes and fees such as park impact fees, park sales tax, and gas taxes.
- Service Fees.** These fees are for specific services provided. Examples are E-9-1-1, golf course fees, sewer fees and surface water management fees.
- Grants & Contributions.** This source of revenue includes federal, state and city contributions for specific projects or purposes. Examples include road funds, parks donations and grants, mental health and human services grants, and the City of Tacoma portion of the County-City Building.
- Bonds.** This is interest bearing debt issued by the county.
- Intergovernmental Loans.** This category is used for loans from one department to another, or from a tax/fees fund to a user fee (enterprise) fund.

Sources by Category



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

Capital Improvement Program Summary

The following section contains a brief description of the major (more than \$5 million) capital improvement projects for 2007.

General Administration Buildings, including Courts

A major remodel of the County-City Building (CCB) to further the transition of this building into a justice center and increase capacity for services is currently underway. Project scope includes the remodel of approximately 53,000 square feet for five new courtrooms, hearing rooms, jury space, judicial chambers, and office space, mostly for the Superior Court and Prosecuting Attorney.

Level of Service: 0.66 square feet per capita

Refer to the Facilities Management section of this document for detailed information on all General Administration Building projects.

Law Enforcement - Sheriff Facilities

In 2007 the County will continue work on the new Emergency Operations Center (EOC) and move into their new Property Room, both housed in the former Corporate Express Building in Tacoma. This project is partially funded by the E 9-1-1 Fund. A new precinct building in Parkland-Spanaway is planned for the 2008-10 time period.

Level of Service: 0.58 square feet per 1,000 population

Refer to the Facilities Management section of this document for detailed information on all law enforcement projects.

Parks and Recreation

There are ten level of service categories in the Capital Facilities Plan for Parks and Recreation. Four relate to land and six relate to facilities, all based on per thousand population. Numerous projects are planned or underway in 2007. The largest include new portions of the Foothills Trail which spans across much of the county, modifications to Sprinker – one of our largest regional facilities, and the new Chambers Bay Golf Course. Three-quarters of the funding for parks and recreation projects, excluding the new golf course, is provided by dedicated park taxes and fees approved by the voters.

Level of Service:

Land: Conservation 2.1664 acres/1000;

Activity 2.651 acres/1000;

Linear Trails 0.7646 acres/1000;

Special Use 0.8999 acres/1000

Facilities: Courts/Fields/Play Areas 0.1524 units/1000;

Multi-use Trails 0.099 miles/1000;

Picnic/Camping 1.0328 area/1000;

Water access- parking 2.3420 spcs/1000;

Water access 88.101 sq ft/1000;

Boat Launch Ramps 0.01243 ramps/1000

Refer to the Parks & Recreation section for detailed information on Parks related projects and the Chambers Bay Golf Course Fund in the Environmental Services section for that project.

Sewer Utilities

The Sewer Utilities Department develops and maintains an aggressive capital improvement program to meet current and future demands on the system, all funded by sewer user fees. The program includes major expansion in the coming years.

Level of Service: 26.9 million gallons per day (MGD) capacity

Refer to the Environmental Services section for detailed information on Sewer projects.

County Roads

The Roads Department develops and maintains a detailed six-year Transportation Improvement Plan (TIP) which includes all infrastructure improvements. Non-capacity projects planned for 2007-2008 include two new facilities funded with bonds, the sale of surplus property, and cash from the Equipment Services Division of Public Works & Utilities.

Level of Service: Varies by road type and location

Refer to the Transportation section for detailed information on all road projects, including a summary of the TIP projects, and the two new facilities.

Surface Water Management

The Surface Water Capital Facilities Plan includes 69 different capital projects intended to accommodate a 100 year, 24 hour design storm. Funding is via surface water management fees.

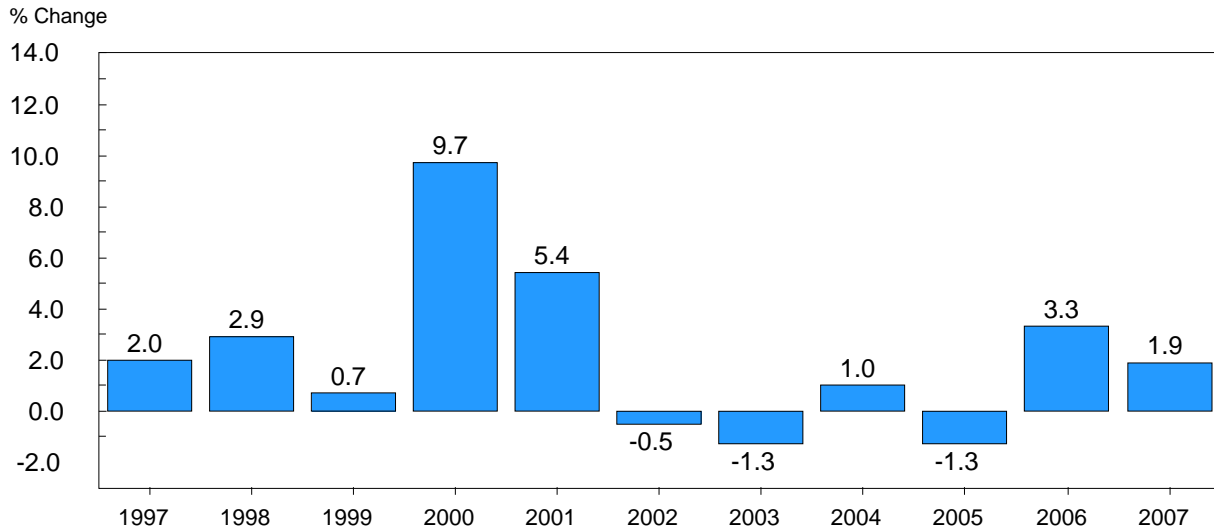
Level of Service: 100 year, 24 hour design

Refer to the Environmental Services & Water Programs section for detailed information on Surface Water Management projects.

Staffing Information

As the population of Pierce County has increased, the demand for county services has risen correspondingly. General Fund staffing (authorized positions) has increased by 312 FTEs (18%) since 1997 while staffing in all other funds (special revenue, enterprise, and internal services) has increased by 329 FTEs (34%). Overall, 641 FTEs have been added since 1997, an increase of 23.4%.

Percent Change in County-wide Staffing



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

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

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

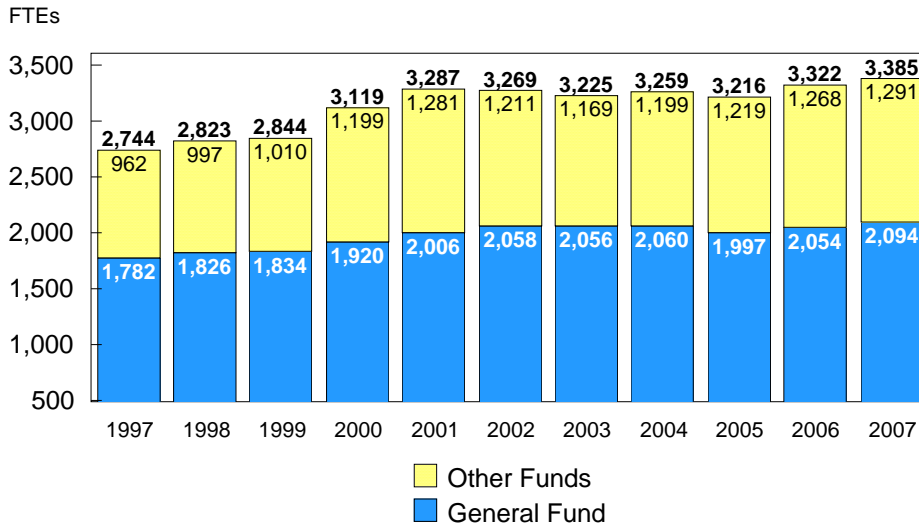
- a) The P.S.B.H. staff count subsequently declined over these years to 98 positions in 2005 as service responsibilities were restructured or eliminated,
- b) Initiative 747 (1% property tax limitation) resulted in far less revenue being available to fund new positions or even to support existing positions,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

The 2006 budget again reflects new positions throughout the County to enhance service levels, including staff in PALS, Sheriff, Corrections, Prosecuting Attorney, Assigned Counsel, Superior Court, Juvenile, Human Resources, Medical Examiner, Clerk, Emergency Management, Economic Development, Special Projects, Transportation and Environmental Services, and the Auditor's office for animal control services.

