

USER'S GUIDE

This document is the approved budget for FY 2004-2005 for the period beginning October 1, 2004 and ending September 30, 2005. The intent of this document is to provide the public with concise and readable information about St. Lucie County. It contains general information and analysis of revenues and expenditures as well as a budget history and proposed budget amounts for FY 2004-2005.

SECTION A – SUMMARIES/ANALYSIS

This section contains key information from subsequent sections in which the Office of Management and Budget (OMB) has extracted and then presented in an understandable format. This section is recommended by staff as an excellent starting point for review of the budget. Summaries of the total county budget, each constitutional officer, and of the court and legal system are available to provide ease in understanding the budget. 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. This section categorizes each fund by type and briefly describes the sources of revenue and types of expenditures found in each fund. This list is followed by a three-year history of each fund showing the budget versus actual amounts. The history also shows the amount budgeted in the new fiscal year and the percent change from the previous year's budget. The remaining portion of this section is comprised of charts and graphs of selected funds that reveal the amount of budgeted revenue sources and budgeted expenditures.

SECTION C – DEPARTMENTAL SUMMARIES

Section C contains budgetary information as it applies to each department. A table of contents specifically designed for this section provides a quick page reference to any department within the county. Each department includes an organizational chart, a four-year budget summary of each division located within the department, and division mission, functions, and goals. The divisions also list key indicators which are used to measure how well each goal is being accomplished.

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. This section also provides information on the planning and approval process involved in the development of the Five-Year Capital Improvement Plan.

The Five-Year Capital Improvement Plans are categorized by department and may include capital improvements affecting major infrastructure facilities such as roads, bridges, beach restoration / preservation, environmental lands, drainage and stormwater projects, port and airport facilities, parks and recreational facilities, libraries, general governmental buildings and correctional facilities, utilities and museums.

Each plan identifies the sources of funding and provides a detailed listing of projects and the estimated costs associated with each project. Individual project summary forms follow the Five-Year Capital Improvement Plan providing a description and further details on the project.

SECTION E – DEBT SERVICE

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

Section F, the Appendices Section includes a listing of grants that were awarded to the county and a glossary for the definitions of terms.

For any additional information, contact our office:

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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 the hard work from our departments in trying to balance this year's budget while at the same time reducing the countywide ad valorem tax rate. While the preparation of the this year's budget presented some challenges, the process was less difficult than it could have been due to the success of the "Investment for the Future" program, increased property values, an ambitious grant program, an aggressive economic development program, and a 'hold the line' spending strategy.

The "Investment for the Future" Program was developed by the St. Lucie County Strategic Management Team in 1997 and was initiated in fiscal year 1998. This program was adopted by the Board to establish funding for infrastructure, stormwater management, fleet replacement and other capital improvements. The sources of revenues are Franchise Fees, Local Option Gas Tax, the Stormwater Municipal Service Taxing Unit, and Tourist Development Tax.

The county's property values came in 25% over last year, and the county is still growing at a rapid rate. According to the U.S. Census Bureau Port St. Lucie is the sixth-fastest growing city in the country. Also, according to MSN Money/CNBC "The Nations Hottest Housing Markets" the Fort Pierce – Port St. Lucie housing market is ranked third in the nation.

We currently have two Grant Writers in the County Administrator's office, writing and searching for grants for the County and not for profit agencies. Last year we applied for \$18.6 million in grants and to date \$5.5 million have been awarded. We have additional grants in the amount of \$8.8 million that are still pending.

A few years ago the County started an economic incentive program. This program has been highly successful in bringing jobs to the County. For instance, the Wal-Mart Corporation recently completed a \$55 million distribution center that created 1,200 jobs.

In tune with our "hold the line" strategy, total appropriations for the FY 2004-2005 budget are \$402,037,913. This amount represents an increase of only 2.8% from last year's budget, which is representative of the County's long-standing commitment to fiscal and managerial conservatism while recognizing the immediate demands placed on county services due to extraordinary population growth. The following table shows the percentage change of the FY 2004-2005 budget in comparison to last year's budget.

Expense Type	Adopted Budget 2003-2004	Adopted Budget 2004-2005
Personnel Expenses	50,918,697	57,564,345
Operating Expenses	208,092,267	214,689,208
Capital Expenses	132,255,369	129,784,360
TOTAL	391,266,333	402,037,913
Percent Change:		2.8%

All of the aforementioned initiatives serve as reinforcement of the County's vision and philosophy on long-range planning, infrastructure and conservative spending. In addition, these programs help the County to attain a lower unemployment rate, higher-paying jobs, and a high quality of life for all ages and cultures to live, learn, work and play in.

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

- Balancing the budget with a decrease in the countywide millage rates.
- Handling mandatory requirements placed upon St. Lucie County by state and federal law.
- Providing training for employees to better serve the public.
- Accurately preparing economic assumptions for the upcoming fiscal year.
- Continuing cost containment efforts.
- Maintaining the County's emergency reserves.
- Providing adequate contingency reserves, for unanticipated expenditures.
- Addressing major issues facing the Board such as: employee benefits, new positions, capital projects and other miscellaneous operating issues.
- Identifying other issues that may be indirectly or directly related to the budget process.

BUDGET OVERVIEW

The balancing of the proposed 2004-2005 budget has been more difficult than recent years. The primary reasons include extraordinary growth, increased costs, unfunded mandates, and inflation. However, with the hard work of staff and their cooperation, we originally balanced the budget with an estimated property value increase of 14%. Fortunately, the final property value came in 11% higher than anticipated. For this reason the Board was able to increase funding for some programs during the budget workshops and reduce the countywide millage rate. In addition, subsequent to the July 1, 2004 property value certification, the Property Appraiser was able to reach an agreement with Florida Power and Light that will result in an increase of the tax roll by \$50 million. The following table shows the millage rate history for St. Lucie County.

Millage Rate History									
FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	Change
7.6794	7.6794	7.6794	7.6794	7.6794	7.6794	7.6794	7.6794	7.5426	-1.7%

The Countywide Ad Valorem millage for FY 2004-2005 is 7.5426, which has been reduced from fiscal year 2003-2004 and consists of the following three components:

General Fund	4.1248
Fine & Forfeiture	3.3178
Erosion Control – Zone E	0.1000
Total	7.5426

General Fund. The General Fund budget is the largest component of the operating budgets with a FY 2004-2005 budget of \$85,548,736, which represents an increase of 4.1 % as compared to last year's budget. This budget includes increases in staffing and operating costs to allow for the expansion of services to our vastly growing county. Expenditure increases are only possible with revenue growth. The additional revenue generated by the 25% increase in property values presented the much needed opportunity for growth in various budgets countywide. These budgets were adjusted to include an increase in Tax Collector Fees by \$500,000 to allow for the additional revenues, an additional 1% raise for county employee salaries, additional appropriations for specific constitutional budgets, and additional funding for off-duty deputies for the Inmate Work Program.

Last year's general fund budget included a fund balance of \$20 million, whereas this year's FY 2004-2005 budget shows the fund balance at \$15 million. The actual September 30, 2003 fund balance was \$17 million and projections indicate that current year 2004 expenditures will exceed revenues by \$2 million. The decrease in the fiscal year 2003 fund balance was a result of transfers to fund capital projects.

