

## INTRODUCTION

This tentative budget attempts to draw together in one document the basic information relevant to the St Lucie County FY 97 budget.

The **Budget Message** identifies policy issues raised in the FY 97 budget, and attempts to put the FY 97 budget in context with the overall financial outlook for the County.

The **Budget Summary** highlights some significant elements of the budget in graphic formats. This section is also published under separate cover as a "Budget in Brief" document.

The **Budget by Fund & Function** section reports on the sources of revenue and purposes of expenditures for the County's major operating funds.

The **Departmental Summaries** show the organization for each department, and provide summaries of the revenue sources and major expenditures by type. They also report on the major accomplishments of the department in the current year, objectives for the coming year, and provide a summary of some of the key indicators of the departments' programs and activities.

The **Capital Budget** section reports on the capital program of the County.

The **Debt Service** section summarizes the current status of County debt.

The **Appendices** address technical issues including the budget and financial policies, the basis of accounting, and a glossary of technical terms.

The major sections are presented under separate tabs, with contents listed within the tab where appropriate.

We are attempting to develop a "user friendly" budget document that will be informative and contribute to effective communication on budget issues. Suggestions for additions, modifications, or improvements are welcomed.

## COUNTY ADMINISTRATORS BUDGET MESSAGE

September 18, 1996

Mr. Chairman and Members of the Board of County Commissioners:

In developing the Fiscal Year 97 budget, St. Lucie County faced two related but separate types of budget issues, which require two related but separate types of actions.

The first type of issue involved an immediate or short term problem: the lack of sufficient revenues to adequately fund the FY 97 budget. The county has faced this type of problem over each of the last several years. It has been met with short term solutions: decreasing support for programs; cutting or freezing staffing; freezing equipment purchases; and deferring maintenance and capital expenditures.

The second type of budgeting issue St. Lucie County faces is longer term in nature. Following a decade of 10% annual average growth in property valuations from 1980 to 1990, the county has experienced 1.5% growth on average over the past five years. Growth for the current year is at 1.22%. In summary, growth driven increases in revenue have not been sufficient in recent years to fully fund current levels of program services.

The county has taken several actions to deal with long term budget issues. For example, the Solid Waste program has been restructured and has instituted management improvements with substantial success. Additionally, fees have been revised to bring other enterprise and internal service funds closer to self sufficiency, and fees have been increased in other operating funds where appropriate.

The county has privatized most custodial and certain grounds maintenance services. Over a four year period the County has eliminated funding for some community based programs, and severely reduced or restricted funding for others.

Additional efforts will be necessary, however, to establish long term budgetary solvency and fiscal health for the county. There is a high level of consensus among people knowledgeable about county government operations that the "fat" has been wrung out of the system over the past several years.

Short term cuts such as those that have been made over the past few years proved to be decreasingly cost-effective. Repair costs can increase as equipment that should be replaced is not. Productivity increases may be hampered due to the lack of investment in new equipment and systems. Capital facilities may be allowed to deteriorate and be placed at risk if needed maintenance is deferred and needed capital investments are not approved. Needed capital expenditures on roads, drainage, and facilities may not be fully funded.

In order to be viable over the long term, a properly funded program needs to have an adequate staff that is fairly compensated, properly trained and equipped, and working in adequate and well maintained facilities with resources sufficient to accomplish the programs objectives as established by Board policy.

To achieve long term budgetary solvency, one of several alternative actions needs to be taken: (1) revenues need to be increased, (2) service levels need to be reduced, (3) productivity needs to be increased, or (4) some combination of the foregoing. A carefully developed and properly implemented method for identifying and achieving consensus on a balanced approach to achieving long term fiscal solvency is essential to a successful effort

A critical factor has to be concern for increasing the tax base. A single taxpayer - Florida Power and Light - has property assesses this year at \$1.3 billion, or 17.35% of total countywide valuation. Assuming depreciation rates of 3 or 4 % per year on this property, the county must realize from \$39 million to \$52 million in other valuation growth just to stay at ground zero. In order to provide for increase revenue, additional economic growth is necessary.