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

Staffing Information

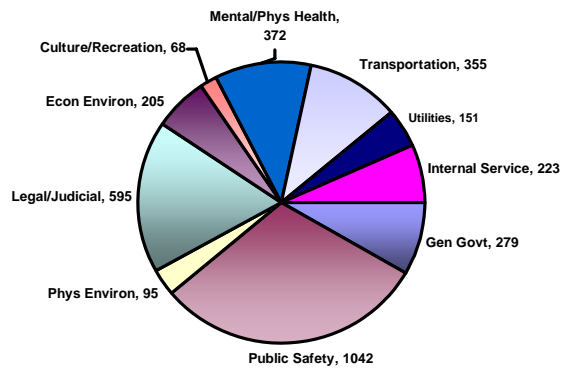
County-wide Staffing Summary



2007 Total County Staffing

Summarized by Function

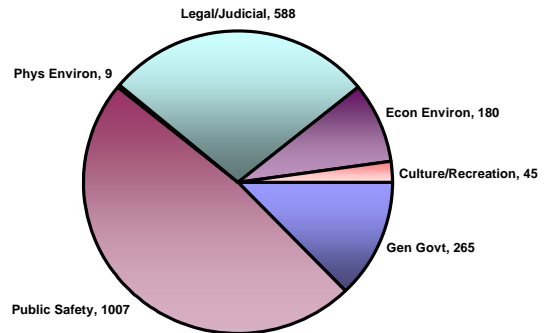
The Public Safety and Legal/Judicial systems combined accounts for 48% of the total County staff, with the Mental and Physical Health system at almost 11%. Almost 18% of the total staff provides Transportation, Utilities, and the Physical Environment services. Two percent of the total staff is related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



2007 General Fund Staffing

Summarized by Function

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



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

Staffing Information

STAFFING SUMMARY

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

Staffing Information

STAFFING SUMMARY									
	1997 FTE	2000 FTE	2002 FTE	2003 FTE	2004 FTE	2005 FTE	2006 FTE	2007 FTE	Change from 1997
Human Services Fund	122.57	143.74	202.11	220.20	220.37	224.47	278.41	320.06	197.49
Law Enforcement Fund	72.00	47.00	-	-	-	-	-	-	(72.00)
Park Impact Fees Fund	-	-	-	-	-	.05	.05	.05	.05
Parks Sales Tax Fund	-	-	-	-	.64	1.00	6.15	7.15	7.15
Paths and Trails Fund	2.25	1.47	1.52	2.11	2.02	1.02	2.21	2.21	(0.04)
Peninsula Recreation Prgrm Fund	-	-	1.00	2.00	2.00	2.00	-	-	-
Puget Sound Behavioral Hlth Fd	-	183.29	170.05	108.40	106.04	97.86	41.05	-	-
Rainier Communicatns Comm Fd	5.00	5.00	6.00	6.00	6.00	6.00	7.00	7.00	2.00
Real Estate Exc Tax-River Imp Fd	3.90	2.02	1.79	1.95	1.71	1.57	1.39	1.51	(2.39)
Second REET Parks Fund	-	-	-	.25	.89	1.15	1.20	1.20	1.20
Surface Water Mgmt Fund	32.20	43.15	46.11	46.15	52.06	55.27	60.29	62.00	29.80
Tourism, Promotion & Cap Fac Fd	-	.13	.10	.43	.42	-	-	-	-
Veterans' Relief Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-
Wellness Program Fund	1.00	1.00	-	-	-	-	-	-	(1.00)
911 System Fund	3.55	4.50	4.78	4.88	4.96	4.00	4.00	4.46	.91
Total Special Revenue Funds	656.85	865.71	866.46	831.64	846.83	851.27	884.80	893.80	236.95
Capital Projects:									
Admin Bldg & Facilities Fund	.10	.17	.16	.16	-	-	-	-	(0.10)
Parking Facility Fund	.33	.56	-	-	-	-	-	-	(0.33)
Permanent Jail Construction Fund	2.21	8.51	4.90	4.92	.89	.50	.22	-	(2.21)
REET Capital Improvement Fund	1.27	1.07	2.69	2.74	3.47	2.85	3.98	4.65	3.38
1% for Arts Construction Fund	-	-	.15	.25	.10	.10	.60	.75	.75
2501 Corporate Express Bldg Fd	-	-	-	-	-	1.29	1.39	1.80	1.80
Transportation Facilities Fund	-	-	-	-	-	-	1.00	1.00	1.00
Total Capital Projects	3.91	10.31	7.90	8.07	4.46	4.74	7.19	8.20	4.29
Enterprise Funds:									
Airport Fund	1.02	1.50	1.60	1.60	1.60	1.60	2.63	2.62	1.60
Chambers Bay Golf Course Fund	-	-	-	-	-	.80	.75	.50	.50
Golf Courses Fund	8.55	8.45	8.45	8.84	8.78	8.78	8.53	9.53	.98
P.C. Ferry Services Fund	-	.67	1.32	1.07	1.61	1.89	2.80	2.62	2.62
Sewer Utility Fund	91.65	103.26	104.66	104.66	111.76	118.39	126.38	135.09	43.44
Sewer Utility Construction Fund	2.00	-	-	-	-	-	-	-	(2.00)
Solid Waste Mgmt Fund	13.56	11.11	13.71	13.71	14.44	16.02	16.11	15.68	2.12
Water Utility Fund	-	.90	.30	.30	.31	.09	.01	.10	.10
Total Enterprise Funds	116.78	125.89	130.04	130.18	138.50	147.57	157.21	166.14	49.36
Internal Serv Funds:									
Equipment Rental & Revolving Fd	26.12	24.10	24.43	24.43	24.47	24.46	24.27	24.30	(1.82)
Facilities Management Fund	36.10	41.86	44.62	44.75	45.99	52.21	52.66	52.88	16.78
Fleet Rental Fund	3.15	3.15	3.15	3.40	3.40	3.45	3.45	3.45	.30
General Services Fund	7.45	8.20	8.20	8.20	8.20	8.20	8.20	8.80	1.35
Information Technology Fund	97.04	104.00	108.00	102.00	110.00	111.00	114.50	116.50	19.46
Radio Communication Fund	6.05	7.10	9.10	8.05	8.02	7.00	7.00	7.54	1.49
Self Insurance Fund	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	-
Workers Compensation Fund	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	-
Total Internal Serv Fnds	184.91	197.41	206.50	199.83	209.08	215.32	219.08	222.47	37.56
TOTAL FUNDS	2,744.04	3,119.16	3,268.68	3,225.36	3,258.97	3,216.02	3,322.11	3,384.56	640.52

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

Revenue and Expenditure Summaries

The following revenue and expenditure summaries are included in the budget document to present a variety of views of the funding sources available to the County, and the services and activities provided with these resources. The information is broken into two groups. The first group of charts and tables shows information for just the General Fund. The second reflects the entire County budget which includes the General Fund, as well as the Special Revenue Funds, Debt Service Funds, Enterprise Funds, and Internal Service Funds. The Tacoma-Pierce County Health Department is also included in the Total County summaries. Narrative for the charts is embodied in the section. A brief description of each of the tables in this section is given below.

General Fund

The **2007 General Fund Revenue** table details the revenue sources for this fund, including prior year actuals as well as current year budget and estimate. Narrative and graphs present the changes in the sources over time.

The **General Fund Revenue & Expenditure Overview** includes narrative and graphs presenting the 2007 General Fund budget by revenue source, expenditure function and object classification.

As discussed in the accompanying narrative, the **General Fund Expenditures Versus Revenue Summary** presents a more unusual view of this fund.

The multitude and variety of services provided by the departments in General Fund is clearly visible in the **General Fund Departmental Program Budgets** table.

Total County

The **Total Pierce County Revenue & Expenditure Overview** includes narrative and graphs presenting the total 2007 budget by revenue source, expenditure function and object classification.

The most comprehensive presentation of the functional expenditures and their related funding sources can be found in the **All Funds Comparison of 2007 Revenues and Expenditures** which displays this information by fund type.

The **2007 Countywide Revenue** presentation includes narrative and graphs which present the changes in these sources over time.

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.

The **Total Estimated Revenues and Other Funding Sources** table presents the major revenue categories by Fund type.

The total 2007 budget for each Fund, or each department in the General Fund, can be found in the **Total Expenditures/Expenses** table.

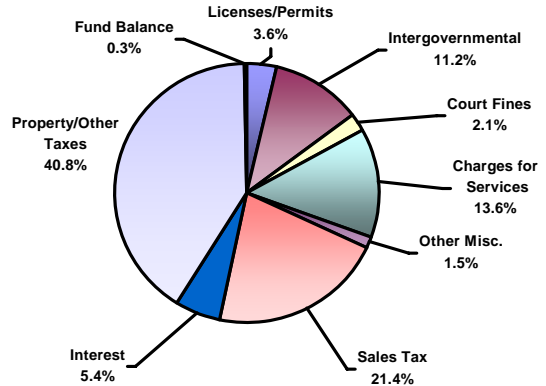
General Fund Revenue & Expenditure Overview

The growth in 2007 revenues for the General Fund is expected to be 5.4% over the 2006 Budget. The following pages discuss General Fund Revenues and Expenditures in greater detail and in comparison to prior years.

2007 General Fund Revenues

Summarized by Source

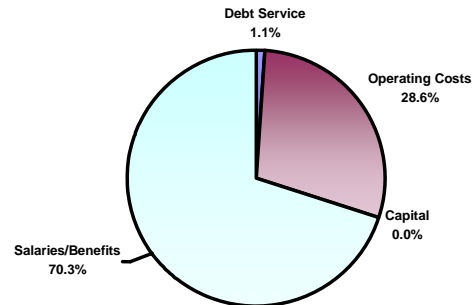
Property/Other Taxes and Sales Taxes are the largest revenue sources in the General Fund, at just over 62% of the total. The only other significant categories are Intergovernmental Revenue at 11% and Charges for Services at 14%.



2007 General Fund Expenditures

Summarized by Object Classification

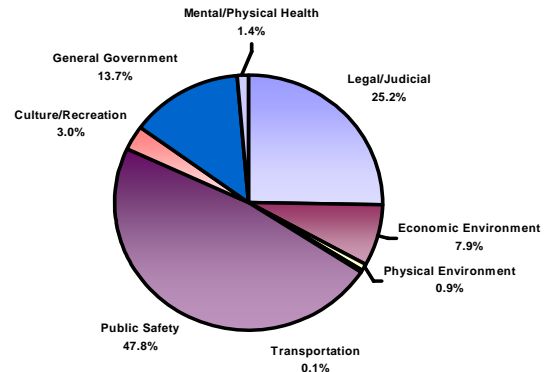
Just over 70% of the General Fund budget by line-item is devoted to salary and benefit costs. Operating costs absorb almost 29%. Debt Service and Capital Outlay expenditures are minimal.



