

# **USER'S GUIDE**

This document is the approved budget for FY 2001 - 2002 for the period beginning October 1, 2001, and ending September 30, 2002. It is intended to provide to the public concise and readable information about St. Lucie County. It contains general information and analysis of revenues and expenditures; it also provides budget history and proposed budget amounts for FY 2001-2002.

## **SECTION A – SUMMARIES/ANALYSIS**

This section contains information that a user should find very useful because the budget office has extracted key data 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, 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 various funds that make up the county budget. It is categorized by fund, type, and briefly describes the sources and types of revenue/expenditures of each fund. This list is followed by a three-year history of each fund, showing the budget versus actual amounts. It also depicts the amount budgeted in the new fiscal year and the percent change from the previous year's budget. Most of this section is comprised of charts and graphs, revealing the amount of budgeted revenue, its sources, the amount of budgeted expenditures, and 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's mission/functions/goals, and the key indicators used to measure the effectiveness of the division in 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; each department identifies its 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 which delineates the project in greater detail.

## **SECTION E – DEBT SERVICE**

Although short, Section E contains valuable information regarding outstanding debts 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 debts, such as the Environmental Land Bond, were 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 issued by the county 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, revenue, appropriation and debt policies. Also included is 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 be unfamiliar with, we have included a glossary.

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

**FISCAL YEAR 2001-2002**  
**BUDGET MESSAGE**  
*From the*  
*County Administrator*

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 fifth year in a row. With the exception of the Mosquito Control District, the overall increase is .0636 mills. To offset the increase, the Board reduced the Environmentally Significant Land Interest and Sinking millage by the same amount. The preparation of this year's budget was easier than in previous years because of the success of the "Investment for the Future Program," increased property values, settlement with Florida Power and Light (FPL), an ambitious grant program, an aggressive economic development program and, with respect to spending, a 'hold the line' strategy. The "Investment for the Future Program" was developed by the St. Lucie County Strategic Management Team in 1997. This program was adopted by the Board to establish funding for infrastructure, stormwater management, fleet replacement and other capital improvements. The sources of revenues were Franchise Fees, Local Option Gas Tax, Stormwater M.S.T.U., and Tourist Development Tax. This program serves as a reinforcement of the County's vision on infrastructure and quality of life for all ages and cultures to live, learn, work, and play.

The growth of the county under the direction of the Board of County Commissioners has been carefully crafted to accomplish the following objectives:

- A balanced budget with no increase in the countywide millage rates.
- Accomplish mandatory requirements placed upon St. Lucie County by state and federal law.
- Identify specific major issues facing the Board.
- Provide training for employees to better serve the public.
- Accurately disclose economic assumptions for the upcoming fiscal year.
- Continue cost containment efforts.
- Maintain the County's emergency reserves.
- Provide adequate contingency reserves.
- Address major issues facing the Board such as: a small millage increase in the Mosquito Control District, employee raises, new positions, capital projects and other miscellaneous operating issues.
- Identify other issues which may be indirectly related to the budget process.

In developing the budget, staff has relied upon early direction from the Board to prioritize the issues, set policy direction and give appropriate guidance to the process. Specifically, a Strategic Planning Session was held on January 25 and 26, 2001 to identify major approaches to responding to various issues, specially those issues affecting the budget. In the past few years, the county balanced the budget through a ‘hold the line’ strategy, even though, service levels continued to increase. This year the departments were asked to do a true assessment of their departments and identify those essential needs they require to continue operating effectively and efficiently.

**Fiscal Health**

As I write this message, the overall fiscal health of the county is improving. Property values have increased as a result of settlements with Florida Power & Light (FPL) and new construction. St. Lucie County will end the fiscal year 2001 with a budget that is, from a fiscal or balance sheet standpoint, in good condition. I am optimistic that the actions taken by the Board over the past four years have significantly improved the immediate outlook for future county budgets. The long hours and difficult decisions are starting to pay off. The September 11 attacks have impacted everyone in America to some extent and will have an effect on the local economy. Even before the tragic event, the national economy was in a slowdown with many entities reporting lower revenues than expected. Due to the uncertainty of the economy, on September 25, 2001, the Board prudently established a ‘2002 Economy Reserve Fund’ in the amount of \$1,166,237 to offset anticipated revenue shortfalls. We also established the ‘2002 Economy Reserve Fund’ for tourist taxes in the amount of \$105,483. Additionally, to lessen the impact on the aviation-related industries located in the county, the Board waived the October’s rent for the airport tenants and deferred on increasing their rents for the upcoming year.