There is no simple solution to the county's long range budget problems. An effective response to this issue will require sustained efforts by the staff and leadership of county government, aided by broad based participation of community leadership, and supported by diverse interests within the community.

## THE FY 97 BUDGET

The FY 97 budget preserves an unrestricted emergency reserve of \$3 million. This is equal to approximately five percent of the combined budgets of the two major taxing funds - the General and Law Enforcement/Fine & Forfeiture Funds - which meets one commonly accepted minimum standard. As budgets have become tighter, this reserve has not been increased. To deal with unforeseen emergencies, this reserve should be increased as funds permit.

The proposed budget targeted holding programs under the authority of the Board to a one percent funding increase. We requested and received cooperation from the constitutional officers in holding proposed budget increases to minimum levels.

A key factor in preparing a sound budget is an accurate estimate of year end balances to be carried forward to the next fiscal year. The estimates in the proposed budget are the best available, based on the experience and best judgment of staff. Again, as budgets become tighter, this number becomes more critical. Improvements in fiscal and budget monitoring systems take on added importance in this environment.

Traditionally, in St Lucie County, major maintenance expenditures (such as for roof replacements) have been handled in the operating budget. For FY 97, several major maintenance projects, totaling \$1.2 million and including projects such as roof replacements, building waterproofing and facilities renovations, have been funded by balances available in the Sales Tax Revenue Bond. This allowed the county to catch up on some essential maintenance projects, and still balance the operating budget. These bond funds, once used, will not be available for these purposes in the future.

The Board of County Commissioners has authorized the establishment of a separate Fund dedicated to maintenance for public facilities, to be supported in part by revenues from the State Revenue Sharing program. Sufficient resources are not available to establish this Fund in FY 97, however we plan to do so in the following fiscal year.

There are major success stories in this budget. The Solid Waste program, operating in an enterprise fund, has successfully restructured and cut costs to the extent that tipping fees have been reduced in the current fiscal year. Even with reduced revenues, Solid Waste has been able to present a responsible balanced budget with adequate provisions for new equipment acquisitions which will further enhance productivity.

The Automated Data Services program, operating as an internal service fund, has been able to accommodate increasing service demands while reducing their budget by one percent. All of the equipment purchased by the Automated Services Department is acquired through the depreciation account within the fund.

The proposed budget reflects a decrease in countywide ad valorem millage for operations for FY 97.

Certified county property valuations have increased from \$7.17 billion to \$7.49 billion, or 4.55%; however, \$239 million of this increase is due to the revaluation of the property value of a single taxpayer - the Florida Power and Light company - which they are contesting. We propose budgeting the revenue amount from this assessment in a reserve account until such time as the taxes related to the assessment are paid. As a result, the increase in valuation available for operating budget purposes is 1.22%.

In calculating revenues based on the roll-back millage rate, however, it will appear as if all of the valuation increase, including that for FPL, will generate taxes available for expenditure. Therefore, the legally mandated statement of taxes based on the roll-back rate will show proposed taxes at a level higher than the roll-back level. This may result in public confusion and concern about an "increase" in taxes, when in fact tax rates remain nearly the same as for FY 96.

The dual taxation legal settlement does require a 0.0323 mill increase in the unincorporated area tax, which will generate \$133,279.54 in a Law Enforcement MSTU to support the Sheriff's zone patrol. We are proposing a companion \$133,279.54 reduction in the Law Enforcement/Fine & Forfeiture Fund. This will amount to 0.178 mills, due to the different assessed value bases for the funds. For the owner of a \$75,000 home, this will result in an increase in taxes of 72 cents if the home is within the unincorporated area. If the home is in an incorporated area, taxes will decrease by 89 cents. There is also a Community Development MSTU which funds services provided only in the unincorporated area. An increase of 0.0231 mills is proposed in this unincorporated area tax to support Community Development Department program activities.

The budget does incorporate the voter approved .25 mill levy for environmental land acquisition.

