

USER'S GUIDE

This document is the approved budget for FY 2000-01 for the period beginning October 1, 2000 and ending September 30, 2001. This budget document is intended to provide to the public concise and readable information about St. Lucie County. It has a lot of general information and analysis of revenues and expenditures, and it also provides budget history and proposed budget amounts for FY 2000-01.

SECTION A – SUMMARIES/ANALYSIS

This section contains information that you as a user should find very useful because the budget office has extracted key information from subsequent sections and presented it in an easily understandable format. It is also the point where staff recommends you begin your review of the budget. Without having to sift through the details you can find summaries of the total county budget, of each constitutional officer, and of the court and legal system. Section A also contains charts, graphs and spreadsheets showing the history of property values, tax millage rates and the resulting revenues.

SECTION B – BUDGET BY FUND

Section B begins with a listing of the numerous funds that make up the county budget. It categorizes them by fund type and briefly describes the sources of revenue and the types of expenditures of each fund. This list is followed by a three-year history of each fund showing the budget versus actual amounts. It also shows the amount budgeted in the new fiscal year and the percent change from the previous years budget. Most of this section is comprised of charts and graphs that reveal the amount of budgeted revenue and its sources and the amount of budgeted expenditures, by source, of selected funds.

SECTION C – DEPARTMENTAL SUMMARIES

If you are interested in a particular department or division within the county, this is the section you want to turn to. Here you will find the organizational chart of each department, the four-year budget summary of each division, the division mission/functions/goals and the key indicators used to measure how well the division is accomplishing the stated mission.

SECTION D – CAPITAL BUDGET

The heart of this section is the St. Lucie County Board of County Commissioners Five-Year Capital Improvement Plan. This plan is designed to address the foreseeable capital improvement needs of St. Lucie County. Capital improvements include infrastructure facilities such as roads, bridges, beach restoration/preservation, drainage, port and airport facilities, parks, libraries, and general governmental facilities.

This section also provides information on the planning and approval process, which led to the development of the Five-Year Capital Improvement Plan. The Five-Year Capital Plans are separated by department and identify the source of funding, a line-by-line listing of projects and the estimated costs. When provided by the division a project summary follows the Five-Year Capital Improvement Plan that goes into greater detail concerning the project.

SECTION E – DEBT SERVICE

Although only a few pages, Section E contains important information regarding outstanding debt issued by the county or, in the case of Community Development District Bonds and Industrial Revenue Bonds, in which the county has a vested interest. Some of the debt, such as the Environmental Land Bond, was issued as a result of a voter-approved referendum. Others were issued after the Board of County Commissioners approved the funding of improvements through debt financing. Still the Board on behalf of county utilities or a third party issued other debts. The Office of Management and Budget carefully monitors the amount of debt the county issues in order to preserve its creditworthiness.

SECTION F - APPENDICES

The Appendices section is where you will find the St. Lucie County Board of County Commissioners financial policy consisting of the general budget policy, revenue policy, appropriation policy and debt policy. There is also a paragraph outlining the basis of accounting. We tried to make this document very user friendly by eliminating 'technical' jargon, but there were some terms for which there is no substitute. For the terms used in this document that you might not be familiar with we have included a glossary.

The last item in this document is a listing of grants that were awarded to the county.

BUDGET MESSAGE
Fiscal Year 2000-01
September, 2000

Chairman, and Members of the Board of County Commissioners

Dear Commissioners:

As I submit this budget, I am very proud of all the hard work from our departments in trying to balance this year's budget while at the same time holding the countywide ad valorem tax rate at the same level for the fourth year in a row. This was one of the hardest and most challenging budget years we have faced in a long time. The only way we were able to balance this year's budget was through tight budget constraints and efficient operations put in place in recent years.

Fiscal Health

At this time, our overall fiscal health of the county is not very strong. Property values have decreased as a result of settlements with Florida Power & Light (FPL) and BellSouth. We also had to contend with escalating increases in court related expenses. However, St. Lucie County will end the fiscal year 2000 with a budget that is, from a fiscal or balance sheet standpoint, in good condition. The immediate outlook for future county budgets is not favorable. The Strategic Management Team is looking at different alternatives for next year's budget to be discussed with the Board at the January 2001 Strategic Planning Session.

Property Taxes

The Countywide Ad Valorem millage is 7.8915 the same as fiscal year 1999/2000. The rate consists of four components:

General fund	2.8486
Fine & Forfeiture	4.7308
Erosion Control - Zone E	.1000
Mosquito Control	.2121
Total	7.8915

Ad Valorem tax collections are based on a combination of the tax(millage) rate and property valuation.