2007 General Fund Expenditures

Summarized by Function

The Public Safety and Legal/Judicial Services combined accounts for almost 73% of all General Fund County expenditures. Almost 14% percent is related to General Governmental services. Just under 8% of the General Fund expenditures are for Economic Environment activities and 3% is for Culture and Recreation. Roughly 2% of the General Fund is used to support the Mental and Physical Health systems, Physical Environment activities, and Transportation.



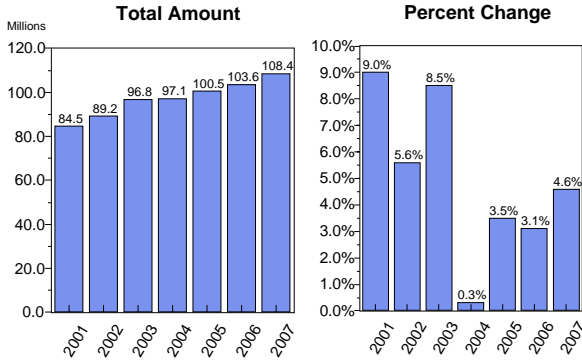
Revenue and Expenditure Summaries

2007 GENERAL FUND REVENUE							
	2004 Actual	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	Absolute Change	Percent Change
I. Taxes							
General Property Taxes	\$ 74,365,712	\$ 77,405,173	\$ 83,601,040	\$ 83,401,040	\$ 87,637,170	\$ 4,036,130	4.8 %
Law Enforcement Property Taxes	8,970,870	9,388,560	9,852,470	9,802,470	10,394,310	541,840	5.5
Sales Taxes	44,722,065	49,588,821	50,740,000	55,605,000	56,750,000	6,010,000	11.8
Gambling Tax	634,263	540,580	388,000	313,800	337,000	(51,000)	(13.1)
Penalties/Interest	8,317,500	8,155,348	7,920,970	7,601,000	7,501,000	(419,970)	(5.3)
All Other Taxes	4,833,116	4,966,255	1,799,150	2,482,150	2,482,150	683,000	38.0
Subtotal	141,843,526	150,044,737	154,301,630	159,205,460	165,101,630	10,800,000	7.0
II. Licenses/Permits							
General Licenses and Permits	329,446	366,909	368,520	368,440	377,960	9,440	2.6
Cable Franchise Fees	2,275,878	2,478,383	2,600,000	2,700,000	3,000,000	400,000	15.4
Animal Licenses	—	—	700,000	510,000	725,000	25,000	3.6
Building Permits	4,503,573	6,036,884	5,296,000	5,366,401	5,573,800	277,800	5.2
Subtotal	7,108,897	8,882,176	8,964,520	8,944,841	9,676,760	712,240	7.9
III. Intergovernmental Revenues							
Federal Grants	5,385,798	5,242,417	4,597,583	4,605,594	4,240,970	(356,613)	(7.8)
State Grants	5,372,225	5,510,910	5,516,830	5,610,148	5,691,030	174,200	3.2
State Shared Revenue	3,705,806	2,970,695	4,366,730	3,917,526	4,391,280	24,550	0.6
Hava Grant	—	1,802,749	77,750	77,750	—	(77,750)	(100.0)
Jail Reimbursements	5,236,784	5,755,229	5,510,100	6,196,280	6,559,820	1,049,720	19.1
Sheriff Services Contracts	13,611,498	4,538,792	4,660,300	4,666,300	4,940,220	279,920	6.0
All Other Revenues	3,721,731	3,716,173	3,586,120	3,649,710	3,771,210	185,090	5.2
Subtotal	37,033,842	29,536,965	28,315,413	28,723,308	29,594,530	1,279,117	4.5
IV. Charges For Services							
Recording Fees	2,872,089	3,233,118	2,998,500	3,057,540	3,044,000	45,500	1.5
Election/Registration Fees	2,283,264	1,928,709	1,543,620	1,502,290	1,864,860	321,240	20.8
Vehicle License Fees	3,447,586	3,537,682	3,480,000	3,550,000	3,525,000	45,000	1.3
Planning Fees	6,597,386	9,268,099	8,209,825	8,358,056	8,844,140	634,315	7.7
Recreation Fees	935,170	1,043,696	994,950	1,086,680	1,033,170	38,220	3.8
Indirect Cost Charges	7,152,390	6,517,660	7,207,050	7,207,050	8,874,600	1,667,550	23.1
Legal Services	1,508,760	1,020,006	2,498,840	960,430	1,148,580	(1,350,260)	(54.0)
All Other Charges	6,650,511	6,571,490	7,799,670	7,126,783	7,840,500	40,830	0.5
Subtotal	31,447,156	33,120,460	34,732,455	32,848,829	36,174,850	1,442,395	4.2
V. Fines And Forfeitures	5,145,309	4,664,920	4,943,950	4,942,609	5,464,490	520,540	10.5
VI. Interest Revenue	6,970,780	7,628,563	10,611,350	12,196,390	14,254,520	3,643,170	34.3
VII. Miscellaneous Revenue							
Rents, Leases, and Phones	1,249,683	1,281,737	1,173,750	1,148,300	1,232,380	58,630	5.0
Traffic Enforcement Transfer	1,000,000	1,100,000	1,200,000	1,200,000	1,300,000	100,000	8.3
All Other Miscellaneous	2,324,821	1,336,057	1,727,762	1,788,258	1,506,820	(220,942)	(12.8)
Subtotal	4,574,504	3,717,794	4,101,512	4,136,558	4,039,200	(62,312)	(1.5)
Sub-Total Revenues	6,899,325	5,053,851	5,829,274	5,924,816	5,546,020	(283,254)	(4.9)
VIII. Use of Fund Balance	—	—	5,631,693	—	817,725	(4,813,968)	(85.5)
Total Resources	\$ 234,124,014	\$ 237,595,615	\$ 251,602,523	\$ 250,997,995	\$ 265,123,705	\$ 13,521,182	5.4 %

Historical Review of General Fund Revenues

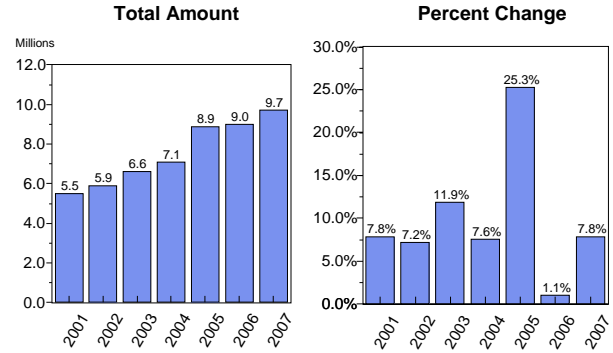
The following graphs and narrative present the historical changes in the General Fund Revenue sources. The 2001-2005 figures are actuals, and the 2006 and 2007 figures are as budgeted.

Property & Other Taxes, 2001–2007
General Fund Revenues



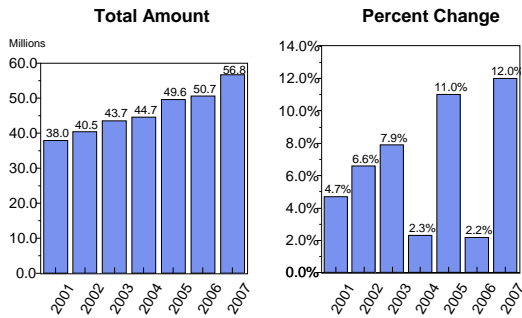
Property and Other Taxes is a major revenue source for the General Fund. Beginning in 2002, this revenue was impacted by the I-747 limit of a 1% increase from existing property – the result of which is becoming very visible. Revenue growth in excess of 1% is due to property taxes from new construction.

Licenses and Permits, 2001–2007
General Fund Revenues



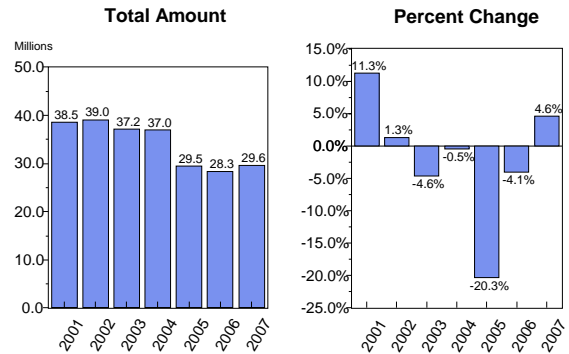
Licenses and Permits have also shown sharp changes in revenue from year to year, due to development activity levels and the enactment of various permit fee increases.

Sales Taxes, 2001–2007
General Fund Revenues



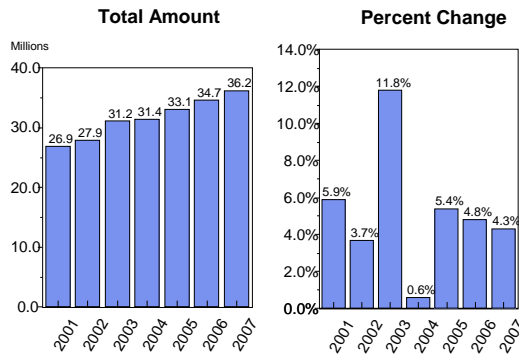
Sales Taxes often show large variances from year to year. Most “normal” years simply grow with a) inflation, b) population increase, c) the strength of the local economy (with an average range of between 4 - 7% increase).

Intergovernmental, 2001–2007
General Fund Revenues



Intergovernmental revenues consist primarily of grants, and city contracts for services. Fluctuation in grant funding is most often the primary cause for change in this revenue source. The huge decline in 2005 reflects the loss of the City of Lakewood contract for Sheriff services.