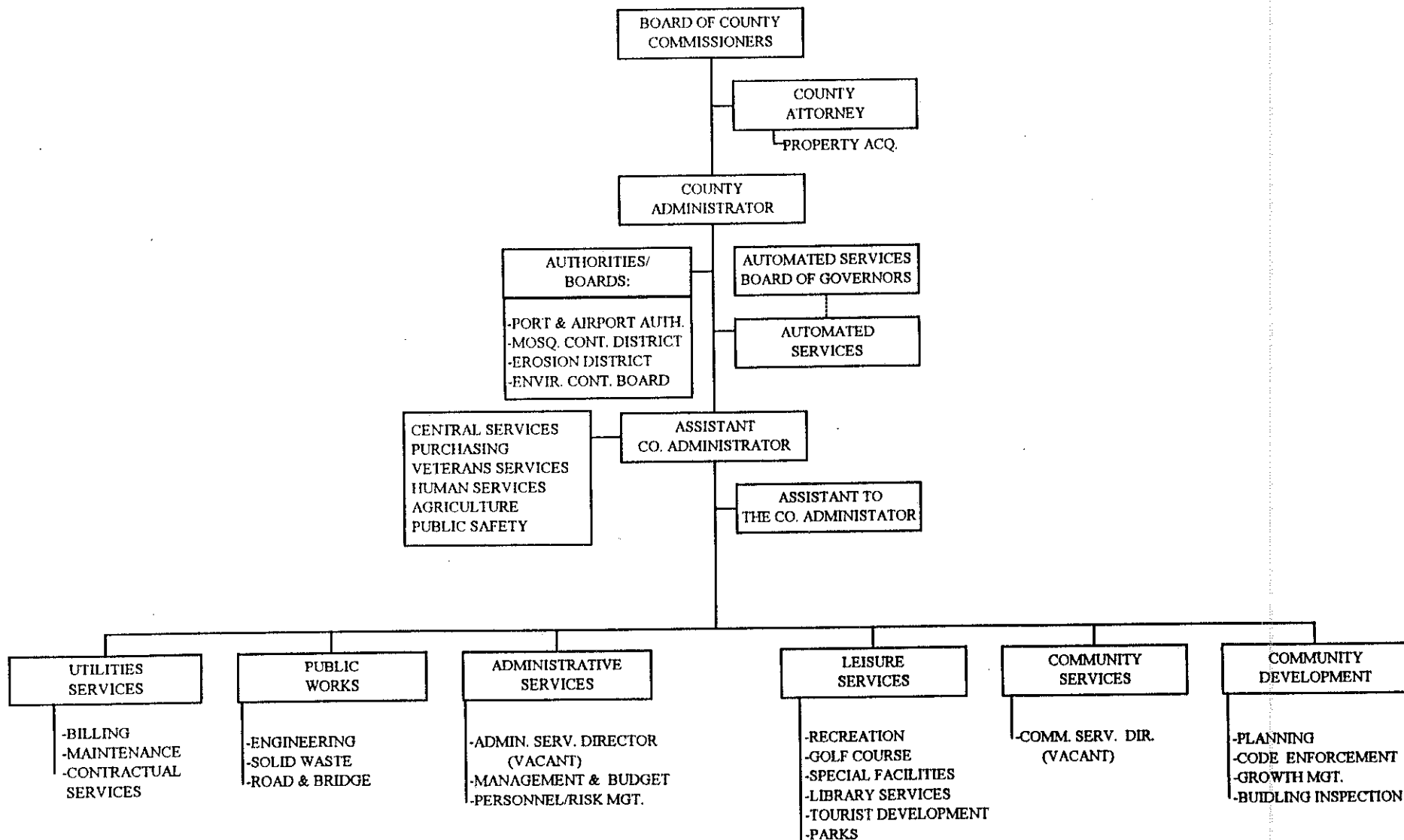
We wish to acknowledge the positive attitude and excellent cooperation of both the county staff and the constitutional officers in the development of a balanced budgets. They have responded well to a difficult and demanding task.