Revenues

Several major Non-ad valorem revenues have an effect on the budget. The revenue sources which are helping our ability to keep the Countywide mileage at no increase was the adoption of the gas tax and utility and cable franchise fees. During the last Strategic Planning Session, a decision was made to move previously undesignated Investment for the Future funds from the General Fund to the Transportation Capital Fund to fund capital road projects in the unincorporated area of the county.

Within the Transportation Trust Fund, gas taxes for operations, maintenance and capital projects are budgeted to increase by \$915,759, or 11.67%. The budgeted increase in Franchise Fees is 16.68% or \$485,221, based on recent experience. Franchise Fees are collected in the unincorporated area of the County and are placed in road projects, fleet replacement and building capital projects, which benefits the unincorporated area.

Expenditures

The 2000-01 Budget totals \$238.3 million, a decrease of 8.8% or \$23 million from the 1999-2000 amended budget amount of \$261.3 million. This overall decrease is comprised of a combination of grants and increases and decreases among all the different funds included in this total budget. The General Fund and Fine and Forfeiture budgets are \$86.7 million, a decrease of \$4.3 million, or 4.7% from 1999-2000 amended budget amounts of \$91.0 million.

Constitutional Officers - The Sheriff's budget has increased 2.43% or \$778.8 thousand. The Supervisor of Elections budget is up by 5.18% or \$68.7 thousand. The Property Appraiser's budget has decreased 1.60 %, or \$52.6 thousand. The Clerk of Circuit Courts has increased by 7.88%, or \$248.2 thousand. The Tax Collector's budget is funded from a percentage of taxes collected. The Property Appraiser and the Tax Collector budgets are approved by the Department of Revenue.

Grants to Outside Agencies - The Board basically awarded grants only to mandated agencies. In fiscal year 1999-2000, the Board awarded \$1,784,723. This year the Board awarded \$1,677,201, which is a decrease of 6.02% or \$107,522.

Reserves - A reserve of \$1M was established last year for salary adjustments in the taxing funds. The same amount is budgeted this year for a 3% increase across the board, effective October 1. The balance of the \$1M will continue the implementation of the salary adjustments. Contingency reserve is budgeted at \$1M, the same level as last year. The emergency reserves remain at \$8.4 million.

Conclusion

This budget reflects the efforts to keep low tax rates, and at the same time making the effort to increase the quality of life in St. Lucie County.

We have made progress toward the diversification and enhancement of the county's economic base which is the obvious long term solution. However, this 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 continue to change. Another area of concern is a lack of needed funding for future years' Transportation Fund Budgets.


As discussed in my budget message last year, options have not changed over recent fiscal years. If we decide to substantially increase funding for anyone 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.

We need to (a) continue to control expenditures and (b) take action necessary to increase revenues, while simultaneously (c) pursue 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.

