

INTRODUCTION

This final budget document draws together basic information relevant to the St Lucie County FY 2000 budget.

The **Budget Message** identifies policy issues raised in the FY 2000 budget, and attempts to put the FY 2000 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 budget and financial policies, the basis of accounting, a glossary of technical terms, and a summary listing of major grants.

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.

BUDGET MESSAGE

December 1999

To the Board of County Commissioners:

The St. Lucie County Budget will end the FY 99 operating year with a budget that is, from a fiscal or balance sheet standpoint, in good condition. Funding the FY2000 budget, however, was problematic, and in the absence of significant change, the long term budget outlook is not favorable.

The budgets of the funds relying on the property tax are currently in good shape primarily because of tight budget constraints being imposed in recent years, and the adoption of utility franchise fees as a new revenue stream in 1997. In addition, general revenues previously diverted to the Transportation Trust Fund have been restored to the General Fund. The settlement of a disputed tax payment with Florida Power and Light (the County's major taxpayer, representing about 15% of total assessed valuation) has allowed the creation of reserves for emergency protection at adequate levels.

The outlook for the FY 2000 budget is problematic because current revenue streams are static and new general revenue streams are not available. FPL is once again contesting their assessment, requiring that we reserve a substantial amount of projected revenue from this source pending resolution of the dispute. Expenditure needs have continued to grow in the recent fiscal years, creating substantial and justifiable increases in budget requests for next FY 2000, which by-and-large we were not able to fund.

The FY 2000 budget does include an ad valorem tax increase in the unincorporated area to support a request by the Sheriff to increase Sheriff Deputies salaries. This amount, which was established by interlocal agreement to increase by 3% of the zone patrol budget each year until it reached 24%, was scheduled to increase to 12% in FY 2000. To meet the Sheriff's requirements, the schedule was advanced to provide for the full 24% amount in FY 2000. This resulted in an increase in millage in the unincorporated area from 0.1084 in FY 99 to 0.3082 in FY 2000.

Countywide general tax rates for FY 2000 were held at 7.8915 mills, the same as FY 99.

A reserve of \$1,000,000 was established for salary adjustments in the taxing funds. A 3% increase is being recommended effective October 1. An external classification and compensation study is being conducted, and the balance of funds available are planned to be used in implementing the recommendations of that study. The only other significant expenditure increases occur in Automated Services, where two positions are being established, and additional funding is being provided for salary adjustments.

The long term budget outlook for St. Lucie County is less than favorable. Many of the measures that could be taken to reduce expenditures have already been implemented (e.g. privatizing custodial services and Road and Bridge positions, instituting a fleet

replacement and maintenance program, etc.). Budget balancing efforts in prior years have included unsustainable solutions such as holding salaries down and deferring the acquisition or replacement of equipment or capital projects. Current service levels cannot be maintained with existing revenue streams. In addition, we are aware of increased capital building construction requirements for future space needs that we have not yet defined and provided for.

Diversification and enhancement of the county's economic base is the obvious long term solution, but this, if accomplished, will not affect county revenue streams for some time in the future. Continued growth may generate costs in excess of revenues unless demographics and the economic characteristics of growth patterns change. Another area of concern is a lack of needed funding for future years' Transportation Fund budgets. At this time we are projecting a decrease of transportation projects to be funded of approximately \$3,000,000 annually.

Options have not changed over recent fiscal years. If we decide to substantially increase funding for any one function, program or agency, we will need to either:

- (a) increase revenue rates, or,
- (b) decrease emergency reserve levels, or,
- (c) decrease funding for another function, agency, or program.

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.

One positive long term scenario is to buy time by (a) continuing to control expenditures and (b) taking action necessary to increase revenues, while simultaneously (c) pursuing an aggressive and carefully planned economic development strategy to (d) create an economic base adequate to fund desired public service levels on a continuing basis.