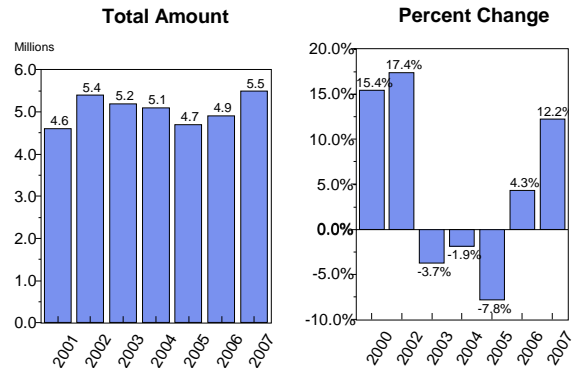
Charges for Services, 2001–2007
General Fund Revenues



Charges for Services have changed dramatically in the last several years due to a variety of reasons:

- Growth in the local economy,
- the presence or absence of planning and development fee increases such as those implemented in 2003, 2005 and;
- changes in recording fees, indirect cost charges, and election cost reimbursements.

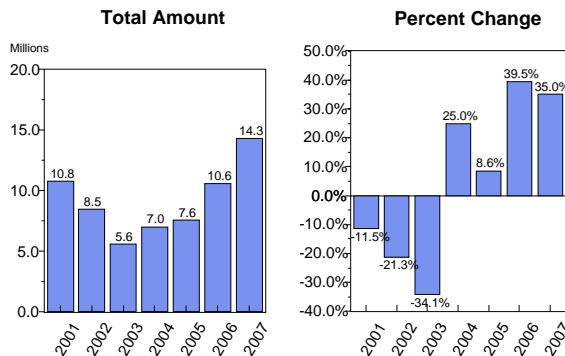
Fines and Forfeits, 2001–2007
General Fund Revenues



Fines and Forfeits increase or decrease based upon:

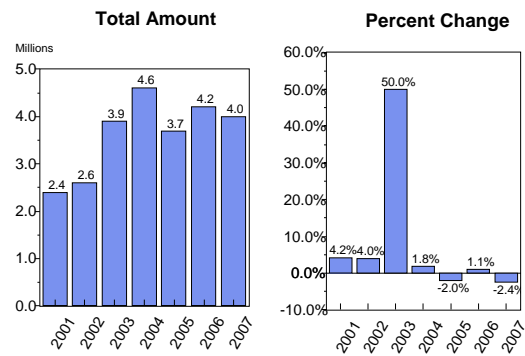
- The number of state patrol and county deputies assigned to traffic policing,
- changes in state fine amounts, and;
- the use of collection agencies for delinquent accounts (recent).

Interest Revenue, 2001–2007
General Fund Revenues



Interest Revenues will vary depending upon interest rates and available cash balances. Available cash balances have shown a steady growth during the last several years. However, interest rates first declined in 2001 resulting in reduced interest revenues. Rates continued to drop until 2004, at which time Federal Reserve rate increases were implemented.

Miscellaneous Other, 2001–2007
General Fund Revenues



Miscellaneous and Other Revenues can show a wide fluctuation from year to year since many of the items are unique, one-time, or very unpredictable. The major causes for wide swings during this period are:

- Sales of fixed assets and timber,
- other fund transfers to support G/F programs, including a new transfer beginning in 2003 from the Roads Fund for Traffic Enforcement, and;
- special contributions.

Revenue and Expenditure Summaries

2007 GENERAL FUND EXPENDITURES VERSUS REVENUE SUMMARY

Department	Total Expenditures	Direct Revenue	General Fund Revenue Support
Assessor/Treasurer	\$ 10,989,110	\$ 275,000	\$ 10,714,110
Assigned Counsel	13,360,670	3,074,240	10,286,430
Auditor	8,261,290	11,388,850	(3,127,560)
Bond Debt Service	697,610	—	697,610
Budget & Finance	5,157,210	192,010	4,965,200
Capital Improvement Projects	390,000	—	390,000
Clerk of the Superior Court	5,091,370	4,434,430	656,940
Communications	660,670	—	660,670
Corrections	44,970,680	7,534,490	37,436,190
County Council	4,040,990	60,000	3,980,990
County Executive	1,130,050	300	1,129,750
District Court	10,979,960	6,291,850	4,688,110
Economic Development	1,059,130	45,130	1,014,000
Emergency Management	3,331,250	1,306,270	2,024,980
Health Services	3,053,020	—	3,053,020
Human Resources	3,582,480	42,750	3,539,730
Juvenile	19,071,360	3,994,600	15,076,760
Medical Examiner	1,820,650	105,140	1,715,510
Miscellaneous Current Expense	5,262,185	184,602,595	(179,340,410)
Parks and Recreation Services	6,259,710	1,830,710	4,429,000
Planning and Land Services	18,916,640	14,155,190	4,761,450
Prevention Services & Programs	1,665,000	—	1,665,000
Prosecuting Attorney	24,230,970	5,057,600	19,173,370
Public Defense Conflict Office	628,630	—	628,630
Sheriff	53,983,020	19,926,910	34,056,110
Special Projects	2,708,390	440,660	2,267,730
State Auditor	180,970	—	180,970
Superior Court	12,703,920	330,480	12,373,440
WSU PC Extension	936,770	34,500	902,270
Total	265,123,705	265,123,705	—

Displayed above is a comparison of departmental expenditures with the revenues directly generated by that department. We must caution that these figures should be viewed, at best, as gross approximations of the extent to which a department is self-supporting. That caution is needed for the following reasons:

Even though the “credit” for a direct revenue is assigned to one department, in many cases several departments are involved in the generation, administration, billing and collection of revenue.

There are also several instances where the expenditure incurred by one department is actually for the benefit of other departments. Thus a comparison of the expenditures versus revenues in each department is not necessarily straight-forward.

Revenue and Expenditure Summaries

GENERAL FUND DEPARTMENTAL PROGRAM BUDGETS				
Department/Program	2007 Budget	2006 Budget	Absolute Change	Percent Change
Assessor/Treasurer				
Administration	\$ 3,271,180	\$ 3,347,500	\$ (76,320)	(2.3) %
ULID Foreclosures	29,720	31,420	(1,700)	(5.4)
Appraisals	3,676,670	3,293,840	382,830	11.6
Geographic Services	607,630	511,540	96,090	18.8
Operation/Technology	1,063,240	1,114,700	(51,460)	(4.6)
Accounts Management	2,097,630	2,053,850	43,780	2.1
Appeals	243,040	232,160	10,880	4.7
Total Assessor/Treasurer	10,989,110	10,585,010	404,100	3.8
Assigned Counsel				
Civil Commitment	423,780	388,660	35,120	9.0
District Court Misdemeanor	1,703,610	1,467,280	236,330	16.1
City of Tacoma Municipal Court	910,290	882,130	28,160	3.2
Juvenile Court	3,551,610	3,118,300	433,310	13.9
City of Fife Municipal Court	85,330	89,860	(4,530)	(5.0)
Superior Court Felony	6,686,050	6,502,590	183,460	2.8
Total Assigned Counsel	13,360,670	12,448,820	911,850	7.3
Auditor				
Animal Services	1,456,540	1,204,050	252,490	21.0
Elections	2,056,950	2,465,700	(408,750)	(16.6)
Voter Registration	1,384,940	1,170,400	214,540	18.3
Records Services	1,517,110	1,456,630	60,480	4.2
Licensing	1,480,400	1,388,900	91,500	6.6
Voter Pamphlet	365,350	423,870	(58,520)	(13.8)
Total Auditor	8,261,290	8,109,550	151,740	1.9
Bond Debt Service	697,610	1,369,500	(671,890)	(49.1)
Budget & Finance				
Administration	1,017,060	944,920	72,140	7.6
Treasury Services	1,473,070	1,391,150	81,920	5.9
Payables, Payroll & General Accounting	1,388,410	1,317,180	71,230	5.4
Budget & Grant Administration	455,140	373,520	81,620	21.9
Purchasing & Contract Admin	406,570	384,140	22,430	5.8
Internal Audit/Mgmt Services	416,960	390,210	26,750	6.9
Total Budget & Finance	5,157,210	4,801,120	356,090	7.4
Capital Improvement Projects	390,000	4,650,000	(4,260,000)	(91.6)
Clerk of the Superior Court				
Administration	1,217,980	1,088,970	129,010	11.8
Court House Facilitator	219,830	179,540	40,290	22.4
Civil Commitment	235,880	220,140	15,740	7.1
Arbitration	140,610	141,270	(660)	(0.5)
Legal Services	1,343,590	1,220,110	123,480	10.1
LFO Collections	255,480	228,560	26,920	11.8
Fiscal Services	434,090	398,220	35,870	9.0
Domestic Violence	288,510	264,650	23,860	9.0
Probate and Court Services	955,400	864,620	90,780	10.5
Total Clerk of the Superior Court	5,091,370	4,606,080	485,290	10.5

(Table continued on the following page)