Special Revenue Funds. The County's Special Revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, and are budgeted for a total amount of \$165,712,383, which represents a 14% increase over last year's budget.

We continue to struggle with the Unincorporated MSTU Fund. The increased expenses in the fund are mainly due to the implementation of the North County Charrette to pay for the expertise necessary for this process. At this time, \$850,000 is being set aside for outside professional services. An additional \$150,000 has also been set aside to be carried forward from last year's contingency to start up the North County Charrette project. The one-half (1/2) cent Sales Tax revenue is proposed to cover \$300,000 of the \$1,000,000 cost.

At the beginning of the FY 2004-2005 process, \$600,000 in additional funding was needed for the Stormwater MSTU. The proposed projects for the Stormwater MSTU include Paradise Park for \$300,000 and Harmony Heights for \$300,000. With the substantial increase in property values, \$200,000 was generated to help fill the gap. Part of the one-half (1/2) cent Sales Tax revenues is proposed to cover the remaining \$400,000.

The Fine and Forfeiture Fund continues to be a challenge. While the expenditures are increasing at almost unpredictable rates due to changes in mandated policies, the revenues do not, and in most cases have actually declined. Effective October 1, 2004, counties were required to fund the cost of Juvenile Detention care for juveniles who reside in the county. This year's budget includes an additional \$1,506,100 for this purpose. However, after the first payment of \$156,940, this legislation was ruled unconstitutional. Funds were also set aside in the amount of \$1,314,500 for a reserve in preparation of any additional changes that may occur as a result of Article V.

Debt Service Funds. St. Lucie County will begin fiscal year 2004-2005 with total outstanding debt of \$149,851,080. Most of the County's indebtedness consists of long-term bonds including \$11,835,000 in General Obligation Bonds, \$70,747,105 in bonds covered by government funds, and \$23,130,000 in enterprise funds.

Capital Project Funds. In determining the Capital Budget, Administration and staff rely heavily on the Capital Improvement Plan (CIP). The CIP is a process that involves all departments each year during budget preparation. The departments are asked to identify all future capital needs for a five year period. Through the CIP, major funding requirements are recognized far in advance of the actual fiscal year in which the project is anticipated. This plan enables the planned budgeting of funds required and assists in identification of the County's future needs while allowing adequate planning time to fund these needs.

The FY 2004-2005 Capital Budget totals \$123,326,496 and represents 31.5% of the entire budget. Most of the major items in the capital budget originate in Central Services, Public Works, and Parks and Recreation. In this year's capital budget, Public Works represents the largest portion, which is 37.3% of the total capital budget, while Central Services represents 17.7% and Parks and Recreation represents 9.8%. Other departments within the capital budget that also have a defined CIP include the Port and Airport, which both include grant funding, and Utilities.

Enterprise Funds. The County's Enterprise Funds account for operations that are financed in a manner similar to private business in that the cost of providing the services is primarily recovered through user fees. The Enterprise Funds are budgeted for a total amount of \$32,231,543 for FY 2004-2005, representing a decrease of 22.5% in comparison to the FY 2004 budget. Due to the initiatives in the acquisition and construction of additions, extensions and improvements to the water and sewer facilities within the County, the estimated number of new utility customers for FY 2004-2005 is expected to be 192. This increase in customers is expected to provide additional revenue for the Utilities Fund to the tune of \$213,500. Two new developments within this expansion are Emerson Estates and Portofino Shores.

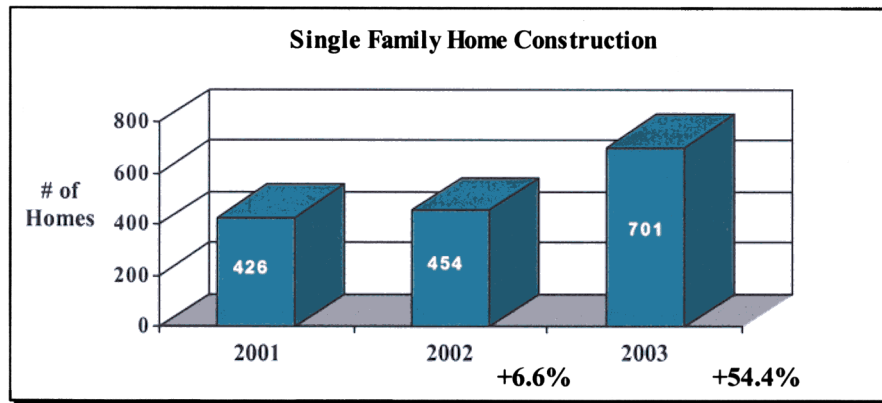
FINANCIAL ASSESSMENT

Fund Balances and Financial Reserves. An important measure of the County's financial strength is its fund balance, or simply its current assets minus current liabilities. The County's total unreserved fund balance for the General Fund by September 30, 2004 is estimated to be \$15,310,260. This amount represents 18.6% of the total budgeted revenues for last year. The County's Special Revenue Funds are estimated to have a combined fund balance total of \$48,210,191.

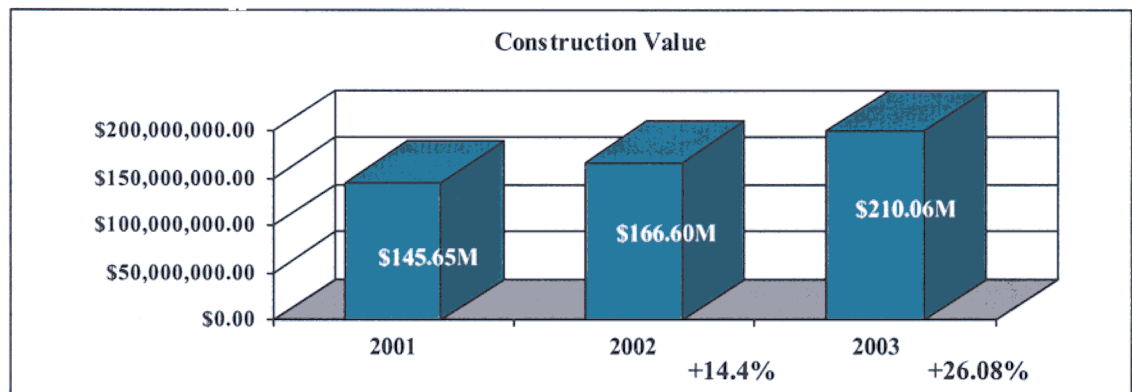
A second indicator of financial strength is the County's financial reserves. The General Contingency Fund and Emergency Reserves are recommended to stay the same as the past four years' budgets. A recommended \$1,000,000 has been designated for contingency, \$8,400,000 for emergency reserves, and \$800,000 for salary adjustments. For FY 2004-2005 the Board of County Commissioners has also created a \$2,000,000 County jail reserve for an additional jail pod should the population exceed 1,338. During the Budget Workshops the Board of County Commissioners requested that Administration review reserve levels during FY 2005 with any changes to be implemented in FY 2006.

Bond Ratings. The County's bond rating serves as additional evidence of its financial strength. Moody's and Standard and Poor (S&P) evaluated St. Lucie County's underlying creditworthiness in June 2003. Moody's rated the county at A2 and S&P gave the county a rating of A. Both ratings indicate that the County is in the "Upper Medium Grade" of investment quality.