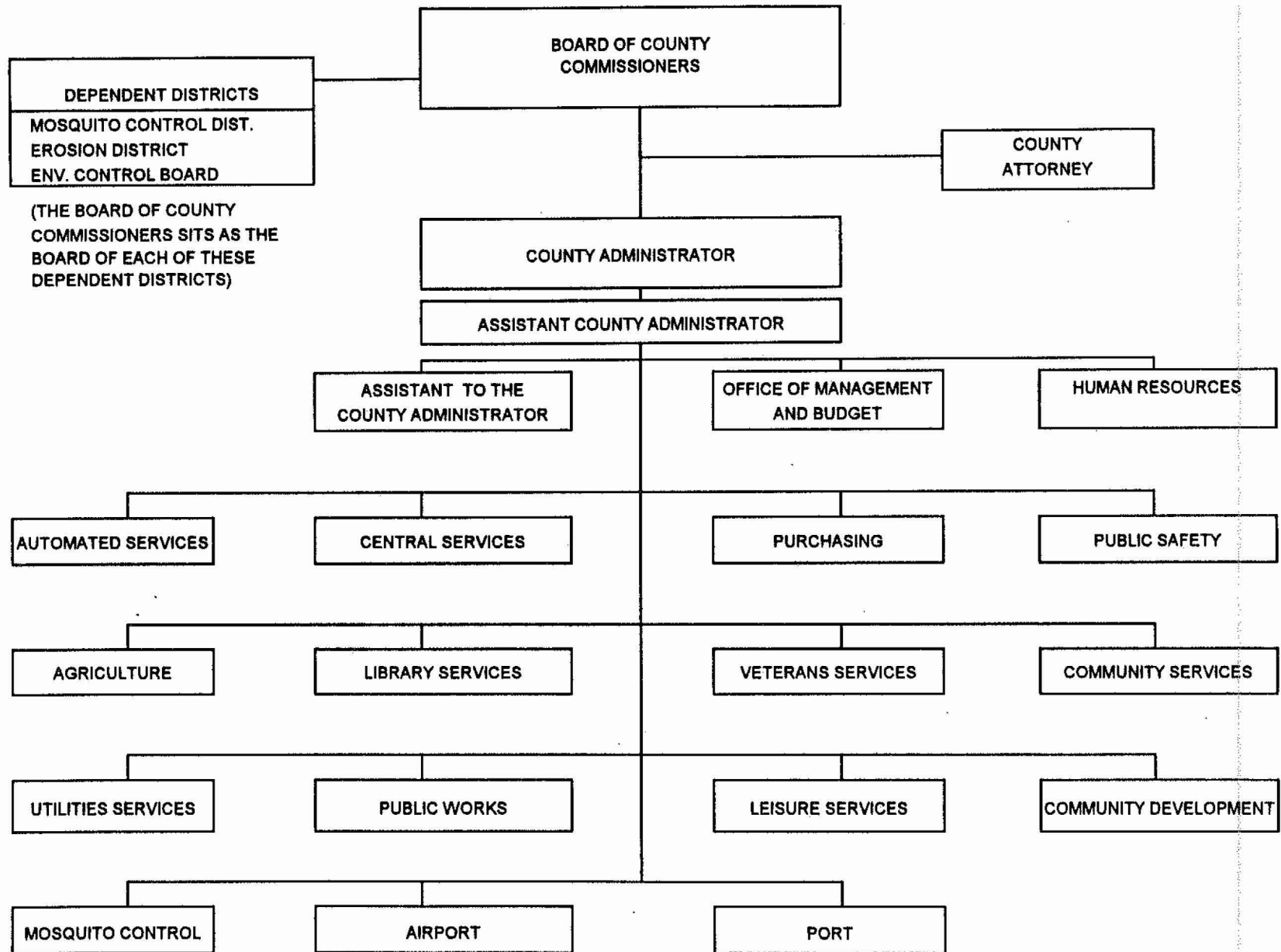
Expenditure controls will need a long term focus on program management and service levels, and revenue/reserve issues will need to be carefully considered. Over time, services cannot be provided at a level that the economic base cannot sustain. In order to effectively develop the county's economic base, we need to continue to aggressively pursue development actions that conform to a comprehensive strategy and timetable.