**Property Taxes**

The Countywide Ad Valorem millage is 7.6794 the same as fiscal year 2000/2001. The rate consists of three components:

<b>General fund</b>	<b>2.9639</b>
<b>Fine &amp; Forfeiture</b>	<b>4.6155</b>
<b>Erosion Control - Zone E</b>	<b>.1000</b>
<b>Total</b>	<b>7.6794</b>

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 millage at the same level were the adoption of the local option gas tax and utility and cable franchise fees.

Within the Transportation Trust Fund, gas taxes used for operations, maintenance and capital projects are budgeted to increase by \$265,900, or

3%. The budgeted increase in Franchise Fees is 1.47% or \$50,750, 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 Fiscal Year 2001-02 Budget totals \$277.2 million, an increase of 5.96% or \$9.63 million from the Fiscal Year 2000-01 amended budget amount of \$261.6 million. This overall increase comprises a combination of grants, property value increase, and increases or decreases among all the different funds included in the total budget.

<b>Fund Type</b>	<b>Budget 2000-2001</b>	<b>Budget 2001-2002</b>
Personnel Expense	36,292,326	39,682,871
Operating Expense	156,338,300	181,900,217
Capital Expenses	68,994,459	55,641,659
	261,625,085	277,224,747
Percent Change:		5.96%

**New Programs** - A limited number of new programs are included in this budget to accomplish essential needs required to continue to operate effectively.

*Airport* - In order to continue the economic development effort at the Airport and to respond to the growth needs of the community's rapid influx of residents, the construction of the Airport Industrial Park West is critical. The amount of the project will be approximately \$2.7M with matching funds from Florida Department of Transportation(\$1.1M) - Cost for the first year \$550,000.

The Board also approved reorganizing the Airport's existing organizational structure, by adding an Aviation Technician and an Operations Manager - Cost \$80,000.

*Extension/Agriculture* - A General Facilities Maintenance Technician I and a part-time Extension Program Assistant converted to full time to free up other county employees for other needs - Cost \$52,258.

free up other county employees for other needs - Cost \$52,258.

*Central Services* - Seven additional employees were added to complete more projects in-house rather than contracting the projects out. This is not an increase in the budget. The board felt it is more beneficial to hire new personnel rather than pay for contracting services. The challenge is to develop the following; provide faster response times to all work orders; complete projects in a more timely manner; more cost effective; better work quality - Cost \$319,942.

The County also added two new Project Managers to complete more special projects each year in a timely manner and to ensure the County receives quality performance - Cost \$ 136,118.

*Community Development/Planning* - A Planner III (Current/Comprehensive) was added to assist in the processing and review of current planning and development review processing - Cost \$54,718.

*Community Development/Tourism* - Increase an existing position from part time Office Assistant I to full time Office Assistant III in order to expand the dissemination of tourism related information materials. Also, a Tourism Marketing & Public Relations Specialist was added to provide St. Lucie County the opportunity to elevate its visibility in destination sales. In generating a higher level of awareness of our area will increase tourism revenue coming into the community and enhance future tourism growth both domestically and internationally.

*Community Services* - A Community Services Technician II was added to increase the level of service, by responding in a timely manner to clients needs - \$29,006.

*County Administrator* - In response to requests from the citizens of St. Lucie County to televise the weekly Board of County Commissioner meetings and televise events for the County, the Board authorized a new position for a Media Specialist - Cost \$66,320.

*Human Resources* - The Board allocated funds for additional staff training, working through Indian River Community College. The goals are to improve customer service skills, employee productivity through team work, time management, human diversity and supervisory training.

*Information Technology* - Established a Personal Computer Replenishment Program, which will bring the county PCs up to current Windows operating system and keep up with current technology requirements for end-users - Cost approx. \$103,050 per year for four years.

Also, an Information Technology Training Coordinator was added in order to coordinate and provide new employee training, field training, class room training and individualized training in a variety of standard software applications used by the county employees on a daily basis.

*Library* - A Technical Assistant for the Media Center at the Morningside Branch Library, to operate the media equipment and to provide training for staff and general public - Cost \$54,000.

Also, to better serve the community the Board had decided to open the Main Library on Sundays - Cost \$59,982 (Personnel & Operating).