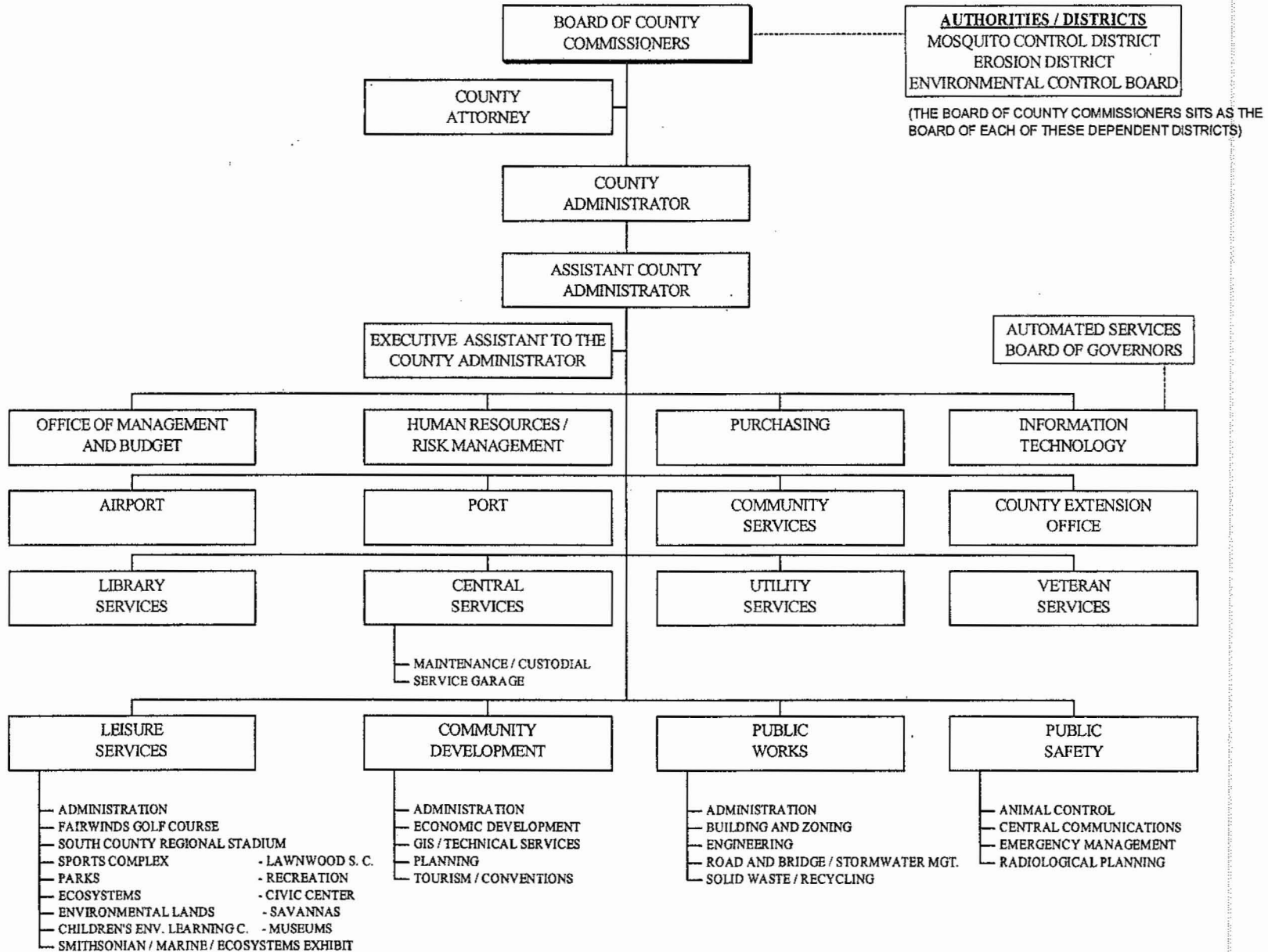
As previously discussed, staff will be discussing the County's short term and long term budget needs and alternatives with the Board at the January 2001 Strategic Planning Session.

Sincerely,



Douglas M. Anderson
County Administrator

ST. LUCIE COUNTY ORGANIZATIONAL CHART



St. Lucie County, Florida

General Information

St. Lucie County is located on the eastern edge of the 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 an unemployment rate of 9% in 1999 which is higher than the state average of 3.9%. 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 opened a call center in the County. A more recent success occurred when Convergys Corporation, an established customer billing service company opened a new center in St. Lucie County. Services, tourism, agriculture, construction and light manufacturing are the principal industries within the County.

In 1998 the major areas of employment were:

Agriculture.....5,274
 Transportation, Communications
 and Public Utilities.....2,583
 Wholesale/Retail Trade.....12,222
 Services.....12,308

Construction.....2,754
 Manufacturing.....2,604
 Finance, Insurance, Real Estate.....2,260

Major employers within the County are:

Employer

Number of Employees

St. Lucie County School Board	3,400
Lawnwood Regional Medical Center (HCA)	1,400
Publix Supermarket	1,260
St. Lucie County Board of County Commissioners	1,009
Florida Power & Light	790
QVC	750
Winn Dixie Supermarket	650
St. Lucie Medical Center (HCA)	600
City of Port St. Lucie	535

Employer**Number of Employees**

St. Lucie County Sheriff's Department	527
Aegis Communications/IGI	460
Wal-Mart	456
Indian River Community College	446
Club Med/Village Hotels of Sandpiper	400

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 cover 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.

VISION OF ST. LUCIE

St. Lucie has a VISION for its future. This VISION for Fort Pierce, Port St. Lucie, St. Lucie Village and the unincorporated areas defines the St. Lucie of 2010 and beyond. This VISION provides:

- ✓ An education system and business partnership that provides a work force competitive in the global economy;
- ✓ An uncompromised quality of life for all ages and cultures to live, learn, work, and play;
- ✓ A public/private partnership that creates a political and business climate conducive to economic development and high quality job growth while protecting our natural environment;
- ✓ Infrastructure that supports the education, quality of life and economic development VISIONS;
- ✓ Streamlined government with minimum duplication of services; and
- ✓ A public/private partnership providing the leadership to achieve our shared VISION for education, quality of life, economic development, infrastructure, and government.