Revenue and Expenditure Summaries

GENERAL FUND DEPARTMENTAL PROGRAM BUDGETS				
Department/Program	2007 Budget	2006 Budget	Absolute Change	Percent Change
Communications				
Communication Service	660,670	626,920	33,750	5.4
Total Communications	660,670	626,920	33,750	5.4
Corrections				
Administration	1,691,760	1,471,490	220,270	15.0
Care & Custody of Prisoners	26,856,110	23,533,580	3,322,530	14.1
Medical Services	5,665,860	5,165,170	500,690	9.7
Court Transportation	2,426,560	2,253,460	173,100	7.7
Release	1,311,000	1,208,130	102,870	8.5
Food Services	1,932,390	1,798,110	134,280	7.5
Mental Health	808,580	771,210	37,370	4.8
Reception	823,010	756,430	66,580	8.8
Classification/Pretrial	1,280,950	1,194,370	86,580	7.2
Work Crew Program	88,890	84,080	4,810	5.7
Debt Service	2,085,570	2,588,870	(503,300)	(19.4)
Total Corrections	44,970,680	40,824,900	4,145,780	10.2
County Council	4,040,990	3,708,870	332,120	9.0
County Executive	1,130,050	1,037,920	92,130	8.9
District Court				
District Court Work Crew	854,410	—	854,410	∞
Administration/Operations	—	290,470	(290,470)	(100.0)
Probation Services	2,176,190	—	2,176,190	∞
Day Reporting Center	298,050	—	298,050	∞
Technical Support Services	—	242,930	(242,930)	(100.0)
Civil	1,393,970	1,240,010	153,960	12.4
Infraction Processing	1,778,790	1,566,270	212,520	13.6
Criminal	4,478,550	4,152,440	326,110	7.9
Total District Court	10,979,960	7,492,120	3,487,840	46.6
District Court Probation				
District Court Work Crew	—	604,620	(604,620)	(100.0)
Probation Services	—	1,937,250	(1,937,250)	(100.0)
Day Reporting Center	—	208,230	(208,230)	(100.0)
Total District Court Probation	—	2,750,100	(2,750,100)	(100.0)
Economic Development				
Administration/Planning	890,930	788,160	102,770	13.0
Comm Dev Corp Pgm	45,130	30,220	14,910	49.3
World Trade Center	30,000	20,000	10,000	50.0
Central PS Economic Development	8,070	8,000	70	0.9
Economic Dev Board	60,000	60,000	—	—
Seattle Trade Alliance	25,000	25,000	—	—
Economic Development Studies	—	32,700	(32,700)	(100.0)
Pierce County Reading Foundation	—	50,000	(50,000)	(100.0)
Total Economic Development	1,059,130	1,014,080	45,050	4.4
Emergency Management				
Fire Inspection Program	215,360	199,850	15,510	7.8
Fire Prevention & Investigation	1,585,620	1,481,720	103,900	7.0
Emergency Management/Admin	1,105,330	1,176,170	(70,840)	(6.0)
Emergency Medical Services	233,650	218,870	14,780	6.8
Training Program	191,290	195,320	(4,030)	(2.1)
Total Emergency Management	3,331,250	3,271,930	59,320	1.8
Health Services	3,053,020	3,041,020	12,000	0.4

(Table continued on the following page)

Revenue and Expenditure Summaries

GENERAL FUND DEPARTMENTAL PROGRAM BUDGETS				
Department/Program	2007 Budget	2006 Budget	Absolute Change	Percent Change
Human Resources				
Administration	589,800	539,310	50,490	9.4
Employee Incentive/Recognition Pgm	23,440	22,320	1,120	5.0
Organizational Development	635,760	612,330	23,430	3.8
Support Services	524,700	513,020	11,680	2.3
Employment & Compensation	790,170	636,470	153,700	24.1
Labor Relations	542,820	517,040	25,780	5.0
Civil Service	475,790	451,770	24,020	5.3
Total Human Resources	3,582,480	3,292,260	290,220	8.8
Juvenile				
Administration	1,666,490	1,593,310	73,180	4.6
Volunteer Services	130,960	120,720	10,240	8.5
Case Supervision	5,833,770	5,620,128	213,642	3.8
Residential Care & Custody	6,121,020	5,775,210	345,810	6.0
Alternative Detention Services Pgm	1,021,330	969,530	51,800	5.3
Facilities Maintenance	1,551,860	1,432,620	119,240	8.3
Family Court	164,580	154,820	9,760	6.3
Juvenile Court Services	2,581,350	2,155,290	426,060	19.8
Total Juvenile	19,071,360	17,821,628	1,249,732	7.0
Medical Examiner				
Administration	503,160	493,120	10,040	2.0
Coroner Services	687,570	616,840	70,730	11.5
Inquests & Investigations	629,920	591,960	37,960	6.4
Total Medical Examiner	1,820,650	1,701,920	118,730	7.0
Miscellaneous Current Expense	5,262,185	5,798,738	(536,553)	(9.3)
Parks and Recreation Services				
Administration	1,774,010	1,725,550	48,460	2.8
Recreation Services	1,028,770	1,010,990	17,780	1.8
Community Centers	287,190	283,820	3,370	1.2
Parks Maintenance	3,169,740	2,947,350	222,390	7.5
Total Parks and Recreation Services	6,259,710	5,967,710	292,000	4.9
Planning and Land Services				
Development Process	16,355,540	14,351,165	2,004,375	14.0
Advanced Planning	1,708,490	1,526,177	182,313	11.9
Code Enforcement	852,610	664,700	187,910	28.3
Total Planning and Land Services	18,916,640	16,542,042	2,374,598	14.4
Prevention Services & Programs	1,665,000	1,450,000	215,000	14.8
Prosecuting Attorney				
Administration	953,750	886,910	66,840	7.5
Child Support	3,592,690	3,408,040	184,650	5.4
Civil Commitment	201,080	188,670	12,410	6.6
Felony	11,674,030	10,891,470	782,560	7.2
Misdemeanor	2,523,260	2,475,800	47,460	1.9
Juvenile	1,791,390	1,693,640	97,750	5.8
Civil	3,243,540	2,975,380	268,160	9.0
El Cid	251,230	243,030	8,200	3.4
Total Prosecuting Attorney	24,230,970	22,762,940	1,468,030	6.4
Public Defense Conflict Office	628,630	228,840	399,790	174.7

(Table continued on the following page)

Revenue and Expenditure Summaries

GENERAL FUND DEPARTMENTAL PROGRAM BUDGETS

Department/Program	2007 Budget	2006 Budget	Absolute Change	Percent Change
Sheriff				
Administration	4,745,870	4,181,350	564,520	13.5
City Contracts	3,971,430	3,787,010	184,420	4.9
Civil Unit & Court Security	1,755,390	1,499,570	223,660	14.9
Investigation	10,022,880	9,126,630	916,750	9.7
Patrol	22,932,480	21,660,785	1,464,795	5.9
Training	891,650	916,370	(24,720)	(2.7)
Traffic Policing	2,549,680	2,318,470	234,190	9.6
Property Room	1,240,430	1,064,710	175,720	16.5
Communications/LESA	5,873,210	5,670,090	203,120	3.6
Total Sheriff	53,983,020	50,224,985	3,758,035	7.5
Special Projects				
Firearms Advisory Commission	20,000	—	20,000	∞
Grant Writer	30,000	—	30,000	∞
Historical Document Maint	300,000	300,000	—	—
Charter Review Commission	—	45,000	(45,000)	(100.0)
Habitat Protection & Restoration	504,690	426,790	77,900	18.3
Government Relations	402,680	367,260	35,420	9.6
Performance Audit	506,650	456,950	49,700	10.9
Board of Equalization	191,830	168,870	22,960	13.6
Property Management Services	179,390	158,920	20,470	12.9
Law & Justice Commission	2,000	2,500	(500)	(20.0)
Drinking Water Supply Program	112,060	99,140	12,920	13.0
Hearing Examiner	246,060	234,340	11,720	5.0
Farmlands Preservation Program	—	37,540	(37,540)	(100.0)
Ombudsman Program	83,360	20,000	63,360	316.8
Community Contracts Admin	44,670	42,700	1,970	4.6
Marriage Lic Family Services	85,000	85,000	—	—
Total Special Projects	2,708,390	2,445,010	263,380	10.8
State Auditor	180,970	172,100	8,870	5.2
Superior Court				
Administration	2,984,460	2,869,300	115,160	4.0
Breaking the Cycle Program	180,000	600,000	(420,000)	(70.0)
Civil	2,920,550	2,630,050	290,500	11.0
Criminal	3,186,050	3,033,200	152,850	5.0
Civil Commitment	171,580	149,640	21,940	14.7
Drug Court	761,560	775,080	(13,520)	(1.7)
Juvenile	672,700	633,720	38,980	6.2
Protém Pgm - Superior Court	131,020	79,760	51,260	64.3
Interpreter Program	327,820	314,350	13,470	4.3
Jury Management Program	1,168,180	1,119,990	48,190	4.3
Prometa Pilot Project	200,000	—	200,000	∞
Total Superior Court	12,703,920	12,205,090	498,830	4.1
WSU PC Extension				
Administration	243,090	216,300	26,790	12.4
Farmlands Program/Farm Board	178,760	—	178,760	∞
Comm Training & Publication	32,500	27,500	5,000	18.2
4-H Youth	173,330	147,290	26,040	17.7
Agriculture/Master Gardener	106,800	84,950	21,850	25.7
Family Living	202,290	175,280	27,010	15.4
Total WSU PC Extension	936,770	651,320	285,450	43.8

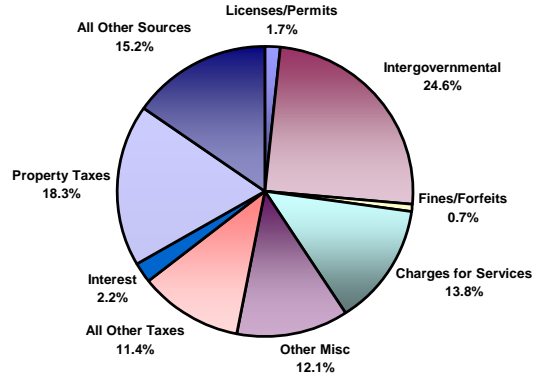
Total Pierce County Revenue & Expenditure Overview

Total revenues and expenditures projected for all 2007 Pierce County operations are summarized and compared to prior years on the following pages and are also discussed throughout the Executive Message. In total, the County's budget will be 1.0% less the 2006 level.