*Mosquito Control* - Increase the Mosquito Control District millage by .0636 (from .2121 to .2757). The millage increase is to fully fund the current level of services with District Ad Valorem taxes. Additionally, this increase will enable the District to create a reserve, which will be made available to respond to health related emergencies.

*Office of Management & Budget* - Three positions were added, two Budget/Grants analysts and a Grant Writer in order to centralize all grant reporting and to ensure correct information is being reported to the granting agencies. This will also promote more county grant activities and opportunities by working closely with local, state and federal agencies - Cost \$144,426.

Additionally, two Staff Accountant positions were added to ensure St. Lucie County financial reporting complies with the Governmental Accounting Standards Board Statement 34 requirements - Cost \$100,000.

*Parks & Recreation* - Ten additional employees will be added to accommodate customer-focused parks and recreation services to meet the needs of all St. Lucie County residents - Cost \$358,039.

*Public Works/Environmental Resources* - Five and one-half positions including a Manager were added or transferred to create this department. The primary responsibilities are to provide resource-based recreational opportunities and implement resource management plans on 7,000+ acres acquired through partnerships and the Environmentally Significant Lands Program - Cost \$278,855.

*Public Works/Building & Zoning* - A Licensing Investigator was added to provide pro-active enforcement of licensing laws in the County - Cost \$38,596, paid from building permits fees.

*Utilities* - A Senior Accounting Clerk position was added to the department to handle the fiscal responsibilities as the customer base increases. Also, the Utilities department will share one-third of the expense of an Electrician with the Park & Recreation department in order to maintain high level standard of maintenance. - Cost \$53,019.

*Veterans* - One part-time Driver was added to meet the demands of an increasing veteran population seeking transportation for medical services at the West Palm Beach Medical Center - Cost \$13,668.

*Capital Projects* - In previous years the difference between the estimated fund balance and actual had averaged about \$2.5 million, which was used to either balance the budget or fund special projects. This year the excess Fund Balance was \$5.2 million, which was the result of the 'Investment for the Future Program', an aggressive economic development program, increased construction value within the County, an ambitious grant program and settlement with Florida Power and Light over contested valuations combined with controlled spending on the part of county departments.

The Board had decided to use \$2.2 million to balance the 2002 budget, \$0.7 million toward the '2002 Economy Reserve Fund', and invest the remainder of these excess dollars toward funding the following projects:

<b>Revenues (Transferred in from General Fund)</b>	<b>FY '02 New \$</b>
<b>Capital Project</b>	
Community Services	30,000
Engineering	350,000
Engineering (MSBU's)	117,000
Central Services - Special Projects	1,216,050
Erosion	75,000
Stormwater Management	150,000
Parks and Recreation	362,000
	<b>2,300,050</b>
<b>Expenditures</b>	
<b><i>Community Services</i></b>	
Community Pride	30,000
<b><i>Engineering (MSBU's)</i></b>	
MSBU In-house Revolving Loan	117,000
<b><i>Parks and Recreation</i></b>	
Parks Referendum -Adv	25,000
Portable Stage	100,000
Regional Football/soccer Stadium	189,000
Civic Center Stage Curtain	48,000
Subtotal	362,000
<b><i>Stormwater</i></b>	
Harmony Heights Stormwater	150,000



<b><i>Engineering</i></b>	
Lakewood Park Bike Path Phase 2 & 3	150,000
St. James Landscaping	100,000
Civic Center Parking Lot Drainage	50,000
Administration Building Parking Lot Addition	50,000
Subtotal	350,000
<b><i>Erosion</i></b>	
South Causeway Island Erosion	50,000
North Causeway Island Erosion	25,000
Subtotal	75,000
<b><i>Central Services - Special Projects</i></b>	
Cowboy Club Arena	20,000
Lakewood Park Soccer Field	144,800
Herman's Bay	47,030
Normandy Beach	55,220
Lawnwood Stadium Tennis Courts	120,000
Lawnwood Stadium Softball	30,000
South Causeway Island Park Improvements	108,000
Savannas Trail Connection	15,000
Pepper Park Wastewater	50,000
Ft Pierce Farms School House ADA	51,000
Fairgrounds	575,000
Subtotal	1,216,050
<b><i>Total Capital Project Expenditures</i></b>	<b><i>2,300,050</i></b>

**Constitutional Officers** - The Sheriff's budget has increased 3.28% or \$1,077.8 million. The Supervisor of Elections budget is up by 17.35% or \$242.0 thousand. The Property Appraiser's budget has decreased by .51%, or \$14.5 thousand. The Clerk of Circuit Courts has increased by 9.25%, or \$314.5 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.