Development Activity. Development activity in St. Lucie County is still growing at a rapid rate. Single family home construction has increased by 61% between 2001 and 2003. The following graph shows the number of single family homes constructed in each year.

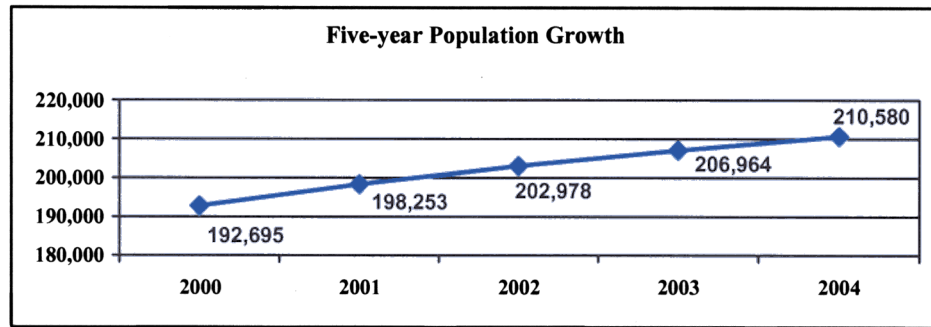


The construction value also continues to increase. The following graph shows an overall increase in value of 40.48% between 2001 and 2003.



MEETING THE CHALLENGES

Population Growth. While population growth does have its immediate advantages, including an increased tax base and economic progress, every government entity knows that growth does not pay for itself. A greater population means more manpower, more supplies, and greater costs associated with providing much needed services. The chart below shows the population growth in St. Lucie County over the past five years.



While the County continues to grow, Administration and staff are closely monitoring the costs of services and the five-year plan to make sure that services can still be provided in a cost-effective way to all citizens.

CRAs. As a direct result of an increased tax base, the County is now faced with increased payments to the Community Redevelopment Agencies (CRAs). The County is required to pay tax refunds to both the City of Port St. Lucie and the City of Ft. Pierce. In return, these funds are used for various projects in connection with the community's comprehensive plan on land development.

Tax Refunds to Port St. Lucie CRA

	<u>2003 Actual</u>	<u>2004 Actual</u>	<u>2005 Budget</u>
General Fund	\$116,882	\$259,601	\$482,956
Fine & Forfeiture	<u>\$182,012</u>	<u>\$223,511</u>	<u>\$415,815</u>
Total	\$298,894	\$483,112	\$898,771

Tax Refunds to Fort Pierce CRA

	<u>2003 Actual</u>	<u>2004 Actual</u>	<u>2005 Budget</u>
General Fund	\$118,420	\$287,012	\$ 669,081
Fine & Forfeiture	<u>\$184,407</u>	<u>\$247,112</u>	<u>\$ 576,065</u>
Total	\$302,827	\$534,124	\$1,245,146

Health Insurance Plan. The County is experiencing a 19% increase in its health insurance program and an additional 14% for reinsurance and aggregate insurance premium coverage for the next fiscal year. Both of these issues constitute an overall 33% plan increase. The actual cost is an extra \$2,126,347, which brings the total plan cost to \$8,585,020. For the third consecutive year the Board of County Commissioners has voted to absorb the costs associated with this increase and not passing the burden on to employees. Administration has recommended transferring \$1,000,000 from the General Fund to fund the projected shortfall in the insurance fund as well as providing a reserve.

Law Enforcement. During budget preparation, the St. Lucie County Sheriff's Department submitted a proposed budget in the amount of \$48,087,975 representing a 22.1% increase over last year. This budget included funds for operating the new jail pods, which were estimated at \$4,562,259. A second submittal from the Sheriff was received on July 9th, 2004 and included a revised total of \$51,610,415. This difference represented a \$6,741,940 increase over the original budget submission and an increase of \$12,226,444 from the approved FY 2003-2004 budget. During the budget workshops in July, the Board included \$45,675,709 in the budget for the Sheriff's Department. The Sheriff subsequently requested that an advance of \$307,000 be made in the current fiscal year, thereby reducing the FY 2004-2005 budget to a final total of \$45,368,709.

Article V. The FY 2004-2005 budget reflects the impacts of Revision 7 to Article V of the Florida Constitution. This revises the responsibilities for funding court related activities. The budgets for the Clerk of Court, Court Administration, Circuit/County Court Judges, State Attorney, Public Defender, Legal Aide, and Guardian Ad Litem have all been affected by this change.

Increased Fees to Humane Society. FY 2004-2005 marks the beginning of a new contract between the Humane Society and the County's Public Safety Department. The Humane Society is now charging \$108 per animal rather than the \$62.81 that was charged last year. This substantial increase resulted in budgeted funds of \$350,000 for FY2004-2005 as compared to \$210,000 in FY 2003-2004.

Funding for Constitutional Officers and Mandated Non-County Agencies. The following chart shows the changes in funding needed for Constitutional Officers and Outside Agencies. The percent change represents the amount of increase or decrease of the Tentative Budget as compared to the FY 2004 Adopted Budget.

	2004 Adopted Budget	2005 Request	2005 Tentative	Percent Change
Clerk of Circuit Court	3,670,630	4,982,657	3,600,612	-1.91%
Supervisor of Elections	2,221,578	2,227,695	2,227,695	0.28%
Sheriff	40,875,971	51,610,415	45,368,709	10.99%
Tax Collector	3,554,504	*	4,733,266	33.16%
Property Appraiser	3,247,306	3,548,670	3,548,670	9.28%
Constitutional Officers Total Increase = 11.03%				
Mandated Non-County Agencies	3,573,633	3,912,967	4,890,214	36.84%

PERSONNEL

Despite enormous growth, the County's staffing level was only increased by 2% over last year's budget. In FY 2003-2004, staffing levels were at 855.50 positions, and for FY 2004-2005 that number has increased to 873.33 representing 17.83 additional positions being added to the County this year. The number is minimal due to strong efforts by Administration and staff to remain conservative with County resources.

The Media Relations division continues to provide the most current information to the public through various communication mediums including television, radio, and publications. With a significant increase in productivity of current productions and the upcoming development of new productions, including the addition of SLCTV studios, an additional Media Specialist/Production Assistant is needed to help continually manage the media division.

One of the General Fund's newest divisions is Cultural Affairs. This division is responsible for the daily administration and record keeping of activities for the County's museum assets and the planning and development of new assets. An Office Assistant III has been added to this division to handle the additional administrative requirements that are representative of a division that sponsors the Arts in Public Places

program, the Cultural Affairs Council (CAC) mini-grant program, and two advisory boards including the Historical Commission and the Cultural Affairs Council.

The up and running St. Lucie County Fairgrounds will receive an Office Assistant III to help alleviate the administrative load of a division that has grown in popularity and demand. The Parks division will receive a Maintenance Mechanic to service grounds equipment used to maintain over 1,800 acres of land. And the Recreation division will receive a Part-time Recreation Supervisor to alleviate the workload associated with the high demands for recreation programs as a direct result of population growth.

Public Safety will be increasing their staff by three Communication Officers due to a large increase in 911 calls that are mainly coming in from cell phones. Currently, the center runs four shifts and adding the additional positions will allow Public Safety one employee on the day and evening shifts.