ST. LUCIE COUNTY BOARD OF COUNTY COMMISSIONERS

FINANCIAL POLICY

FISCAL POLICY STATEMENT

St. Lucie County has an important responsibility to its citizens to correctly account for public funds, to manage county finances wisely and to plan for adequate funding of services desired by the public. With the rapid growth in the county, St. Lucie County needs to ensure that it is capable of adequately funding and providing local government services needed by the community.

Sound fiscal policies that are realistic and consistent provide useful guidance for the long-term programming of services and facilities. They also provide a set of assumptions under which budget and tax decisions should be made. While established for the best management of government resources, generally accepted fiscal policy also helps set the parameters for government's role in the broader economy of the community. The following fiscal policies set as a framework to guide the operations of the County.

FINANCIAL STRUCTURE

All operations of St. Lucie County are accounted for by the use of fund accounting, in order to provide proper accountability for the different kinds of resources. Various funds have been established to track transactions. Funds with similar objectives, activities and legal restrictions are placed in one the following three groups:

Governmental Funds - These funds account for general governmental functions, such as the court system and law enforcement. They use a spending measurement focus; which means that only current assets and liabilities generally are included on the fund types' balance sheets, and the difference between these assets and liabilities is classified as fund balance. Governmental Funds types are classified into five generic fund types as follow:

- **General Fund** is used to account for all financial resources except those required to be accounted for in a specific fund. Most countywide activities are accounted for in this fund.
- **Special Revenue Funds** account for proceeds of specific revenue sources that legally restricted to expenditures for specified purposes.

- **Debt Service Funds** are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and other costs associated with long-term debt.
- **Capital Project Funds** are used to account for the purchase or construction of major capital facilities, such as buildings, infrastructure and lands.

Proprietary Funds – These funds are used to account for governments’ ongoing activities that are similar to those of private enterprise. They are accounted for on a cost of service. There are two types of Proprietary Funds:

- **Enterprise Funds** are used to account for the provision of public services that are similar to services provided by business enterprises. Operating costs of such funds are paid from user charges or other non-governmental revenue.
- **Internal Service Funds** is the financing of goods or services provided by one department to other departments within the same government on a cost reimbursement basis.

Fiduciary Funds – These funds account for assets belonging to others, held by a government in a trustee capacity or as an agent. Agency and expendable trust funds are accounted for like governmental funds. Nonexpendable trusts are accounted for in the same manner as proprietary funds. Fiduciary Funds consists of two groups:

- **Expendable Trust Funds** account for assets held by the County in trust for administration and disbursement for specific purposes.
- **Agency Funds** account for assets belonging to others, which are held pending disposition.

BUDGETARY BASIS

All government funds, expendable trust funds and agency funds are maintained on the modified accrual basis of accounting. The internal service and enterprise funds are accounted for utilizing the accrual basis of accounting. For budget purposes, accounts are presented essentially on a cash basis; fund balances are adjusted for inventory, and depreciation is recognized in a designated reserve only to the extent that it is funded.

CAPITAL BUDGETING

St. Lucie County maintains a Capital Improvements Plan (CIP), which covers a five-year period and is updated annually. The Office of Management and Budget determines the amount of funds available for capital projects. Proposed projects are prioritized and the available funds are allocated accordingly. The CIP projects detail is included in section ##### of this document. Projects in the CIP this FY are funded; however out years are estimated needs and may exceed future available revenues.