\$1,687,371. This year the Board awarded \$1,697,626 - an increase of 0.006 % or \$10,522.

### **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 4 year salary adjustments program. Contingency reserve is budgeted at \$1M, the same level as last year. The emergency reserves remain at \$8.4 million. This is in addition to the '2002 Economy Reserve' totaling \$ 1,271,720.

### **Conclusion**

This budget reflects the efforts to hold in line the property tax rates, while 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. This is beginning to have a positive effect in the county's revenue streams. However, continued growth could generate costs in excess of revenues unless demographics and the economic characteristics of growth patterns continue to change.

Now that we have stabilized the County's operating Budget, we are able to begin addressing the County's long term Capital needs.

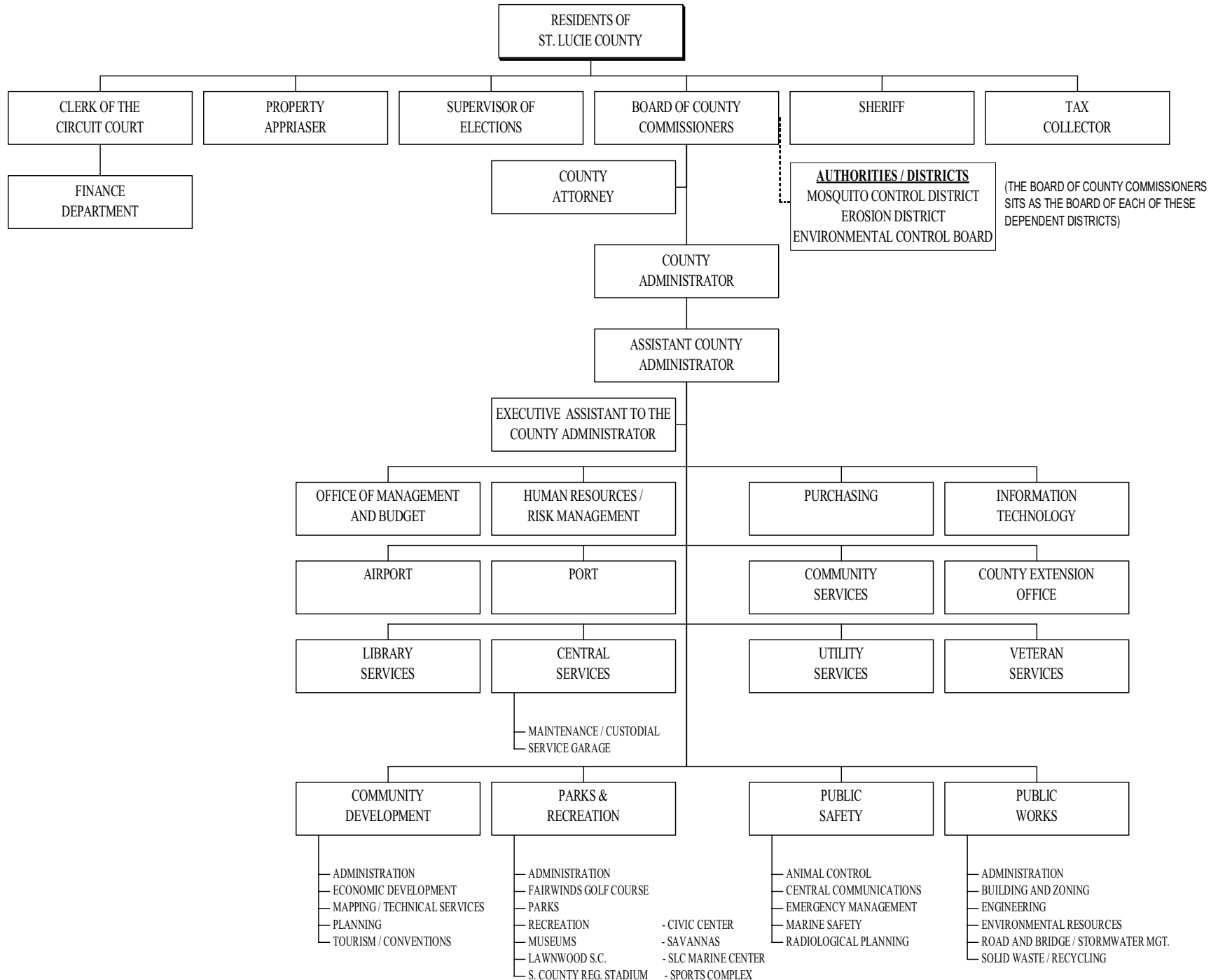
We need to (a) continue to control expenditures and (b) take action necessary to increase revenues, while simultaneously (c) pursue an aggressive and carefully planned economic development strategy to (d) create an economic base adequate to fund desired public service levels on a continuing basis.