Sincerely,



Douglas M. Anderson
County Administrator

ST. LUCIE COUNTY ORGANIZATION CHART



St. Lucie County, Florida

General Information

St. Lucie County is located on the east-south-central coast of Florida in the heart of the Treasure Coast region. It is bounded on the north by Indian River County, on the west by Okeechobee County, on the south by Martin County and on the east by the beautiful Atlantic Ocean. The City of Fort Pierce is the County Seat and is located approximately 60 miles north of West Palm Beach and 100 miles southeast of Orlando and all of that city's major tourist attractions.

Some key facts about St. Lucie County are:

Population

St. Lucie County's population for 1999 is estimated at 186,905 which is largely concentrated in the eastern portion of the County within 5-10 miles of the Atlantic Coast. This is a 2.1% increase over 1998 and a considerable 24.5% increase since 1990. Most of the growth over the past nine years occurred in the City of Port St. Lucie (49%) followed by the unincorporated area (13.6%). The count conducted April 1st of this year placed the City of Port St. Lucie as the 17th largest city in the State surpassing West Palm Beach for the first time.

The population of the County is ethnically comprised of 82% white, 14% black and 4% Hispanic and other. The median age is 37.7. Concentrations of the population are: Port St. Lucie - 44.54%; Unincorporated - 34.58%; Fort Pierce - 20.55%; and St. Lucie Village - .33%.

Employment

While poised to take advantage of its location, climate and abundant workforce, the growth in employment opportunities has not kept pace with the growth in population. This has resulted in the County having a higher than average unemployment rate. To counter this the County and the Chamber of Commerce have jointly embarked on an aggressive campaign designed to attract higher paying, environmentally friendly companies to this area. One successful outcome of these endeavors received national attention when executives from QVC, the premiere home shopping retailer, announced plans to open a call center in the County. At present, tourism, services, agriculture, construction and light manufacturing are the principal industries within the County.

Government

St. Lucie County is a non-charter county governed by a Board of County Commissioners consisting of five-members elected at large. The commissioners are elected to serve four years. Elections are staggered to provide continuity between boards. The county is managed on a daily basis by a professional administrator appointed by the Board of County Commissioners

Education

The public school system is county-wide and is governed by the School Board consisting of five members each elected for a four-year term. The school system is comprised of 24 elementary schools (grades K-5), six middle schools (grades 6-8) and five high schools. St. Lucie County also has one exceptional student education center, two magnet schools, and two alternative schools. The school system employs approximately 1,500 teachers and 1,100 support staff.

Higher educational resources within the County include: Indian River Community College (IRCC) and extension campuses of Florida Atlantic University, University of Florida, and Barry University. These prestigious schools enable an individual to obtain a four-year degree without having to leave the area.

Other Resources

St. Lucie County is situated in an area where the Florida Turnpike, Interstate 95, US Highway 1, the St. Lucie County International Airport, the Port of Fort Pierce, and the Florida East Coast Railway system are in close proximity to each other. This provides for easy access to all the County has to offer as well as superior commercial distribution opportunities.

The County is also the home of two prestigious research facilities -- Harbor Branch Oceanographic Institute and the Smithsonian Marine Station, Fort Pierce. The University of Florida has established an agricultural research center in the County, and the United States Department of Agriculture has selected St. Lucie County as a location for a research facility. Construction is scheduled to begin in the year 2000.

The St. Lucie County Sports Complex is the site of many public events and includes a modern baseball stadium and practice fields that serve as the spring training home of the New York Mets baseball team. It is also home of the St. Lucie Mets, a local farm club that provides near major league quality baseball action for fans at a very affordable rate.