We encourage the Board to look at FY 97 as a transition budget, and to initiate the actions necessary to begin resolution of the county's long term budget issues in conjunction with the FY 97 budget process.

Respectfully submitted,

Thomas L. Kindred  
County Administrator

# ST. LUCIE COUNTY ORGANIZATION CHART



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## St. Lucie County, Florida

### General Information

St. Lucie County is located about two-thirds of the way down Florida's Atlantic coastline in the heart of the Treasure Coast region. Fort Pierce is the County seat and is located about 60 miles north of West Palm Beach and about 100 miles south-east of Orlando. Key facts about St. Lucie:

- St. Lucie County's population for 1997 is estimated at 181,500 persons, which is largely concentrated within the eastern portion of the county within 5-10 miles of the Atlantic Coast.
- Tourism, light manufacturing, agriculture and services are the principal industries of the County.
- St. Lucie has a very substantial agricultural base with over 500 farms, mostly in the central and western areas. Farms account for over 80% of the county's total land area of 581 square miles. Most of the agricultural land is set aside for citrus production.
- The region's population growth is among the fastest in the state.
- The unincorporated areas account for 82.4% of the land area.
- About 82% of the population is white, 4% hispanic, and 14% black and other.
- St. Lucie County is managed by a professional administrator, and is governed by a five-member board of commissioners elected by voters for staggered terms of four years each.

### Resources

St. Lucie County has a broad range of natural, as well as governmentally and commercially developed resources that make it attractive for multiple uses. These resources include:



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- St. Lucie has the beautiful Atlantic coastline which provides for ample recreation, tourism and commercial opportunities.
  - St. Lucie also has over 300,000 acres of farmland.
  - Transportation resources: the Florida Turnpike, I-95, U.S. Highway 1, the Port of Fort Pierce, the St. Lucie International Airport, and the Florida East Coast Railway are in close proximity to one another. This provides for easy access by tourists as well as superior commercial freight opportunities.
  - Higher educational resources: St. Lucie is the site of Indian River Community College (IRCC), and extension campuses of Florida Atlantic University and Barry University. St. Lucie County is also the home for the prestigious Harbor Branch Oceanographic Institution. IRCC serves St. Lucie, Martin, Indian River and Okeechobee Counties although its main campus is in St. Lucie County.
  - The St. Lucie County Sports Complex includes an impressive modern stadium that serves as the spring-training home of the New York Mets baseball team as well as a local farm club.
  - The public school system is county- wide with 18 elementary schools (grades K-5), four middle schools (grades 6-8), and four high schools. St. Lucie County also has one exceptional student education center and two alternative schools. It employs approximately 1,500 teachers and 1,100 non-teachers. The School Board consists of a five member board, each of which is elected to a four-year term.
  - There are three law enforcement forces the St. Lucie County Sheriff's Department, the Fort Pierce Police Department and Port St. Lucie's Police Department.

## **Incorporated Municipalities**

**1. Ft. Pierce** (pop. 36,909 in 1993) serves as the County Seat and covers 21 square miles. Its history dates back to the Seminole Indian Wars when Army Lt. Col. Benjamin Kendrick Pierce established a fort at the site in 1837. After the fighting ended, Ft. Pierce remained as a permanent settlement. Water transportation and fishing marked the early economy, along with the production of pineapple (a crop that was eventually replaced with citrus). Fort Pierce remains the commercial center of St. Lucie County, although it is smaller in population and land area than Port St. Lucie. The city is run by a five-member city commission which employs a

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professional manager.

**2. The City of Port St. Lucie** (pop. 65,722 in 1993) is the largest in geographic area and population, covering 80 square miles with a population of 65,722 as of 1993. It was established in 1961 as a residential community and was originally developed in large measure through the General Development Corporation.

**3. St. Lucie Village** is a small enclave that covers 1.5 square miles of territory in North St. Lucie County along the Indian River.