Sincerely,

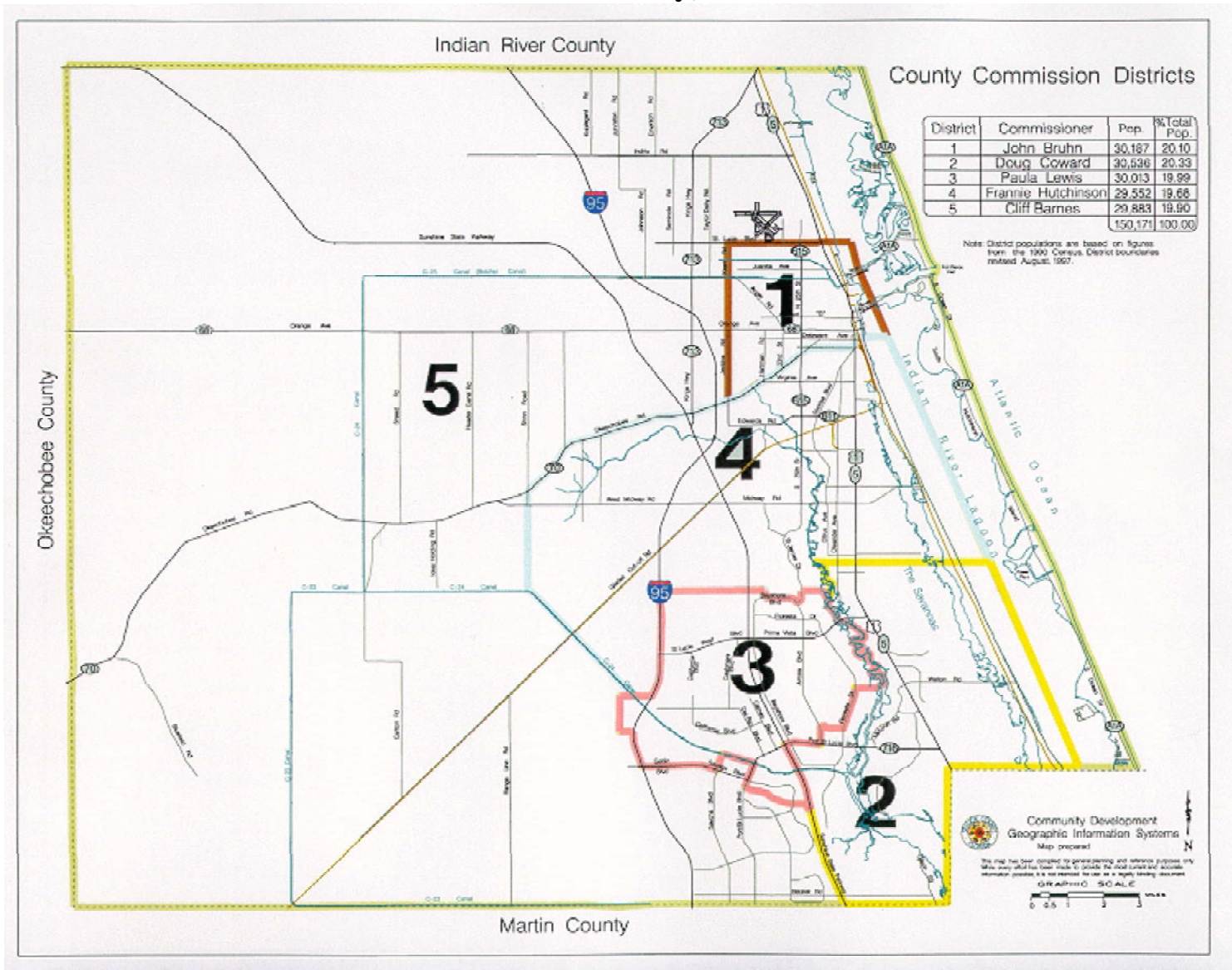
Douglas M. Anderson  
County Administrator