The County is served by three local law enforcement departments. The St. Lucie County Sheriff's Department services primarily the unincorporated

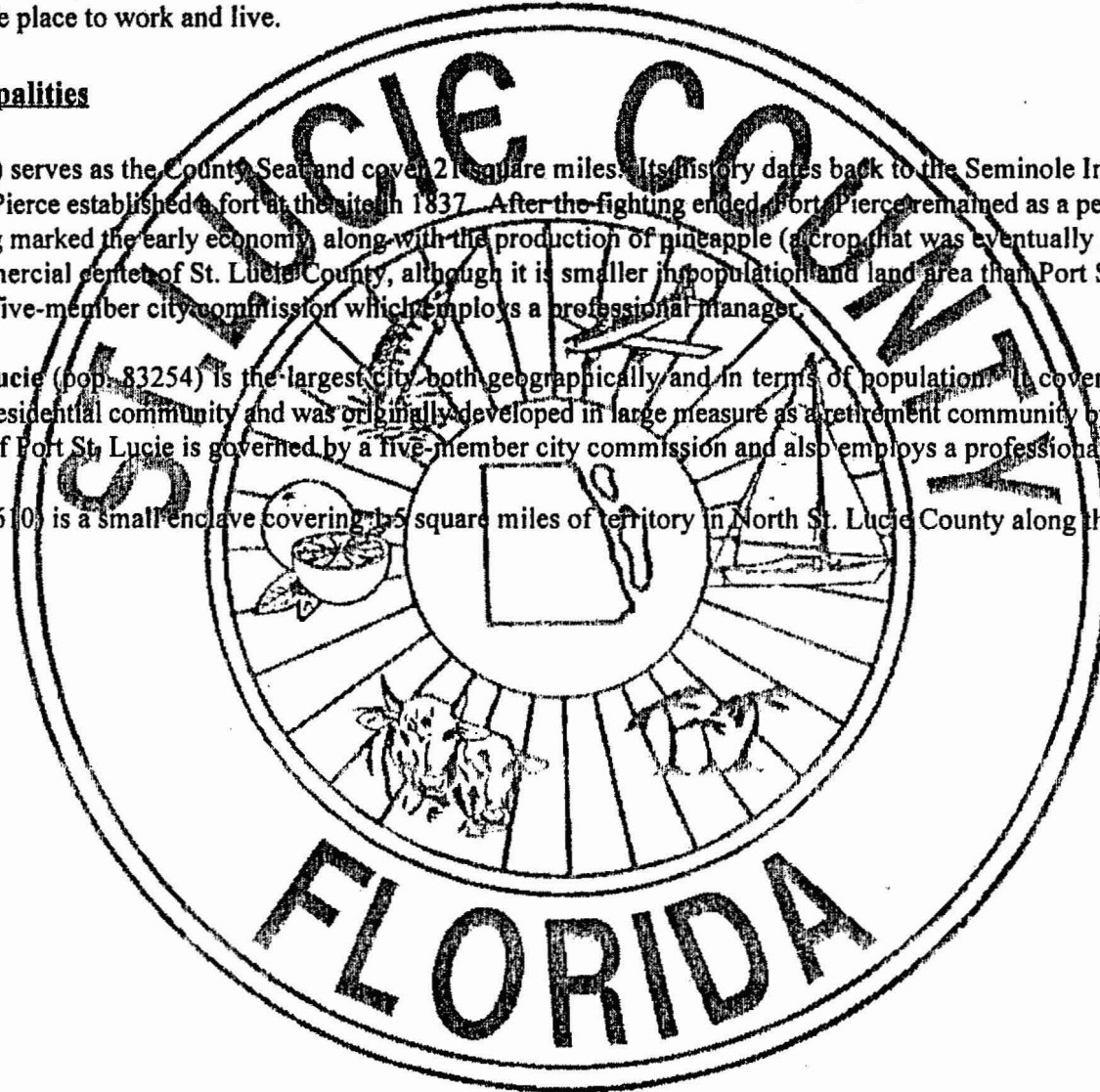
area. The Fort Pierce Police Department and the Port St. Lucie Police Departments service their respective cities. The three work closely to ensure St. Lucie County is a safe place to work and live.

Incorporated Municipalities

Fort Pierce (pop.38,401) 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, Fort 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 of Fort Pierce is governed by a five-member city commission which employs a professional manager.