The Public Works Department will see an overall increase of nine employees. A Senior Accounting Clerk has been added to handle the enormous workload created by various grants that have been awarded to the department. Numerous in house projects have always created demands on the survey field crew requiring even more demands on supervision therefore a Survey Tech III (Crew Chief) has been added to the Engineering division after a recent employee was upgraded to a Survey Tech IV. The benefit of the three-man crew consisting of Techs I, II, and III has the benefits of additional safety, accuracy, efficiency and productivity. The Code Compliance Division has added a Licensing Supervisor, Plans Examiner II, and a Building and Zoning Technician II to alleviate the increased workload caused by continuous growth and new Florida Building Code requirements. The Solid Waste Division has added two Heavy Equipment Operators due to the increase in tonnages, and the Road and Bridge Division has added a Maintenance Tech IV to head a new crew that will be utilized on additional medians and landscaping projects to be mowed on a 10 day cycle and individual lots located throughout the County. The crew will also be able to maintain and repair the sprinkler systems in landscaped areas. The remaining employee to be added to the Public Works Department is a Resource Protection Technician for the Environmental Resources Division. The number of permits processed in one year has doubled from the previous year and this position was needed in order to meet the requirements for permit issuance found in the Land Development Code and to continue supporting native planting on County owned properties.

With the rapid growth anticipated for the Utilities Department, an Engineering Intern was added to aid in plan reviews, permit applications and general Engineering responsibilities to insure the materials, design and implementation are in the best interest of the County.

In Veteran Services, the number of clients counseled has shown a steady increase over the past 3 years. Based on a mean average of one hour per client, the department exceeds the norm for the current staff of four Veteran Service Officers. The addition of a 30 hour per week part-time Veteran Service Officer will generate the flexibility to provide more out of the office visits to veterans who are either housebound, residing in an assisted living facility or living in a nursing home.

BUDGET HIGHLIGHTS

Administration Building Addition. The Administration Building addition was well on its way during the FY 2003-2004 budget. It is now nearing completion and both the Utilities Department and the Growth Management Department will be relocated to the new addition. The total estimated cost of this project is \$1,850,510. Funding for this project in the amount of \$215,472 came from public building impact fees and the remaining \$1,635,038 came from the General Fund.

Jail Pods. During this year's budget process, the Board has addressed the overcrowding of the County jail. This budget reflects the expected completion of two new jail pods in 2005, as well as the use of tents for minimum-security inmates and the retrofit of Dorm A-1 to medium security. The budget also includes \$200,000 to implement the recommendations from a criminal justice study. The study is expected to help alleviate jail overcrowding in the future.

Post Office History and Humanities Center. Early stages of the Post Office History and Humanities Center began in FY 2003-2004 with appropriations in the amount of \$150,000 for initial planning and design. This year's appropriations for the Center will be \$380,112 for the initial repairs, master plan, and building stabilization of the existing Orange Avenue Post Office, which will be the home of the new center. The total estimated funding for this entire project is \$1,650,000, and Cultural Affairs is working diligently to secure funding by applying for assistance from the Ft. Pierce CRA and various grants.

Merging of the Economic Development and Tourist Development Divisions. The Economic & Tourist Development division represents a merging of what were previously two separate, but related activities, into one coordinated Community Development program that is designed to promote the entirety of the St. Lucie community for both economic and tourist development purposes. By merging these activities, the community can benefit from a coordinated advertising and marketing program and the integration of state and local economic programs. These programs are designed to be responsible for developing and implementing plans and strategies, in coordination with other state and local agencies, which will increase job generation through business development.

St. Lucie County Research and Education Park. The Research and Education Park covers 2,000 acres and is anchored by the United States Department of Agriculture's (USDA) Agriculture Research Service and the University of Florida's Institute of Food and Agricultural Sciences. The County's goal is to have a leading agricultural biotechnology research park which leads to the commercialization of that research. In FY 2003-2004 the County borrowed funds in the amount of \$10,000,000 to begin purchasing parcels for the park. The park currently includes a Plant Science Research Facility and an Aquaculture Facility, and future proposed plans include eight additional laboratories.

Darwin Square Branch Library. The discussion of a new branch library in Port St. Lucie has been in place for close to three years, and there is an existing need for library services in the Darwin Square/Windmill Point area due to new construction on homes and new families moving in on a regular basis. The budget set aside for the 15,000 square foot library for FY 2004-2005 is \$2,500,000. Impact fees will fund \$2 million whereas the additional \$500,000 will come from the Library Services and Technology Act (LSTA) funding.

Ravenswood Pool – Splash Park Addition. The Splash Park will be the first of its kind in St. Lucie County and will add a new recreation feature to the County facilities and increase the Aquatics Program. The entire project is estimated to be completed in 2007 with a total estimated cost of \$964,000. Funds in the amount of \$414,000 have been allocated for FY 2005, and the remaining funds will be allocated throughout FY 2006 and FY 2007. Once completed, the project will include splash park amenities, pavilions, landscaping and fencing.

Lakewood Park Regional Park. In November of 2002, the St. Lucie County voters passed a Parks Referendum to fund acquisition, development, and improvements of park land as well as the enhancement of environmentally sensitive land trails. The Lakewood Park project began in FY 2002-2003 with a land acquisition including 156 acres of equally divided active and passive lands. In October 2003 work began on the park for the development of a design and build criteria package. Now that the criteria package is complete, the Park and Recreation department is ready to begin construction on the park that will include four soccer/football fields, four baseball fields with lighting, restroom and concession areas, a parking lot, a pool with spray ground water features, and trail enhancements including a natural trail area. The official ground breaking ceremony for the Lakewood Park District Park was held on August 28, 2004.

Lawnwood Recreation Complex. The second project included under the Parks Referendum is the Lawnwood Recreation Complex. Plans to renovate this area began with the restoration of stadium bleachers and the field renovation of 90,000 square feet in FY 2003-2004. The Parks and Recreation department is currently working diligently to secure a contract that will initiate the concrete stadium seating construction. Following the seating construction, other plans for the complex include the renovation of the press box, stadium bathrooms, track, and lighting. The project also includes the construction of four lighted soccer fields, fitness trail improvements, a maintenance building, site work on the infrastructure, two softball fields, the rotation of one baseball field, and a baseball park concession with restrooms. A

grant in the amount of \$200,000 was awarded to the County from the Florida Recreation Development Assistance Program to assist with the associated costs of this project.

Airport Industrial Park West. Plans are underway for the Airport Industrial Park West project. The industrial park will span across 150 acres just southwest of runway 9 and near the Foreign Trade Zone. Businesses will have the opportunity to use the park for warehousing, manufacturing, sales, and agriculture. Once completed, the industrial park is expected to produce hundreds of jobs with salaries ranging anywhere from the upper teens to over one hundred thousand dollars a year. The total budget allocated to this project is \$5,800,000. Federal funding makes up \$1,500,000 of the allocation, State funding amounts to \$1,900,000, and County funding represents the remaining portion of \$2,400,000. The project is estimated to be completed in 2006.

Transit MSTU. The Public Transit and Non-Motorized Transportation Municipal Service Taxing Unit was created in FY 2003-2004. The purpose of the MSTU is to provide public transit services and non-motorized transportation facilities to all residents of St. Lucie County. Funding was projected to generate \$969,946 for FY 2003-2004, and is estimated to generate approximately \$1,214,693 in FY 2004-2005.