September 2001

# ST. LUCIE COUNTY



# 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, the west by Okeechobee County, the south by Martin County and 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 in 2000 is estimated by the census at 192,695 which is largely concentrated in the eastern portion of the County within 5-10 miles of the Atlantic Coast. This is a 3% increase over 1999 and a considerable 28.3% increase since 1990. Most of the growth over the past ten years occurred in the City of Port St. Lucie (49%) followed by the unincorporated area (13.6%). The count conducted April 1<sup>st</sup> of this year placed the City of Port St. Lucie as the 15<sup>th</sup> largest city in the State surpassing West Palm Beach.**

**The population of the County is ethnically comprised of 79.1% white, 15.4% black and includes over 8% Hispanic. The median age is 42. Concentrations of the population are: Port St. Lucie - 46%; Unincorporated - 34%; Fort Pierce - 19%; and St. Lucie Village - less than 1%.**

### **Employment**

**Services, tourism, agriculture, construction and light manufacturing are the principal industries within the County. While St. Lucie County is 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 7% in 2000 which while improving is still higher than the state average of 4.3%. To counter this the County initiated an aggressive campaign to attract targeted businesses. Recent successes include a QVC call center, and the relocation of Convergys Corporation, an established customer billing service company. This year, in cooperation with the municipalities, the County has agreed to partially fund the St. Lucie County Economic Development Council whose purpose is to attract higher paying, environmentally friendly companies to this area. We expect significant results within five years.**

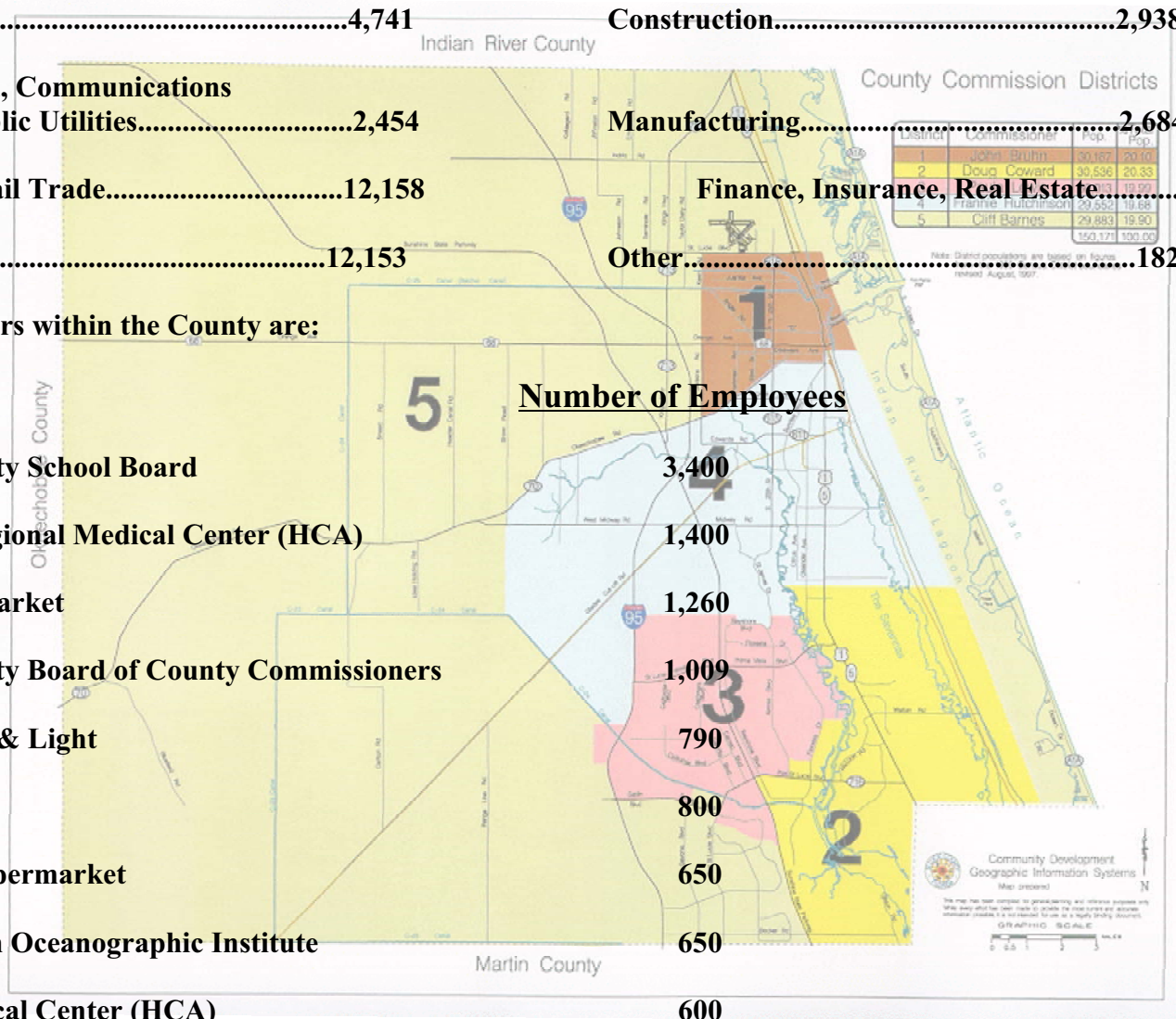
In 1999 the major areas of employment were:

Agriculture.....	4,741	Construction.....	2,938
Transportation, Communications and Public Utilities.....	2,454	Manufacturing.....	2,684
Wholesale/Retail Trade.....	12,158	Finance, Insurance, Real Estate.....	2,353
Services.....	12,153	Other.....	182

Major employers within the County are:

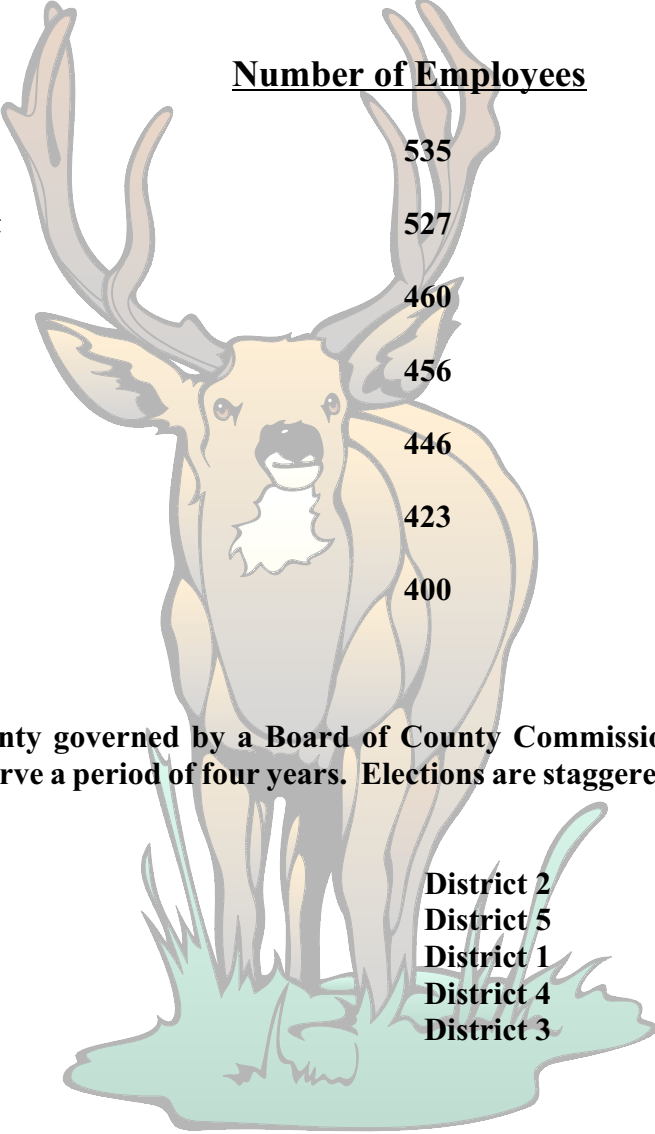
**Employer**

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	800
Winn Dixie Supermarket	650
Harbor Branch Oceanographic Institute	650
St. Lucie Medical Center (HCA)	600