GENERAL BUDGET POLICY

1. The operating budget authorizing expenditure of county money will be adopted annually by the Board at the fund level.
2. The budget shall reflect the estimated beginning balances of all funds and all planned revenues or receipts for each fund for which the county must maintain accounts.
3. No monies shall be expended or disbursed from accounts of the Board of County Commissioners except pursuant to authorization reflected in the adopted budget. The Clerk of Courts shall advise the Board of any exceptions to this policy required by law or generally accepted accounting practice.
4. The budgeted expenditures and reserves of each fund (including reserves for contingencies, cash flow and all other purposes) will equal the sum of projected fund balance at the beginning of the fiscal year and all revenues and receipts which reasonably can be expected to be received during the fiscal year.
5. A reserve for contingency will be budgeted in the general fund budget, the fine and forfeiture fund and the airport fund for reallocation by the Board as needed during the year to fund unexpected operations or events.
6. A reserve for emergency use will be budgeted each year in an amount to be determined by the Board. This will also serve as a reserve for cash flow to support operations until new budget year revenues are received. In no case will this reserve exceed the projected cash needs for 90 days of operations, or 20% of the combined General and Fine and Forfeiture Fund budgets, whichever is less.
7. Transfers:
 - a. Transfers to reserve accounts may be made during the fiscal year by the County Administrator or the Management & Budget Director as required for proper management of the budget.
 - b. Transfers among expenditure or revenue accounts may be made during the fiscal year by the Management & Budget Director, subject to approval by the County Administrator, if reallocations within a fund are determined to be needed. No transfers having an impact on capital facility improvement will be made without Board authority.
 - c. No transfer affecting the total allocations to a Constitutional Officer may be made without Board approval.
 - d. No transfer may be made between funds if the result of such transfer will be to change the adopted total budget of a fund, except pursuant to a public hearing and Board action to amend the adopted budget.
 - e. Transfers from reserves for contingency will require approval of the Board.

8. Changes in the adopted total budget of a fund will be made only with Board approval of a budget amendment resolution.
9. To provide information to the Board on budget and financial operations the Office of Management & Budget will prepare quarterly analyses of financial condition, and not less than semi-annual analyses of debt service and grants administration.
10. The operating budget will reflect programmatic expectations of the Board and County Administrator for each department. The budget will emphasize the relationship between financial and managerial (operations) planning.
11. For purposes of budget preparation, in the event policies or stated desires of the Board regarding appropriations or service levels prove to be incompatible with forecasted revenues or revenue policies, these conflicts will be resolved in favor of the revenue policy.
12. The Capital Improvement Budget showing estimated annualized costs of capital projects will be updated on an annual basis.

Revenue Policy

1. The use of general ad valorem tax revenues will be limited to the General, Law Enforcement & Courts (Fine & Forfeiture), MSTU Funds, and dependent special districts, unless required in other funds by bond indenture agreements or by the terms of municipal service taxing units ordinance.
2. The use of ad valorem tax revenues based on millages levied for the Mosquito Control, and Erosion Control Special Districts will be limited to those districts.
3. The use of gas tax revenues will be limited to the Transportation Trust and Transportation Projects Funds, unless required in other funds by bond indenture agreements.
4. The use of sales tax revenues will be limited to the General and Law Enforcement & Courts (Fine & Forfeiture) funds except when allocated to debt service funds to meet non-ad valorem debt service requirements.

5. Pursuant to Ordinance, Tourist Development Tax proceeds will be appropriated as follows:
 - a. 1/4 for tourist advertising and promotion within St. Lucie County.
 - b. 1/2 for stadium expenses.
 - c. 1/4 debt service for stadium renovations.
6. The use of revenues pledged to bondholders will conform in every respect to the bond covenants committing those revenues.
7. Periodic cost studies of all County services for which user fees are imposed will be prepared, and proposed fee adjustments will be presented for Board consideration. Fee revenues will be anticipated for purposes of budget preparation using fee schedules, which have been adopted by the Board.
8. County staff will continue to aggressively pursue grant funds. For purposes of preparing the annual budget, revenues will be budgeted at actual award levels when known, and at anticipated grant award levels for continuing grants. Other grants will be budgeted upon notice of award.
9. Ad valorem taxes will be anticipated for purposes of operating budget preparation at 95% of the final assessed taxable value as determined by the Property Appraiser.
10. Millages for Debt Service will be established at the amounts, which will generate sufficient revenue, to make all required payments plus any reserve amount deemed prudent by the Office of Management and Budget or prescribed by covenant or ordinance.
11. All revenues, which are reasonably expected to be unexpended and unencumbered at the end of the fiscal year, will be anticipated as "fund balance" in the budget of the following fiscal year. Funds budgeted but unexpended in salary and benefit line items shall lapse to fund balance.

Debt Policy

1. Neither the Florida Constitution, Florida Statutes, nor the Board of County Commissioners place a limit on the amount of debt the voters may approve by referendum. However, as a practical matter, debt is limited by the availability of revenue streams to pay debt service, by market factors, and by Board/voter discretion.