## BUDGET PROCESS - SCHEDULE

The budget is prepared in accord with the following schedule:

JANUARY	Establish revised procedures and requirements for new fiscal year.
FEBRUARY	Distribute budget preparation guidelines to departments. Citizens Budget Committee (CBC) schedule prepared.
MARCH	Board retreat; general budget policy direction Departments prepare budgets; Department Directors review budget.
APRIL	Update audited carryover amounts; make preliminary revenue estimates. County Administrator budget reviews.
MAY	Administrator review - capital projects
JUNE	Board workshops - capital projects.
JULY	Citizen's Budget Committee report to Board. Board budget reviews; adopt proposed budget; set proposed millage rate.
AUGUST	Prepare tentative budget.
SEPTEMBER	First public hearing - adopt tentative budget and millage rate. Final public hearing - adopt final budget and millage rate.
OCTOBER	Fiscal year begins; publish final budget.
NOVEMBER	Update prior year carryovers; begin policy planning for next fiscal year.
DECEMBER	Review and evaluate the budget process; identify needed improvements.

Budget preparation is a year round process. It begins with the preparation of revised procedures in January, based on a year-end evaluation conducted in December. The formal process begins in February, with the distribution of the budget guidelines to departments, and planning for the schedule and agenda for the Citizens Budget Committee. The Citizens Budget Committee identifies and reviews budget issues of interest and reports to the Board in the budget review process.

Departments prepare their budgets in March for review by the County Administrator in April. Capital projects are reviewed by the Administrator in May, and by the Board in June.

The Board reviews the budget requests in July, and then adopts a proposed budget and millage rate.

Two public hearings are held in September. At the first hearing, the tentative budget is presented. After public comment and Board discussion, a tentative millage rate and tentative budget are adopted. At the second and final hearing, a final millage rate and final budget are adopted.

The budget is adopted at the Fund level. During the course of the year, the administration may transfer funds among line items as may be required for budget and fiscal management purposes. The budget may be amended, and funds may be moved from contingency reserves, only by action of the Board of County Commissioners, in accord with State statute.

## REVENUES & EXPENDITURES DISCUSSION

Current revenues are divided into the following categories:

### A. Taxes

Included are charges levied by the local unit of government against the income, and wealth of a person (natural or corporate). Specific types of taxes include ad valorem (real and personal property), sales and use taxes (imposed upon sale or consumption of goods and services levied locally). The most well known sales and use taxes include tourist development taxes, one-cent voted gas tax, five and six cent local option gas taxes, insurance premium taxes, and fire and casualty insurance premium taxes.

Franchise fees are also included in this category. These fees are levied on a corporation or individual by the local government in return for granting a privilege or permitting the use of public property subject to regulations. The most well know franchise fees are for electricity, water, sewer, solid waste and cable television. County derived franchise fees are in the areas of cable television and solid waste.

### B. Licenses and Permits

These Revenues are derived from the issuance of local licenses and permits. Within this category are professional and occupational licenses, building permits and any other licenses and permits (e.g., building, roofing, plumbing permits; occupational license fees).

### C. Intergovernmental Revenues

Included are all revenues received from federal, state and other local governmental sources in the form of grants, shared revenues and payments in lieu of taxes. The state shared revenues that are of most importance to county government are revenue sharing, mobile home licenses, alcoholic beverage licenses, racing tax, local government half-cent sales tax, constitutional gas tax, and county gas tax.

#### **D. Charges for Services**

These revenues include all charges for current services such as recording of legal documents, zoning fees, county officer fees (fees remitted to county from officers whose operations are budgeted by the Board of County Commissioners), county court fees, circuit court fees, boat fees, water utility, garbage/solid waste, sewer fees, park, library, transportation, and recreation fees.

#### **E. Fines and Forfeitures**

This group of revenues includes moneys received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations and for neglect of official duty. Some examples include court fines, library fines, and pollution control violations.

#### **F. Miscellaneous Revenues**

Moneys in this category are primarily interest earnings. Types of interest earnings include moneys on investments, contracts and notes, interest earnings of the Clerk of Court, Tax Collector, Sheriff, Property Appraiser and Supervisor of Elections. Also included would be rents and proceeds for use of public property.