The City of Port St. Lucie (pop. 83,254) is the largest city, both geographically and in terms of population. It covers 80 square miles. It was established in 1961 as a residential community and was originally developed in large measure as a retirement community by the General Development Corporation. The City of Port St. Lucie is governed by a five-member city commission and also employs a professional manager.

St. Lucie Village (pop. 610) is a small enclave covering 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:

NOVEMBER	Close out prior fiscal year; begin policy planning for next fiscal year.
DECEMBER	Adjust prior year estimates to actuals; publish final budget.
JANUARY	Board strategic planning session; review of general budget policy direction Citizens Budget Committee agenda and schedule adopted.
FEBRUARY	Distribute budget preparation guidelines to departments.
MARCH	Departments prepare budgets; Department Directors review budget.
APRIL	County Administrator budget reviews. Update audited carryover amounts; make preliminary revenue estimates.
MAY	Board strategic planning session; mid-year budget review.
JUNE	Board workshops - capital projects.
JULY	Citizen's Budget Committee report to Board. Board budget reviews; set proposed millage rates.
AUGUST	Prepare tentative budget.
SEPTEMBER	First public hearing - adopt tentative budget and millage rate. Final public hearing - adopt final budget and millage rate.
OCTOBER	New Fiscal Year begins.

BUDGET PROCESS - SCHEDULE

Budget preparation is a year round process. It begins with policy planning for the next year in November, based on deliberations of the strategic planning team. Results of this process are brought to the Board of County Commissioners in a strategic planning retreat in January to obtain general policy direction for the budget process. The formal budget preparation 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 millage rate. The tentative budget is prepared in August. 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

The State of Florida does not have a state or local income tax. Specific types of taxes levied by local government include ad valorem (real and personal property), and sales and use taxes (imposed upon sale or consumption of goods and services levied locally). Sales and use taxes imposed by county government include the tourist development taxes, and local option gas taxes. Property tax revenue estimates are based on certified property valuations. Sales and use tax revenues are based on history and state provided estimates.

Franchise fees are also accounted for in this category. These fees may be 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 County collects electrical, cable television, and solid waste franchise fees. Revenue estimates are based on history and customer base projections.

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). Revenue estimates are based on prior year collections.

C. Intergovernmental Revenues

Included are 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. The state provides revenue estimates, except for grants; grant revenues are estimated based on information provided by grantors.

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, water utility, garbage/solid waste, sewer fees, park, library and recreation fees. Revenue estimates are based on revenue history and operating agency projections.

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 or for neglect of official duty. Some examples include court fines, library fines, and pollution control violations. Revenue estimates are based on revenue history.

F. Miscellaneous Revenues

Monies 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. Revenue estimates are based on history and analysis of fund balances.

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. Use of internal service funds enhances cost accounting and accountability for in-house services; however, since expenditures are counted in both the originating department and in the internal service fund, this results in a double count of the expenditures. Revenues are determined by agency requirements, in turn determined in the budget review process.

H. Non-Revenues

Non-revenues are categories of monies that are not generated by traditional activities such as taxes, fees for services, or intergovernmental transfers from State to County. Included are such groupings as transfers, bond proceeds, insurance proceeds and unspent budgets and interest earned by Constitutional Officers which must, by State law, be returned to the County. Estimates are based on history or on anticipated transactions such as bond issuances

I. Less 5% Anticipated Revenues

State law requires that budgeted collections for ad valorem (property tax) revenues be set at not less than 95% of estimates projected by the Tax Collector, and that receipts generally, except for fund balances brought forward, be budgeted at 95% of anticipated levels.

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, 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, Court Administrator), court reporting, Information Services and Supervisor of Elections.

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 (county jail), protective inspections (building and zoning inspections), emergency and disaster relief services (emergency management, communications system), and medical examiner.

C. Physical Environment

Costs of services provided to achieve a satisfactory living environment are assigned to this group. Categories include utility services, garbage/solid waste control, sewer services, conservation and resource management, flood control and other physical environmental needs.

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.