Indian River Lagoon Shared-use Path. The County has been working several years now to construct the Indian River Lagoon Shared-path from the south county line on South Hutchinson Island north to the city limits near Blue Heron Boulevard. The total length of the path is about 10 miles. To date Public Works has constructed about three miles of the project from the south county line north to the south side of the first Florida Power and Light (FPL) canal. There were plans to complete the project, however funding was limited. During the construction of the first three miles, the County learned that the Florida Department of Transportation (FDOT) was planning a 3-R roadway project for South A1A. The County negotiated with FDOT to incorporate the shared-use path into the State's project with the exception that the County would pay for the cost of the grading, pipe extensions, hand railings, and other items associated with the path. The County also agreed to pay for the mitigation of the impacts of the project, and funding for that purpose in the amount of \$2,500,000 is allocated in the FY 2004-2005 budget. As a result of the FDOT incorporating the path into their project, the County's portion of the path will be about half of the original estimated cost and the Public Works department will not have to build or administer a construction contract. This allows the department to redirect their valuable resources.

New Scalehouse Construction. Construction of a new scalehouse for the Solid Waste Division is expected to begin during the upcoming fiscal year. This construction is expected to accommodate the 100% increase in traffic and transform the existing scale house into an automated facility for charge accounts and Class I garbage. Funding for this project has been appropriated at \$875,000 for FY 2004-2005.

NHI to Vero Beach Main Interconnect. The \$550,000 in funds allocated for the North Hutchinson Island (NHI) to Vero Beach Main Interconnect will provide for the engineering to design an emergency interconnect for the island's domestic water system. The interconnect will be with the City of Vero Beach and will provide for reliability for fire protection and domestic water to service the County's customers. The system that is currently available is only supplied by one source of water.

Taylor Creek Improvements. The Taylor Creek/C-25 Canal Restoration project involves the dredging of Taylor Creek from the C-25 spillway structure and the Ft. Pierce Farms C-1 Canal spillway structure to the Indian River Lagoon. St. Lucie County is currently pursuing Phase I construction, and Phase II construction is scheduled to begin in April 2005. The entire project cost is estimated at approximately \$4.0 million dollars and \$3,803,465 has been appropriated for the FY 2004-2005 budget year. A majority of the funding for this project has been secured through federal, state and local grants.

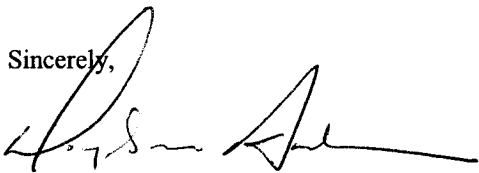
ESL Land Purchase. The County began placing funds in the amount of \$500,000 from the General Fund into a capital fund for the purchase of environmentally significant lands. This year's total appropriations including the amount set aside from the FY2003-2004 budget will total \$1,000,000. The Board has given direction to Administration to borrow funds to purchase lands while they still exist and to use the \$500,000 allocated annually to pay the debt service.

CONCLUSION

This budget reflects the efforts of the Board of County Commissioners and staff to keep tax rates low, while at the same time, maintain the quality of life in St. Lucie County. The Board's ultimate goal is to reduce the County's reliance on property owners to fund operations. With this goal in mind, we have made progress toward the diversification and enhancement of the County's economic base through an aggressive Job Growth Incentive Plan and a campaign to attract desirable employers to St. Lucie County. We have stabilized the County's operating budget and are addressing the County's long-term capital needs. Our efforts will continue in controlling expenditures, exploring possibilities of increasing non ad valorem revenue sources, and pursuing an aggressive and carefully planned economic development strategy in order to create an economic base that is adequate to fund desired public service levels on a continuing basis.

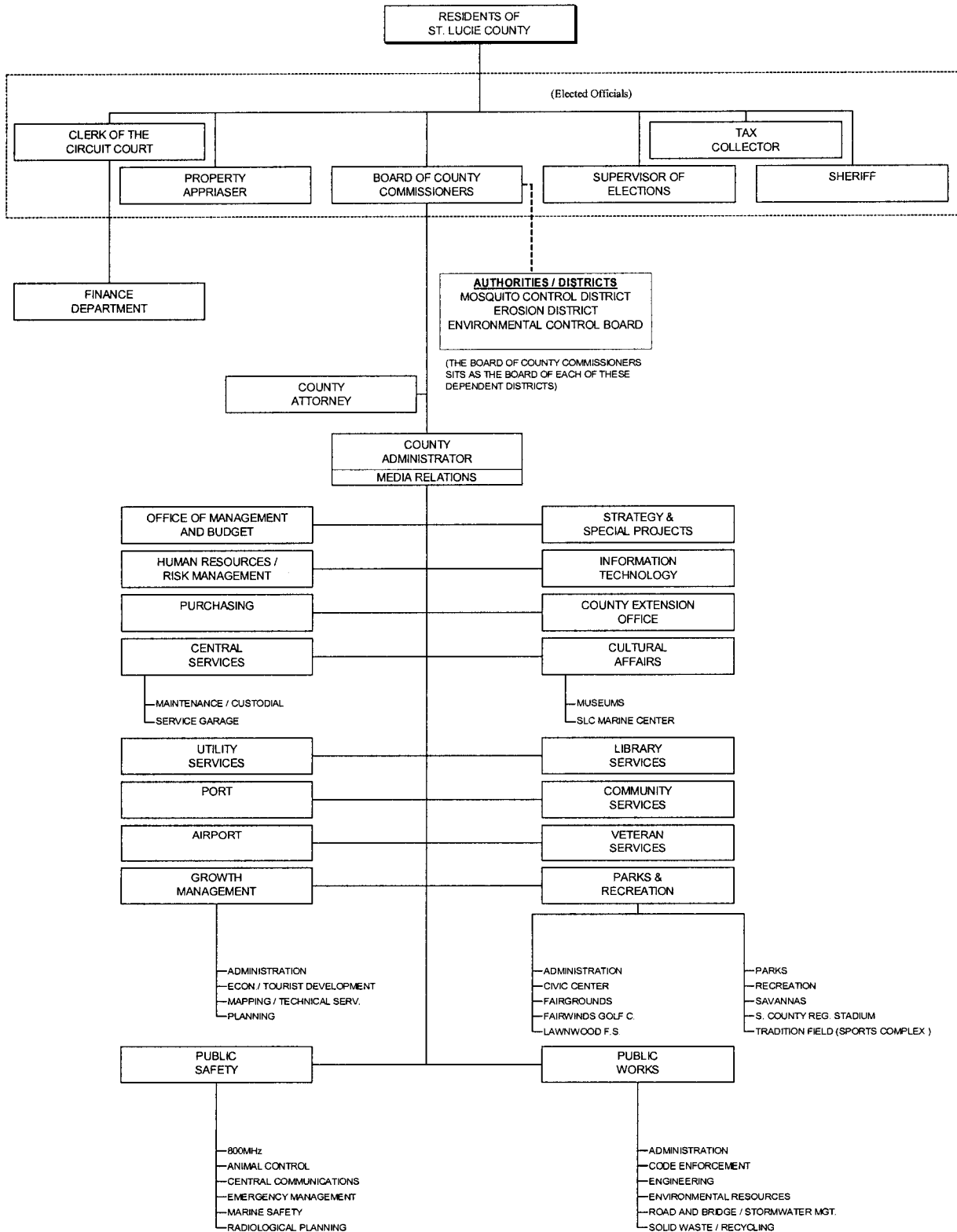
It is with great pride that I present to you the FY 2004-2005 Budget that communicates the leadership and vision of the Board of County Commissioners to define our present opportunities and anticipate our future challenges.