2. In concert with the County Administrator and the County Finance Team, and to facilitate better short-term decisions, the Office of Management and Budget will create an annual report to the Board, which lists current debt and projects debt requirements ten years into the future.
3. The County will not fund operations or normal maintenance from the proceeds of long-term financing and will confine long-term borrowing and capital leases to capital improvements, projects, or equipment that cannot be financed from current or projected financial resources. To conserve debt capacity as well as maintain a high bond rating the County will utilize pay-as-you-go financing to the maximum extent possible.
4. Notwithstanding extenuating circumstances, the County's debt capacity will be maintained within the following generally accepted benchmarks:
 - a. Net debt per capita shall remain below four hundred dollars (\$400.00)
Comment: Debt per capita, expressed in dollars, is currently \$ 315.00
 - b. The debt per capita as a percentage of income per capita should not exceed 2%.
Comment: Debt per capita, expressed as a percentage, is currently 1.39%.
 - c. Net debt as a percentage of the total assessed value of property as provided by the Office of the Property Appraiser shall not exceed .8%.
Comment: Net Debt per Total Assessed Value (based on 1999 data) is .45%
 - d. Net debt as a percentage of the final assessment value of taxable property as provided by the Office of the Property Appraiser shall not exceed 1%.
Comment: Net Debt per Taxable Value (based on 1999 data) is .57%

- e. The ratio of Net Debt Service expenditures as a percentage of general governmental expenditures will not exceed 10%. General governmental expenditures are considered General Fund expenditures, Fine and Forfeitures Fund expenditures plus transfers to the Constitutional Officers, the Airport, the Port and all transfers to >Internal Service Funds=.

Comment: Net Debt Service per General Governmental Expenditures is currently 9.7%

- f. The County shall strive to maintain a minimum underlying bond rating equivalent to a Moody Rating Service Aa1. The County shall request an evaluation of their underlying rating every five years or as deemed necessary by the Board.

Comment: The County has never undergone an underlying rating review. The Office of Management & Budget has been in contact with the County Financial Advisor concerning this subject. It is hoped that by next year a rating agency will have completed an underlying rating on the County.

7. The County shall strive to keep the average maturity of General Obligation bonds at or below fifteen (15) years.
8. When financing capital projects or equipment by issuing bonds, the County will amortize the debt over a term not to exceed the useful life of the project or piece of equipment.
9. Each year the County will review its outstanding debt for the purpose of determining the feasibility of refunding an issue. Candidates for refunding are those issues that may realize a Present Value savings of 3% over the life of the issue.
10. To the maximum extent possible, the County will use >special assessment= (i.e. Municipal Services Benefit Unit) or self-supporting bonds (i.e. Revenue Bonds) in lieu of General Obligation Bonds so that those benefiting from the improvements will absorb all or part of the project costs.

Appropriation Policy

1. Fund appropriations of the Board will be allocated to departments, divisions, programs, cost centers, projects, and line item object codes as deemed appropriate by the Management & Budget Director, with the approval of the County Administrator, to facilitate managerial control and reporting of financial operations.

2. Each year, before Department Directors and Division Managers begin to prepare operating budget requests, the Office of Management & Budget will issue budget preparation instructions. These instructions will take into consideration: 1) County financial policies; 2) The expressed desires of the Board and County Administrator for changes in service or service levels; 3) Projected costs of authorized services; 4) Forecasted revenues. County managers will prepare annual budget consistent with these instructions.
3. The County, in conjunction with an independent consultant, will prepare and maintain an indirect cost allocation plan which conforms to federal guidelines for grant reimbursement of administrative costs. Managers will bill and collect indirect cost charges to eligible grant projects, enterprise funds, and other funds as appropriate.
4. The budget requests of County agencies will include itemized lists of all desired operating equipment, and of any equipment in inventory for which replacement is being requested. Purchase of equipment valued in excess of \$750 not on the approved budget list will require approval by the Board on a case-by-case basis.
5. Each year the County will prepare a comprehensive five-year capital improvement program identifying needed public facilities by service type and geographic area for approval by the Board.
6. The annual budget will contain appropriations to fund capital projects identified by Departments for the purpose of completing the first year of the five-year capital improvement program. Operating budget implications of these capital projects will be identified; such expenses for the first (budgeted) year of the capital plan shall be funded.

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 (Court Administrator, County Court, State Attorney, Public Defender, Law Library), court reporting, and Information Technology.

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), 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, reserves and transfer to constitutional officers. 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. Transfers to constitutional officers are disbursements to the constitutional officers (Sheriff, Supervisor of Elections and Clerk of the Circuit Court)