2007 Total County Revenues

Summarized by Source

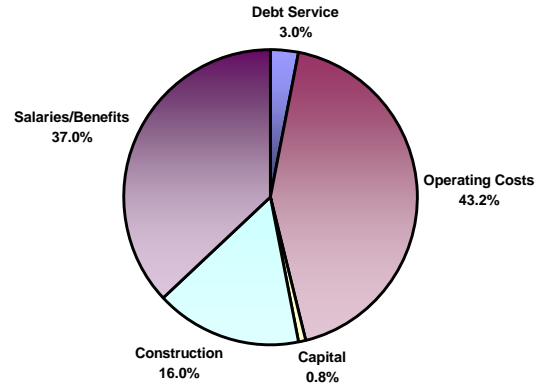
Over 24% of the County's funding comes from Intergovernmental Revenues. Property and Other Taxes equals almost 30% of the total revenues. Service Charges, Licenses/Permits, and Fines/Forfeits provide just over 15%. The 15% in All Other Sources category is primarily made up of the use of prior fund balance.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



2007 Total County Expenditures

Summarized by Object Classification

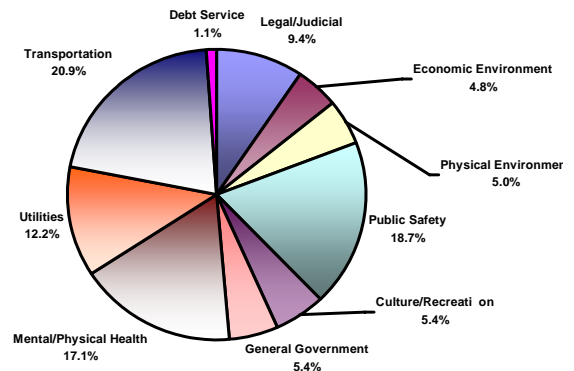
Thirty seven percent of the County's total budget line-item is allocated to personnel costs. All other operating costs consume approximately 43%. The remaining 20% is for capital construction and debt service.



2007 Total County Expenditures

Summarized by Function

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



Revenue and Expenditure Summaries

ALL FUNDS COMPARISON OF 2007 REVENUES AND EXPENDITURES

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

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

Internal Services are those services provided to ourselves, such as information technology, telecommunications, self insurance, vehicle and equipment pools, facilities maintenance, routing, and mail processing. The revenues to these Internal Service Funds are expenditures for the other funds receiving their services. Therefore, to obtain a truer net total budget for the County as a whole, we must remove the budget for the Internal Services (less fund balance and any

revenues from non-county sources). The “netted” 2007 Budget for Pierce County is \$809,039,018 (total budget of \$868,931,228 less Internal Service Funds of \$70,121,910 plus \$100 in Intergovernmental Revenue from non-county sources and \$10,229,600 in Internal Service Funds use of fund balance).

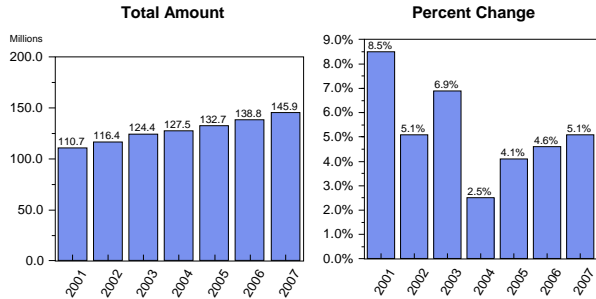
The Governmental Accounting Standards Board (GASB) defines a Major Fund as one which is at least 10% of the fund type group and 5% of the total for all funds. The Major Funds as reported in our 2005 CAFR were the General Fund, Human Services Fund, County Road Fund, Sewer Utility and the Chambers Bay Golf Course. It is expected that these will be the same for fiscal years 2006 and 2007. The General Fund is discussed in significant detail throughout this document. The other funds are described and discussed in their respective individual budget sections.

Historical Review of Countywide Revenues

The following graphs and narrative present the historical changes in the Countywide Revenue sources. The 2000 - 2004 figures are actuals, and the 2005 and 2006 figures are as budgeted. Internal Service Fund Revenues are not included in this analysis.

Property Taxes, 2001–2007

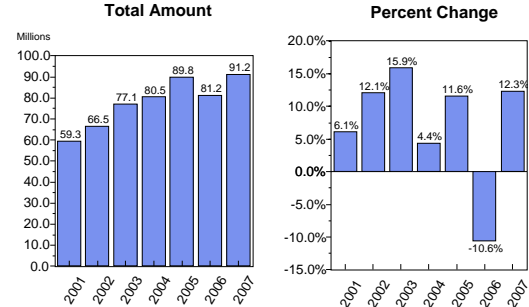
Total Revenues



Property Tax revenues are projected to increase by 5.1% in 2007. This is based upon 4.1% growth in new construction, and the remaining growth generated from existing property at the 1% limit. Fiscal year 2001 reflects the full 6% amount allowable at that time. The decreased growth since 2002 reflects the affect of the new I-747 limit of a 1% increase in property tax revenue from existing property.

Sales and Other Taxes, 2001–2007

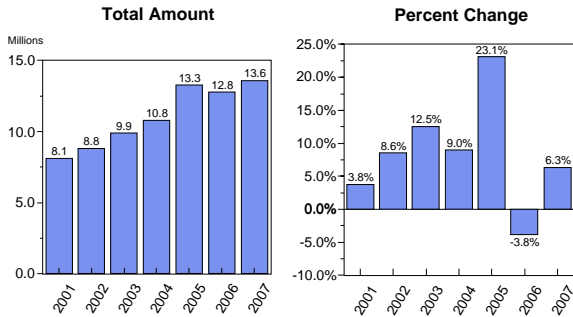
Total Revenues



We are budgeting a 12.3% increase in Sales Taxes, Gambling Taxes, and Real Estate Excise Taxes. Sales Taxes fluctuate with economic conditions. Gambling Taxes almost doubled in 2000 as new card playing casino operations were authorized, and then shrunk accordingly as the operations were eliminated in 2005. The increases in 2002 and 2003 are primarily due to the implementation of the 2nd Real Estate Excise Tax (REET).

Licenses and Permits, 2001–2007

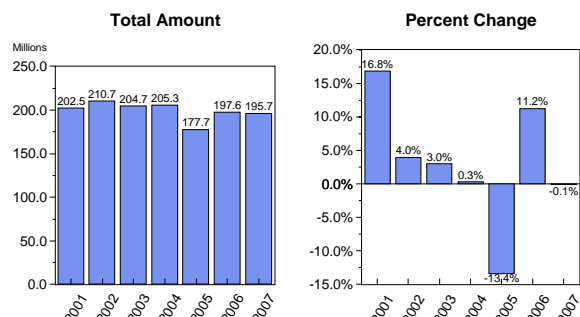
Total Revenues



Licenses and Permits revenues are heavily impacted by economic conditions, and fee increases. The economy has been strong since early in the decade.

Intergovernmental, 2001–2007

Total Revenues

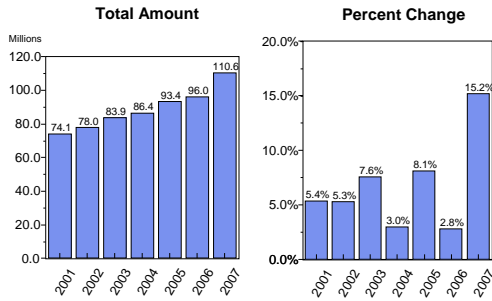


Intergovernmental Revenues are projected to decrease in next year's budget, primarily due reductions or losses in State and Federal grants. These revenues fluctuate greatly from year to year depending on grant funded activities. Over half of the increase in 2001 was due to Medicaid payments for inpatient services at the new Puget Sound Behavioral Health facility. The 2005 reduction reflects the loss of the City of Lakewood contract for Sheriff services.

Revenue and Expenditure Summaries

Charges for Services, 2001–2007

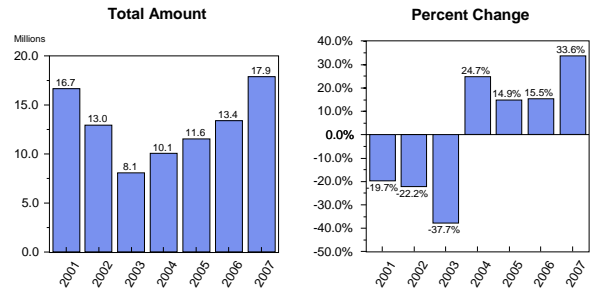
Total Revenues



Revenue from Charges for Services in 2006 is projected to increase by 2.4% from 2005. Growth in most years is due to activity levels and Council enacted fee increases. The large growth in 2007 reflects an anticipated increase in engineering contract reimbursements.

Interest, 2001–2007

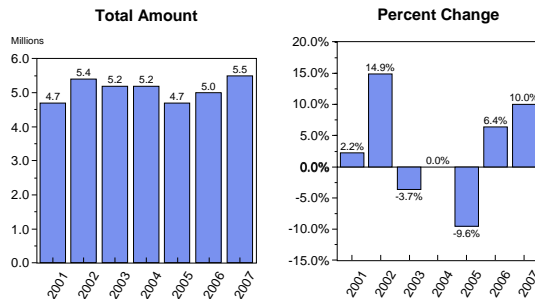
Total Revenues



Interest Revenues are greatly impacted by rate changes and the level of available cash balances. Interest rate decreases are the cause for the continuing decline since 2001. Conversely, recent rate increases account for the upswing beginning in 2004.