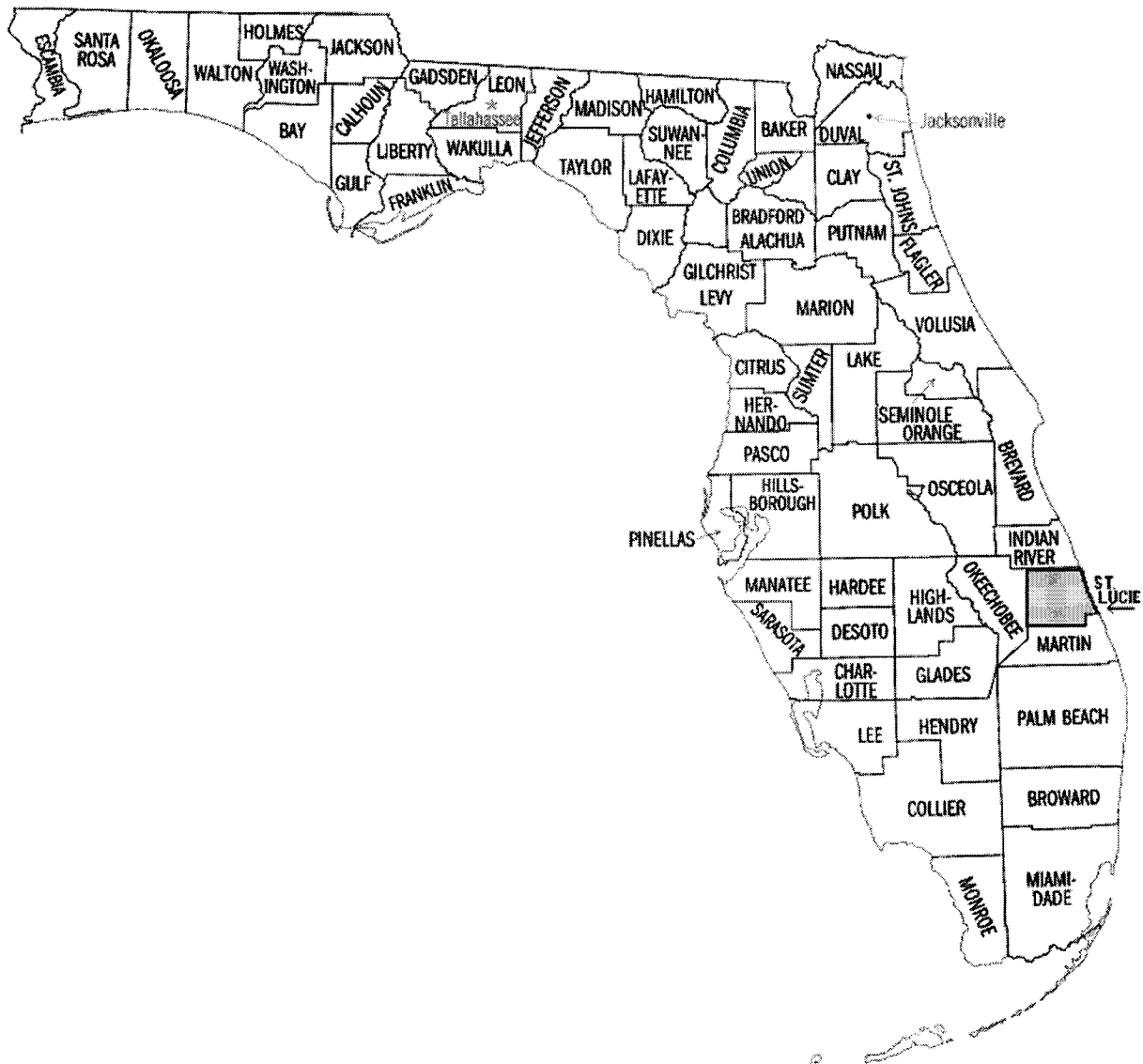
Sincerely,

A handwritten signature in black ink, appearing to read 'Douglas M. Anderson', written in a cursive style.

Douglas M. Anderson,
County Administrator

ST. LUCIE COUNTY ORGANIZATIONAL CHART





St. Lucie County, Florida

The name "St. Lucie" was introduced to the area by the Spanish. The area known as "Santa Lucía" can be traced back to 1565 when the Spanish built a fort by that name in the vicinity of the Jupiter Inlet. Pedro Menendez de Aviles established a colony in 1567 somewhere between present day Vero Beach and Stuart. Spanish maps of that time identify this area as Santa Lucía.

In the early 1800s, runaways from Creek tribes in Alabama and Georgia, called "Seminoles," moved into Florida.

St. Lucie County was established from a portion of Mosquito County in 1844 and named for Saint Lucy of Syracuse - the patron saint of blindness who was persecuted and died in the early fourth century in defense of her faith. What is today Brevard, Indian River, Okeechobee, and Martin Counties was once part of St. Lucie County. The name was changed to Brevard during the 1850s. St. Lucie broke away from Brevard in 1905 and On July 1, 1905 St. Lucie County, Florida was established with Fort Pierce as the county seat. Okeechobee broke away and was formed in 1917, with Indian River and Martin Counties following suit in 1925.

Significant Highlights

1905 ~ *St. Lucie is re-created as the forty-sixth Florida county and is named for St. Lucie of Syracuse. At that time the land area included what would eventually become the counties of Indian River, Okeechobee and Martin. Official formation of St. Lucie County occurred on July 1st followed by a parade down Orange Avenue on July 4th. The official population of the county was 3,024. The first edition of The St. Lucie Tribune was published on July 21st. Mr. F.H. Fee owned the first automobile in Fort Pierce - an Orient Buckboard. The license fee was \$2.00.*

1906

*The Fort Pierce Board of Trade is established which later becomes the Fort Pierce-St. Lucie Chamber of Commerce and eventually the St. Lucie County Chamber of Commerce.
St. Lucie County's first political election is held.*

1909

The St. Lucie County Court House is constructed on Indian River Drive where the courthouse annex is now located.

1910

The population of St. Lucie County has grown to 4,750. Fort Pierce had 1,337 residents.

1913

The Fort Pierce Women's Club establishes a "reading room" which will later become the St. Lucie County Public Library System.

1917

On August 7th, the Florida Legislature carved out a significant portion of western St. Lucie County to create Okeechobee County.

1925

On May 30th, Governor John W. Martin signed two bills impacting St. Lucie County.

One took the northern portion of St. Lucie County and created Indian River County. The other took the southern portion and created Martin County.

1955

St. Lucie County Public Library opens.

1984

Havert Fenn becomes the first black elected official in St. Lucie County when voters choose him to sit on the Board of County Commissioners.

1986

Thomas J. White begins the creation of the town of St. Lucie West on 4600 acres in western St. Lucie County.