**Employer**

**Number of Employees**



City of Port St. Lucie	535
St. Lucie County Sheriff's Department	527
Aegis Communications/IGI	460
Wal-Mart	456
Indian River Community College	446
Convergys Corporation	423
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. The commissioners are elected at large to serve a period of four years. Elections are staggered to provide continuity between boards. The Commissioners are:

Doug Coward, Chair  
Cliff Barnes , Vice-Chair  
John Bruhn  
Frannie Hutchinson  
Paula Lewis

District 2  
District 5  
District 1  
District 4  
District 3

**The county is managed on a daily basis by a professional administrator, Douglas Anderson, who is 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. Additionally, 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.**

**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 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 (37,516) 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. 88,769) is the largest city both geographically and in terms of population. It covers 80 square miles. It was incorporated 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 council and also employs a professional manager.**

**St. Lucie Village (pop. 604) is a small enclave covering 1.5 square miles of territory in North St. Lucie County along the Indian River.**

## *Vision of St. Lucie County*

*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 of 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. Non-expendable 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**

- **Modified Accrual Basis for Governmental Funds.**

Governmental Funds include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds and Expendable Trust Funds. Modified accrual is essentially accrual accounting, modified to recognize the governmental environment and unique

accounting measurement objectives. Revenues are estimated for the fiscal year when they are quantifiable and there is a reasonable expectation that they will be collected during that period. In most cases, expenditures are recorded when the good or service is actually delivered, regardless of when the funds are disbursed. As a budgetary control measure, the funds will be encumbered or 'reserved' when the good or service is ordered.

- **Accrual Basis for Proprietary Funds.**

Proprietary Funds include the Internal Service Funds and the Enterprise Funds. (Although, St. Lucie County no longer has 'Internal Service Funds') Under the Accrual basis revenues are budgeted based on the measurable amount expected to be 'earned' during the fiscal year. Expenditure estimates are developed for all expenses anticipated to be 'incurred' during the fiscal year. Transactions are recorded when they occur - regardless of when cash is received or disbursed. This is essentially the same method used in the private sector, however there are a few differences:

1. Capital expenditures and debt principal are budgeted as appropriations
2. Compensated absence accruals are not budgeted

- **Fund Balance.**

Fund balance is the result of the previous fiscal year's beginning cash balance plus revenues received minus actual expenditures. It includes unallocated resources which may be used to fund new projects/programs as well as unspent allocated funds which will be carried forward to fund those existing projects/programs. Fund balance is adjusted for inventory and other non-cash assets and liabilities.

- **Depreciation.**

For budget purposes, depreciation is recognized in a designated reserve only to the extent that it is funded.

## **GRANTS BUDGETING**

Grants are funds awarded to St. Lucie County by the federal government, state agencies, or other organizations to finance projects such as capital improvement, cultural and educational activities, environmental projects, economic development, planning and research, etc. Grant revenues are received into governmental or proprietary funds related to the project. Each grant is individually budgeted as a sub-fund subordinate to its hierarchy governmental or proprietary fund. Transfers of grant local matches, interest monies and residual cash between a grant and its hierarchy fund are permitted without Board approval.

## **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. A separate section of this document is designated for the CIP projects detail. Projects in the CIP this fiscal year 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 re-allocations 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. Direct debt per capita shall remain below four hundred dollars (\$400.00). Direct debt includes general obligations and voted debt.
  - b. Direct debt per capita as a percentage of income per capita should not exceed 2%.
  - d. Direct 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%.
  - e. The ratio of direct 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.
  - f. The County shall strive to maintain a minimum underlying bond rating equivalent to a Moody Rating Service Aa. 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.

Comment: Calculation of current debt ratios, as well as current debt balances are included in the Debt Service section of this book.

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 benefitting 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.

## CATEGORIES OF AND DISCUSSIONS ON REVENUES & EXPENDITURES

### 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 State collects fees imposed under the Telecommunications Act and disperses them to participating counties. The County also collects electrical, 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 Risk Management program generates revenue to fund the program by billing the departments for services provided. Revenues are determined by agency requirements which, are determined in the budget review process. The expenditure to the department is an example of an Internal Service Charge. The use of an internal service fund enhances cost accounting and accountability for this in-house service; 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.

#### **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.

**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, special needs 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. Risk Management (Insurance Fees) 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).