Fines and Forfeitures, 2001–2007

Total Revenues

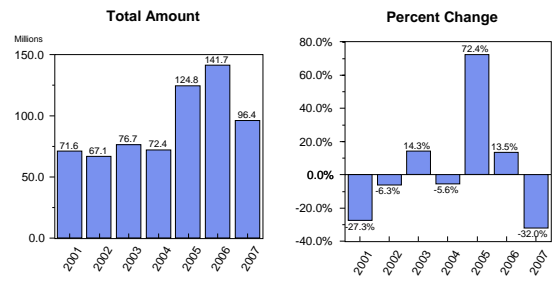


Fines and Forfeits increase or decrease based upon:

- The number of officers assigned to traffic policing,
- changes in state fine amounts, and;
- the use of collection agencies for delinquent accounts (recent).

Other Miscellaneous, 2001–2007

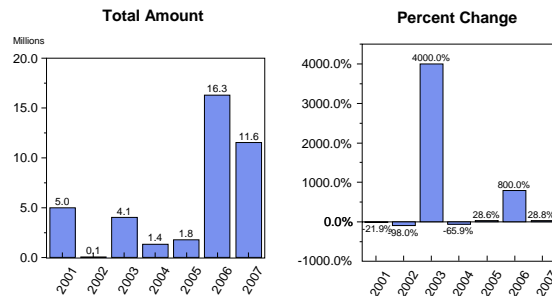
Total Revenues



The increases in 2005 and 2006 reflects financing of Park improvements, new transportation facilities, a new golf course, and conservation futures property purchases. Fiscal 2007 reflects a moderate decrease in the level of capital improvements.

Other Financing Sources, 2001–2007

Total Revenues



Through 2001, Other Financing Sources included equity transfers between funds. With the GASB 34 accounting change implemented in 2002, all transfers are now recorded under Other Miscellaneous. The main items remaining in Other Financing Sources are potential interfund loans or advances, and sewer assessments receivable applied against debt service on sewer revenue bonds. These items will vary considerably from year to year. The 2006 and 2007 budgets reflect advances for: the Water Utility, a new Emergency Operations Center, enhanced Transportation Facilities, and a new golf course and parks at the Chambers Creek properties.

Revenue and Expenditure Summaries

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION

	2007 Budget	2006 Budget	Absolute Change	Percent Change
General Government				
Assessor/Treasurer	\$ 10,989,110	\$ 10,585,010	\$ 404,100	3.8 %
Auditor	7,139,090	7,194,910	(55,820)	(0.8)
Auditor's Maintenance & Operation Fund	1,169,710	1,450,000	(280,290)	(19.3)
Bond Debt Service	697,610	700,440	(2,830)	(0.4)
Budget & Finance	5,157,210	4,801,120	356,090	7.4
Capital Improvement Projects		105,000	(105,000)	(100.0)
Communications	660,670	626,920	33,750	5.4
County Council	4,040,990	3,708,870	332,120	9.0
County Executive	1,130,050	1,037,920	92,130	8.9
Employee Assistance Program Fund	69,580	66,260	3,320	5.0
Human Resources	3,582,480	3,292,260	290,220	8.8
Miscellaneous Current Expense	1,305,300	1,537,535	(232,235)	(15.1)
Rainier Communicatn Commiss Fund	1,255,800	1,172,460	83,340	7.1
Reet Capital Improvement Fund	3,744,550	4,479,770	(735,220)	(16.4)
Reet Electronic Technology Fund	211,700	124,000	87,700	70.7
Special Projects	1,466,630	1,465,850	780	0.1
State Auditor	180,970	172,100	8,870	5.2
Total General Government	42,801,450	42,520,425	281,025	0.7
Public Safety				
Bond Debt Service		468,340	(468,340)	(100.0)
Capital Improvement Projects	40,000		40,000	—
Corrections	44,970,680	40,824,900	4,145,780	10.2
Criminal Justice Fund	744,010	703,340	40,670	5.8
Detention Center Commissary Fund	734,810	705,970	28,840	4.1
District Court	3,308,650		3,308,650	—
District Court Probation		2,750,100	(2,750,100)	(100.0)
Drug Investigation Fund	1,328,230	771,430	556,800	72.2
Emergency Management	3,331,250	3,271,930	59,320	1.8
Emergency Managemt Grants Fund	4,577,730	5,343,480	(765,750)	(14.3)
Juvenile	16,325,430	15,511,518	813,912	5.2
Marine Services Fund	190,960	132,000	58,960	44.7
Medical Examiner	1,820,650	1,701,920	118,730	7.0
Miscellaneous Current Expense	972,895	861,225	111,670	13.0
Parks And Recreation Services	41,050	40,870	180	0.4
Permanent Jail Construction Fund	1,423,260	1,876,360	(453,100)	(24.1)
Prevention Services & Programs	1,665,000	1,450,000	215,000	14.8
Reet Capital Improvement Fund	736,810	2,114,790	(1,377,980)	(65.2)
Sheriff	53,983,020	50,224,985	3,758,035	7.5
Special Projects	118,950	84,650	34,300	40.5
2501 Corporate Express Bldg Fund	7,743,550	12,776,380	(5,032,830)	(39.4)
911 System Fund	5,518,270	5,467,090	51,180	0.9
Total Public Safety	149,575,205	147,081,278	2,493,927	1.7
Physical Environment				
Auditor	1,122,200	914,640	207,560	22.7
Conservation Futures Fund	3,527,740	26,324,600	(22,796,860)	(86.6)
Endangered Species Act Fund	204,920	223,740	(18,820)	(8.4)
Federal Forest Services Fund	120,270	160,700	(40,430)	(25.2)
GIS Fund	3,652,190	3,382,320	269,870	8.0
Miscellaneous Current Expense	529,300	759,250	(229,950)	(30.3)
Reet River Improvement Fund	4,108,470	5,981,820	(1,873,350)	(31.3)
Special Projects	680,250	534,130	146,120	27.4
Surface Water Management Fund	26,265,850	25,917,630	348,220	1.3
Total Physical Environment	40,211,190	64,198,830	(23,987,640)	(37.4)
Legal & Judicial				
Assigned Counsel	13,360,670	12,448,820	911,850	7.3
Bond Debt Service		200,720	(200,720)	(100.0)
Capital Improvement Projects		4,545,000	(4,545,000)	(100.0)
Clerk	5,091,370	4,606,080	485,290	10.5
Criminal Justice Fund	455,000	202,701	252,299	124.5
Dispute Resolution Center Fund	158,000	175,000	(17,000)	(9.7)
District Court	7,671,310	7,492,120	179,190	2.4
Judson Family Justice Center Fund	1,462,790	1,335,917	126,873	9.5
Juvenile	2,745,930	2,310,110	435,820	18.9
Miscellaneous Current Expense	440,100	641,800	(201,700)	(31.4)
Prosecuting Attorney	24,230,970	22,762,940	1,468,030	6.4
Public Defense Conflict Office	628,630	228,840	399,790	174.7
Reet Capital Improvement Fund	5,814,490	6,038,930	(224,440)	(3.7)
Superior Court	12,703,920	12,205,090	498,830	4.1
Total Legal & Judicial	\$ 74,763,180	\$ 75,194,068	\$ (430,888)	(0.6) %