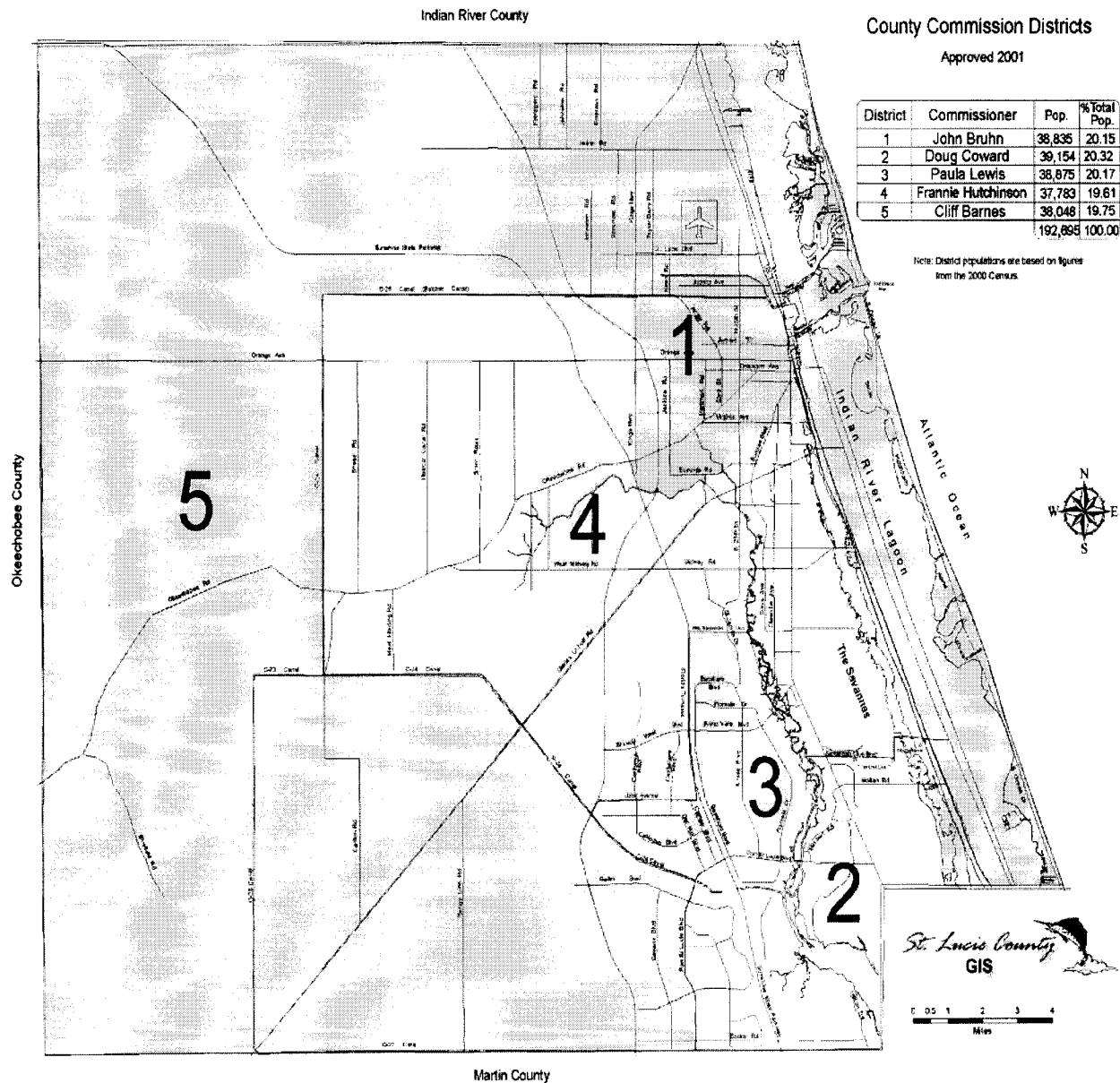
2000

St. Lucie County is estimated to have 183,000 residents, of which 83,254 reside in the City of Port St. Lucie.

2001

The City of Fort Pierce held its Centennial Celebration.

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 2003 is estimated by the census at 203,360 which is largely concentrated in the eastern portion of the County within 5-10 miles of the Atlantic Coast. This is a 5.5% increase over 2000 and a considerable 35.4% increase since 1990. Most of the growth over the past ten years occurred in the City of Port St. Lucie (161%) followed by the unincorporated area (10.9%). The City of Port St. Lucie is one of the fastest growing cities in the United States.

The population of the County is ethnically comprised of 82% white, 16% black and includes 8% Hispanic. The median age is 51. Concentrations of the population are: Port St. Lucie 47%; Unincorporated - 33%; 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 8.1% in 2002 which while improving is still higher than the state average of 5.5%. To counter this the County initiated an aggressive campaign to attract targeted businesses. The Wal-Mart Distribution Center created approximately 700-800 new jobs in St. Lucie County and is expected to add another 400-500 jobs by Spring 2005.

In 2002-2003 the major areas of employment were:

Agriculture	3,263
Construction	3,843
Transportation, Communications and Public Utilities	2,471
Manufacturing	2,597
Wholesale/Retail Trade	10,492
Finance, Insurance, Real Estate	2,940
Services	14,185
Other	133

Major employers within the County are:

<u>Employer</u>	<u>Number of Employees</u>
St. Lucie County School Board	4,259
Lawnwood Regional Medical Center (HCA)	1,140
Publix Supermarket	939
St. Lucie County Board of County Commissioners	856
St. Lucie County Tax Collector	78
St. Lucie County Supervisor of Elections	15
St. Lucie County Property Appraisers	63
St. Lucie County Clerk of Courts	200
Florida Power & Light	866
QVC	975
Winn Dixie Supermarket	672
Harbor Branch Oceanographic Institute	250
St. Lucie Medical Center (HCA)	747
City of Port St. Lucie	800
St. Lucie County Sheriff's Department	527
Aegis Communications/IGI	550
Wal-Mart	1750
Indian River Community College	1766
Convergys Corporation	1000
Club Med/Village Hotels of Sandpiper	300
St. Lucie Medical Center (HCA)	600
Liberty Medical Supply	1828
Riverside National Bank	487
Harbor Federal Savings Bank	370
New Horizons Health Care	369

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:

Paula Lewis, Chair	District 3
John Bruhn, Vice-Chair	District 1
Doug Coward	District 2
Frannie Hutchinson	District 4
Cliff Barnes	District 5

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 21 elementary schools (grades K-5), seven middle schools (grades 6-8) and five high schools. St. Lucie County also has one exceptional student education center, and three alternative schools. The school system employs approximately 4,150 instructional staff and 104 administrative 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 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 (estimated population 38,000) serves as the County Seat and covers 21 square miles. Its history dates back to the Seminole Indian Wars when Army Lt. Col Benjamin Kendrick Pierce established a fort at the site in 1837. After the fighting ended, Fort Pierce remained as a permanent settlement. Water transportation and fishing marked the early economy, along with the production of pineapple (a crop that was eventually replaced with citrus). Fort Pierce remains the commercial center of St. Lucie County, although it is smaller in population and land area than Port St. Lucie. The City of Fort Pierce is governed by a five-member city commission that employs a professional manager.