#### **G. Internal Service Charges**

The Automated Services Department and Risk Management programs, which bill departments for the services they provide, are included in Internal Services Charges. Since expenditures are counted in both the originating department, and in the internal service fund, this results in a double count of the expenditure. This method of accounting is used because it is required by government accounting standards and state regulations.

#### **H. Non-Revenues**

Non-revenues are categories of moneys that are not generated by traditional activities such as taxes, fees for services, or intergovernmental transfers (such as sales tax) from State to County. Included are such groupings as transfers, bond proceeds, insurance premiums and unspent budgets and interest earned by Constitutional Officers which must, by State law, be returned to the County.

## **I. Less 5% Anticipated Revenues**

State law requires that budgeted collections for ad valorem (property tax) revenues be set at 95% of estimates projected by the Tax Collector.

Current expenditures are divided into the following categories:

### **A. General Government Services**

Includes the *costs of providing representation of the citizenry by the governing body* (Board of County Commissioners) as well as *executive management and administration of the affairs of local government* (County Administrator's Office). Also included in this category are the *financial and administrative costs of government* (budgeting accounting, auditing, property appraisal, tax collecting, personnel, purchasing, communication, pension administration, printing, stores, property control, grants development and any other support services).

In addition, General Government includes *legal services* (county attorney), *comprehensive planning* (county planning department), *costs of providing a court system* (Clerk of the Circuit Court and County Court, State Attorney, Public Defender, Law Library, Jury Commission, Court Administrator, Grand Jury and Bailiff), *court reporting*, Information Services, Supervisor of Elections, Publicity Services, and Legislative Delegation Support Services.

### **B. Public Safety**

*Security of persons and property* is the major focus of this category. Included are *law enforcement* (Sheriff, Public Safety), *detention and/or correction* (parole and probation services, juvenile homes, county jail, work release program, board of corrections), *protective inspections* (building and zoning inspections), *emergency and disaster relief services* (civil defense, emergency medical services, emergency communications system), *medical examiner, consumer affairs*.

### **C. Physical Environment**

Costs of services provided to *achieve a satisfactory living environment* are assigned to this group. Categories include *electric, gas and water utility services, garbage/solid waste control, sewer services, conservation and resource management, flood control and other physical environmental needs* (lot mowing and clearing, maintenance of easements).

#### **D. Transportation**

Costs incurred for the *safe and adequate flow of vehicles, travelers and pedestrians* are included. Specific subcategories include *road and street facilities, traffic engineering, street lighting* (County Department of Public Works), *airports* (Port & Airport Authority), *water transportation systems* (canals, terminals, dock and ports), and *transit systems*.

#### **E. Economic Environment**

Costs of *providing services to develop and improve the economic conditions* of the community, including tourist development, are allocated to this category. Not included are welfare functions which are included in human services.

#### **F. Human Services**

Costs of *providing services for care, treatment and control of human illness and injury* are included. Expenditures in this function include *mental health, physical health, welfare programs, retardation and interrelated programs such as the provision of health care for indigent persons*. Specific health care activities related to the County included the Health Unit, New Horizons, Mosquito Control, Abbie Jean Russell Center, and the Council on Aging.

#### **G. Culture and Recreation**

Costs incurred in *providing and maintaining cultural and recreational facilities and activities* for citizens and visitors are included in this function. Separate categories include all *library costs, recreational programs, golf courses, swimming pools, tennis courts, public parks, community centers, camping areas and bicycle paths*. Any expenses for special events such as county fairs, civic events, historical celebrations etc. are assigned here.

#### **H. Internal Services**

Expenditures incurred by one County department for services requested by another County department. Data processing and risk management are examples of internal service expenditures.



## I. Non-Expenditure Disbursements

Included in this category are transfers and reserves. Interfund transfers represents amounts transferred from one fund to another to assist in financing the services of the recipient fund. Transfers do not constitute additional revenues or expenditures of the governmental unit, but reflect the movement of cash from one fund to another.

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