Revenue and Expenditure Summaries

DEPARTMENTAL EXPENDITURES/EXPENSES BY FUNCTION				
	2007 Budget	2006 Budget	Absolute Change	Percent Change
Economic Environment				
Capital Improvement Projects	250,000		250,000	—
Community Development Fund	4,749,660	5,369,710	(620,050)	(11.5)
Economic Development	1,059,130	1,014,080	45,050	4.4
Homeless Housing Program Fund	1,772,920	1,235,000	537,920	43.6
Housing Repair Programs Fund	6,728,480	6,412,190	316,290	4.9
Low Income Housing Fee Fund	4,179,760	5,218,800	(1,039,040)	(19.9)
Miscellaneous Current Expense	514,450	454,950	59,500	13.1
Planning And Land Services	18,916,640	16,542,042	2,374,598	14.4
Special Projects	291,060	296,880	(5,820)	(2.0)
Total Economic Environment	38,462,100	36,543,652	1,918,448	5.2
Mental/Physical Health				
Community Action Fund	6,611,170	7,035,072	(423,902)	(6.0)
Health Department	34,831,073	33,768,429	1,062,644	3.1
Health Services	3,053,020	3,041,020	12,000	0.4
Human Services Construction Fund	2,865,810	3,027,240	(161,430)	(5.3)
Human Services Fund	87,982,290	81,695,200	6,287,090	7.7
Miscellaneous Current Expense	650,620	480,390	170,230	35.4
Puget Sound Behavioral Health Fund		12,222,850	(12,222,850)	(100.0)
Veterans Relief Fund	701,310	582,690	118,620	20.4
Total Mental/Physical Health	136,695,293	141,852,891	(5,157,598)	(3.6)
Cultural & Recreation				
Arts And Cultural Services Fund	206,760	232,240	(25,480)	(11.0)
Capital Improvement Projects	100,000		100,000	—
Chambers Bay Golf Course Fund	5,268,820	15,993,950	(10,725,130)	(67.1)
Golf Courses Fund	2,150,000	1,996,950	153,050	7.7
Miscellaneous Current Expense	682,520	780,320	(97,800)	(12.5)
Parks And Recreation Services	6,218,660	5,926,840	291,820	4.9
Parks Bond A Const Fund		11,465,100	(11,465,100)	(100.0)
Parks Construction Fund	7,850,580	5,358,840	2,491,740	46.5
Parks Impact Fee Fund	3,992,600	2,979,310	1,013,290	34.0
Parks Sales Tax Fund	5,271,400	5,436,030	(164,630)	(3.0)
Paths And Trails Fund	4,654,790	4,465,930	188,860	4.2
Pierce County Fair Fund	181,520	184,060	(2,540)	(1.4)
Second Reet Parks Fund	3,903,420	2,320,000	1,583,420	68.3
Special Projects	75,000		75,000	—
Tourism, Promotion, Facility Fund	1,019,570	956,060	63,510	6.6
WSU PC Extension	936,770	651,320	285,450	43.8
1% For Arts Construction Fund	653,350	734,110	(80,760)	(11.0)
Total Cultural & Recreation	43,165,760	59,481,060	(16,315,300)	(27.4)
Debt Service				
Limited GO Bond Redemption Fund	9,181,510	6,487,970	2,693,540	41.5
Total Debt Service	9,181,510	6,487,970	2,693,540	41.5
Transportation				
Airport Fund	742,200	3,052,407	(2,310,207)	(75.7)
County Road Fund	70,409,560	60,403,700	10,005,860	16.6
Miscellaneous Current Expense	167,000	283,268	(116,268)	(41.0)
PC Ferry Services Fund	3,957,020	14,531,870	(10,574,850)	(72.8)
Public Works Construction Fund	43,461,000	33,357,000	10,104,000	30.3
Second Reet Roads Fund	14,046,090	5,171,820	8,874,270	171.6
Special Projects	76,500	63,500	13,000	20.5
Traffic Impact Fee Fund	8,000,000		8,000,000	—
Transportation Facilities Fund	25,873,790	26,838,880	(965,090)	(3.6)
Total Transportation	166,733,160	143,702,445	23,030,715	16.0
Utilities				
Sewer Bond Funds	5,615,240	5,671,730	(56,490)	(1.0)
Sewer Facil Restric Reserve Fund	13,561,000	11,065,200	2,495,800	22.6
Sewer Utility Const Funds	23,636,500	27,732,290	(4,095,790)	(14.8)
Sewer Utility Fund	48,611,360	48,984,330	(372,970)	(0.8)
Solid Waste Mgmt Fund	5,483,470	4,971,130	512,340	10.3
Water Utility Fund	312,900	304,170	8,730	2.9
Total Utilities	97,220,470	98,728,850	(1,508,380)	(1.5)
Internal Service				
Equipment Services Division Fund	18,748,500	12,529,550	6,218,950	49.6
Facilities Management Fund	11,435,330	10,675,420	759,910	7.1
Fleet Rental Fund	4,040,170	3,963,290	76,880	1.9
General Services Fund	3,263,620	3,094,120	169,500	5.5
Information Technology Fund	18,657,810	17,321,060	1,336,750	7.7
Radio Communications Fund	2,405,970	2,534,150	(128,180)	(5.1)
Self Insurance Fund	8,449,390	8,795,540	(346,150)	(3.9)
Workers Compensation Fund	3,121,120	3,064,600	56,520	1.8
Total Internal Service	70,121,910	61,977,730	8,144,180	13.1
County Fund Total	\$ 868,931,228	\$ 877,769,199	\$ (8,837,971)	(1.0) %

Revenue and Expenditure Summaries

TOTAL ESTIMATED REVENUES AND OTHER FUNDING SOURCES						
	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	Absolute Change	Percent Change
General Fund						
Taxes	\$ 150,044,737	\$ 154,301,630	\$ 159,205,460	\$ 165,101,630	\$ 10,800,000	7.0 %
Licenses and Permits	8,882,176	8,964,520	8,944,841	9,676,760	712,240	7.9
Intergovernmental Revenue	29,536,965	28,315,413	28,723,308	29,594,530	1,279,117	4.5
Charges for Services	33,120,460	34,732,455	32,848,829	36,174,850	1,442,395	4.2
Fines and Forfeitures	4,664,920	4,943,950	4,942,609	5,464,490	520,540	10.5
Other Miscellaneous Revenue	11,346,357	14,712,862	16,332,948	18,293,720	3,580,858	24.3
Subtotal	237,595,615	245,970,830	250,997,995	264,305,980	18,335,150	7.5
Use of Fund Balance	—	5,631,693	—	817,725	(4,813,968)	(85.5)
Subtotal	—	5,631,693	—	817,725	(4,813,968)	(85.5)
Total General Fund	237,595,615	251,602,523	250,997,995	265,123,705	13,521,182	5.4
Special Revenue Funds						
Taxes	63,233,171	60,622,950	64,587,450	65,737,340	5,114,390	8.4
Licenses and Permits	265,337	74,000	76,000	79,500	5,500	7.4
Intergovernmental Revenue	115,105,235	130,288,151	125,653,937	126,682,450	(3,605,701)	(2.8)
Charges for Services	21,022,055	20,966,400	20,432,640	29,642,000	8,675,600	41.4
Fines and Forfeitures	25,236	13,000	20,000	10,000	(3,000)	(23.1)
Other Miscellaneous Revenue	12,038,547	37,150,149	35,725,843	15,778,100	(21,372,049)	(57.5)
Subtotal	211,689,581	249,114,650	246,495,870	237,929,390	(11,185,260)	(4.5)
Use of Fund Balance	—	32,446,470	—	42,237,940	9,791,470	30.2
Other Financing Sources	—	—	100	—	—	—
Subtotal	—	32,446,470	100	42,237,940	9,791,470	30.2
Total Special Revenue Funds	211,689,581	281,561,120	246,495,970	280,167,330	(1,393,790)	(0.5)
Debt Service Funds						
Other Miscellaneous Revenue	40,793,189	5,708,310	5,708,310	8,831,510	3,123,200	54.7
Subtotal	40,793,189	5,708,310	5,708,310	8,831,510	3,123,200	54.7
Use of Fund Balance	—	779,660	—	350,000	(429,660)	(55.1)
Subtotal	—	779,660	—	350,000	(429,660)	(55.1)
Total Debt Service Funds	40,793,189	6,487,970	5,708,310	9,181,510	2,693,540	41.5
Capital Funds						
Taxes	8,920,857	4,915,540	6,560,720	6,000,000	1,084,460	22.1
Intergovernmental Revenue	6,303,892	11,909,950	11,038,530	16,557,550	4,647,600	39.0
Charges for Services	916,044	881,640	1,275,140	34,910	(846,730)	(96.0)
Other Miscellaneous Revenue	38,893,656	59,915,960	67,352,347	34,686,330	(25,229,630)	(42.1)
Subtotal	55,034,449	77,623,090	86,226,737	57,278,790	(20,344,300)	(26.2)
Use of Fund Balance	—	20,930,810	—	34,023,140	13,092,330	62.6
Other Financing Sources	—	9,513,500	1,386,710	8,865,260	(648,240)	(6.8)
Subtotal	—	30,444,310	1,386,710	42,888,400	12,444,090	40.9
Total Capital Project Funds	\$ 55,034,449	\$ 108,067,400	\$ 87,613,447	\$ 100,167,190	\$ (7,900,210)	(7.3) %

Revenue and Expenditure Summaries

TOTAL ESTIMATED REVENUES AND OTHER FUNDING SOURCES						
	2005 Actual	2006 Budget	2006 Estimate	2007 Budget	Absolute Change	Percent Change
Enterprise Funds						
Taxes	\$ 285,728	\$ 180,000	\$ 263,373	\$ 210,000	\$ 30,000	16.7 %
Intergovernmental Revenue	2,406,086	6,565,107	6,191,487	2,125,460	(4,439,647)	(67.6)
Charges for Services	32,965,662	34,291,530	34,107,428	38,648,330	4,356,800	12.7
Other Miscellaneous Revenue	29,330,579	36,120,160	30,298,094	36,110,210	(9,950)	—
Subtotal	64,988,055	77,156,797	70,860,382	77,094,000	(62,797)	(0.1)
Use of Fund Balance	—	50,346,060	—	29,556,610	(20,789,450)	(41.3)
Other Financing Sources	1,769,101	6,801,170	5,496,070	2,687,900	(4,113,270)	(60.5)
Subtotal	1,769,101	57,147,230	5,496,070	32,244,510	(24,902,720)	(43.6)
Total Enterprise Funds	66,757,156	134,304,027	76,356,452	109,338,510	(24,965,517)	(18.6)
Internal Service Funds						
Intergovernmental Revenue	149,796	100	20,110	100	—	—
Charges for Services	22,531,642	24,418,610	24,555,540	27,038,580	2,619,970	10.7
Other Miscellaneous Revenue	30,480,601	31,519,160	31,676,520	32,853,630	1,334,470	4.2
Subtotal	53,162,039	55,937,870	56,252,170	59,892,310	3,954,440	7.1
Use of Fund Balance	—	6,039,860	—	10,229,600	4,189,740	69.4
Subtotal	—	6,039,860	—	10,229,600	4,189,740	69.4
Total Internal Service Funds	53,162,039	61,977,730	56,252,170	70,121,910	8,144,180	13.1
T/PC Health Department						
Licenses and Permits	4,124,318	3,778,837	3,778,837	3,837,088	58,251	1.5
Intergovernmental Revenue	24,362,368	20,503,787	20,503,787	20,719,021	215,234	1.0
Charges for Services	5,332,294	5,166,706	5,166,706	6,056,692	889,986	17.2
Other Miscellaneous Revenue	3,919,939	1,551,542	1,551,542	671,935	(879,607)	(56.7)
Subtotal	37,738,919	31,000,872	31,000,872	31,284,736	283,864	0.9
Use of Fund Balance	—	2,767,557	—	3,546,337	778,780	28.1
Subtotal	—	2,767,557	—	3,546,337	778,780	28.1
Total T/PC Health Dept	37,738,919	33,768,429	31,000,872	34,831,073	1,062,644	3.1
Grand Total	\$ 702,770,948	\$ 877,769,199	\$ 754,425,216	\$ 868,931,228	\$ (8,837,971)	(1.0) %

Revenue and Expenditure Summaries

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

Revenue and Expenditure Summaries

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

Revenue and Expenditure Summaries