The City of Port St. Lucie (estimated population 120,000) 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. 614) is a small enclave covering 1.5 square miles of territory in North St. Lucie County along the Indian River.

Mission Statement of St. Lucie County

*To provide service, infrastructure
and leadership necessary to
advance a safe community,
maintain a high quality of life,
and protect the natural
environment for all our citizens.*

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 are generally 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.**

All Governmental Funds (General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds), Expendable Trust Funds and Agency Funds are maintained on the modified accrual basis of accounting. Modified accrual is essentially accrual accounting, modified to recognize the governmental environment and unique accounting measurement objectives. Revenues are generally recognized during the fiscal year when they are quantifiable, measurable 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. 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. Revenue is recognized when earned and expenditures are recognized when incurred. 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 that 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. Once the annual audit is completed, staff will prepare a Budget Resolution to adjust the beginning balances from the estimated to the actual.
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. Florida law states that a county must have a balanced budget. Therefore, 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. Reserves:
 - a. A reserve for contingency will be budgeted in the general fund budget, the fine and forfeiture fund the airport and port funds. At the Board's discretion, these funds may be allocated as needed during the year to fund unexpected operations or events.
 - b. The Board will also maintain a designated Emergency Reserve of \$8,400,000. By majority vote, the Board may use all or a portion of this designated Emergency Reserve, however, the use is normally reserved for natural or manmade disasters.
 - c. The Board will strive to maintain a combined Emergency Reserve and Contingency at a level of 10% of the operating expenses of the General Fund and the Fine and Forfeiture Fund or greater. For the purpose of this policy, Operating Expenses include personnel expenses and operating expenses in both funds minus Emergency Reserves, Contingency Reserves and Transfers.
6. 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.
7. Changes in the adopted total budget of a fund will be made only with Board approval of a budget amendment resolution.
 8. 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.
 9. 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.
 10. 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.
 11. 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 millage 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. 20% for tourist advertising and promotion within St. Lucie County.
 - b. 40% for stadium expenses.
 - c. 33.40% debt service for stadium renovations.
 - d. 6.60% for capital facilities that promote tourism in the Fairgrounds and the area north of Midway Road.
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:
 - Direct debt per capita shall remain below four hundred dollars (\$400.00). Direct debt includes general obligations and voted debt.
 - Direct debt per capita as a percentage of income per capita should not exceed 2%.
 - 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%.
 - 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.
5. The County shall strive to maintain a minimum underlying bond rating equivalent to 'Upper Medium Grade' (Moody Rating Service A or Standard & Poor's A). The County shall request an evaluation of their underlying rating every five years or as deemed necessary by the Board.

Comment: Moody's and S&P evaluated St. Lucie County's underlying creditworthiness in June of 2003. Moody's rated the county at A2. S&P gave the county a rating of A. Both ratings indicate the County is in the 'Upper Medium Grade' of investment quality.

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

6. The County shall strive to keep the average maturity of general obligation bonds at or below fifteen (15) years.
7. 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.
8. 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.

9. 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 \$1,000 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.

THE BUDGET PROCESS

Budget preparation is a year round process. It begins in November of each year when key staff, acting on guidance received from the Strategic Planning Committee, begin formulating policy and addressing other important issues affecting the next fiscal year budget. The results of these planning efforts are then presented to the Board of County Commissioners at a strategic planning retreat held each year in January. Once the Board reaches a decision on whether to accept, reject or modify staff recommendations, the formal budget preparation process begins.

In January, the Office of Management and Budget distributes the Budget Preparation Manual and tentative schedule to the departments. OMB then begins finalizing the schedule for the County Administrator's review, which takes place in April, and the Board's workshops in July. They also prepare the initial agenda for the Citizen's Budget Committee. This committee identifies and studies issues of interest and reports to the Board throughout the budget process.

Departments prepare their 'requested' budget during the months of January and February. The County Administrator reviews the budgets in April and the 'recommended' budget is reviewed by the Board during the month of July. Once the Board approves the budgets and adopts the proposed millage rates in July, OMB notifies the Property Appraiser and prepares the Tentative Budget. The Tentative Budget is presented to the citizens of St. Lucie County and the Board of County Commissioners at the first public hearing in September. The Board will then adopt the Tentative Budget and Tentative Millage as presented or as amended. At the second and final public hearing the Board adopts the final millage rate and final budget.

The budget is adopted at the fund level. During the course of the year, the administration may approve the transfer of funds among line items within the same fund as may be necessary for proper budgetary and fiscal management. The budget may be amended (increased or decreased) and funds transferred from contingency reserves only by action of the Board of County Commissioners as set forth in Florida Statutes.

The Truth In Millage (TRIM) timetable and budget calendar follow.

ST. LUCIE COUNTY TRIM TIMETABLE - FY 04-05				
DAY #	BOCC DATE	NOT LATER	ACTIVITY	OFFICE/AGENCY
	1-Jun		Property Appraiser provides estimated property value.	Property Appraiser
1	1-Jul		Property Appraiser submits certification of value on form DR-420	Property Appraiser
9	12-Jul	15-Jul	Within 15 Days of receiving DR-420 - Submits tentative budget to the Board - Budget workshops begin	OMB
23	27-Jul		BOCC adopt proposed millage	OMB
26	26-Jul	4-Aug	Within 35 days of receiving DR-420 - BOCC advise the Property Appraiser of the proposed millage rate, rolled-back millage and date, time and place of 1st. public hearing.	OMB/BOCC
55	24-Aug	24-Aug	Not later than this date - Property Appraiser shall mail out the Notice of Proposed Property Taxes (TRIM Notice)	Property Appraiser
74	9-Sep	Sep 3 - 18	Between 65 and 80 days of receiving DR-420 - Hold 1st public hearing to adopt the tentative budget and millage rate (assuming notice was mailed by Aug. 24)	OMB/BOCC
78	13-Sep	24-Sep	Within 15 days of 1st public hearing - Advertises in the newspaper final millage, budget and final budget hearing date	OMB/BOCC
81	16-Sep	Sep 15 - 18	Between 2 and 5 days after advertisement - Hold public hearing to adopt final budget and millage rate.	OMB/BOCC
82	17-Sep	19-Sep	Within 3 days of final hearing - The resolution adopting the final millage and budget shall be forwarded to the Property Appraiser and the Tax Collector.	OMB/County Attorney
110	15-Oct	15-Oct	Submit Certification of Compliance with all required documentation to Property Tax Administration, Department of Revenue. DOR must receive the package within 30 days of final hearing	OMB

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 unaudited actuals; publish final budget.
JANUARY	Distribute budget preparation guidelines to departments. Citizens Budget Committee agenda and schedule adopted.
FEBRUARY	Board strategic planning session; review of general budget policy direction.
MARCH	Departments prepare budgets; Department Directors review budget.
APRIL	County Administrator budget reviews. Update audited carryover amounts; make preliminary revenue estimates.
MAY	Mid-year budget review.
JUNE	Prepare proposed budget.
JULY	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.

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

Moneys in this category are primarily interest earnings. Types of interest earnings include moneys on

investments, contracts and notes, interest earnings of the Clerk of Court, Tax Collector, Sheriff, Property Appraiser and Supervisor of Elections. Also included would be rents and proceeds for use of public property. 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).