

USER'S GUIDE

This document is the approved budget for FY 2005-2006 for the period beginning October 1, 2005 and ending September 30, 2006. 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 approved budget amounts for FY 2005-2006.

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. 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 document, I am very proud of the hard work from you and 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 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, and an aggressive economic development program.

The county's property values came in 27.7% over last year, and the County is continuing to grow at a rapid rate. According to information released by the U.S. Census Bureau on June 30, 2005, Port St. Lucie is the fastest growing city (with a population over 100,000) in the country. Between the months of July 1, 2003 and July 1, 2004, the city grew in population by 12%.

Total appropriations for the FY 2005-2006 budget are \$501,998,619. This amount represents an increase of 24.8% from last year's budget, which is representative of the costs associated with accommodating the immediate demands placed on county services due to extraordinary population growth and the 2004 hurricanes. The following table shows the percentage change of the FY 2005-2006 budget in comparison to last year's budget.

Expense Type	Adopted Budget 2004-2005	Adopted Budget 2005-2006
Personnel Expenses	57,564,345	66,725,655
Operating Expenses	214,689,208	279,810,683
Capital Expenses	129,784,360	155,462,281
TOTAL	402,037,913	501,998,619
Percent Change:		24.8%*

**This increase is representative of major factors influencing the overall budget for FY 2006. Approximately \$26 Million is attributed to hurricane grant funding awarded to help with recovery efforts. Another \$12 Million is attributed to debt service proceeds carried forward from the previous year. Additional funding totaling over \$19 Million was carried forward due to projects that were delayed as a result of the 2004 hurricanes. And the remaining increase in the budget is representative of rising operating costs and constitutional officers' budgets.*

All of the aforementioned initiatives serve as reinforcement of the County's vision and philosophy on long-range planning, infrastructure and strategic 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 in which to live, learn, work and play.

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 rate.
- 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.
- Rebuilding the County's emergency reserves and addressing a financial deficit following two major hurricanes.

- 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.
- Establishing a Fund Balance Forward policy.
- Identifying other issues that may be indirectly or directly related to the budget process.

BUDGET OVERVIEW

The balancing of the proposed 2005-2006 budget proved to be a difficult challenge. Primary factors contributing to this challenge include hurricane recovery, extraordinary growth, increased costs, unfunded mandates, and inflation. However, with the hard work of staff and their cooperation, the budget was balanced with an estimated property value increase of 13%. Fortunately, the final property value came in 14.7% higher. For this reason the Board was able to set aside funding for financial recovery and reduce the countywide millage rate by 2.7%. The following table shows the countywide millage rate history for St. Lucie County.

Countywide Millage Rate History									
FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	Change
7.6794	7.6794	7.6794	7.6794	7.6794	7.6794	7.6794	7.5426	7.3426	-2.7%

The Countywide Ad Valorem millage for FY 2005-2006 is 7.3426, which has been reduced from fiscal year 2004-2005 and consists of the following three components:

General Fund	4.2619
Fine & Forfeiture	2.9807
Erosion Control – Zone E	0.1000
Total	7.3426

General Fund. The General Fund budget is the largest component of the operating budgets with a FY 2005-2006 budget of \$100,449,418, which represents an increase of 16.5% (increases in operating budgets, constitutional officers’ budgets, and financial recovery from hurricanes) as compared to last year’s adopted 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 27.7% 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 \$360,277 to allow for the additional revenue, and additional funding for the New Clerk of Court Building, Walton Road Complex, an Inmate Monitoring program, waterproofing of the Roger E. Poitras Administration Annex, and financial recovery from the 2004 hurricane season.

Last year’s general fund budget included a fund balance of \$15.5 million, whereas this year’s FY 2005-2006 budget shows the fund balance at \$6.5 million. The decrease in fund balance forward is due to unexpected expenses as a result of the 2004 hurricane season. The Board has taken measures to increase the fund balance as part of its financial recovery strategy. The Board’s plan for financial recovery is listed in the Financial Assessment section of this budget message.

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 \$227,514,466 which represents a 34% increase over last year’s adopted budget. This increase is due largely to hurricane grants that have been awarded to the County.

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 July 1, 2005, counties were required to fund the cost of Juvenile Detention

Care for juveniles who reside in the county. This year's budget includes \$1,883,280 for this purpose as well as \$500,000 for a Juvenile Assessment Center Booking Pilot Program for case management.

Debt Service Funds. St. Lucie County will begin fiscal year 2005-2006 with total outstanding debt of \$167,321,155. Most of the County's indebtedness consists of long-term bonds including \$10,525,000 in General Obligation Bonds, \$94,636,183 in bonds covered by government funds, and \$24,495,000 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 2005-2006 Capital Improvement Budget totals \$176,687,540 and represents 35.1% 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 30% of the total capital budget, while Central Services represents 17% and Parks and Recreation represents 14%. Other departments within the capital budget that also have a defined CIP include Stormwater, Solid Waste, Environmental Lands, Utilities, Port and Airport.

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 \$50,827,812 for FY 2005-2006, representing an increase of 42.63% in comparison to the FY 2005 budget. This increase is due to initiatives in the acquisition and construction of additions as well as planned extensions and improvements to the north and central county utility infrastructure.

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, 2005 is estimated to be \$6,575,261. This amount represents 7.6% of the total budgeted revenues for last year. The County's Special Revenue Funds are estimated to have a combined fund balance total of \$55,924,716.

A second indicator of financial strength is the County's financial reserves. The General Contingency Fund is recommended to stay the same as the past four years' budgets with \$1,000,000 designated for FY2005-2006.

Following a torrential hurricane season, the County is now striving towards financial recovery. At the recommendation of staff, the Board of County Commissioners is addressing four major issues as part of the County's financial recovery. These issues include covering the County's portion of the expenses related to the recovery effort (the financial deficit), increasing emergency reserves, establishing a fund balance policy, and providing for County matching funds for hazard mitigation projects (mitigation shortfall).

Financial Deficit. At this time, the County currently has a financial deficit in the amount of \$12,980,107. The total cost of recovery from the 2005 hurricane season is estimated to be \$121,398,140. Of this amount, we expect approximately \$108,418,033 in reimbursement from insurance and a variety of Federal and State agencies.

Recommended Increase in Financial Reserves. Based upon a survey of local governments, we are aiming to increase our emergency reserve level. In the past, the Emergency Reserves Fund has been budgeted in the amount of \$8,400,000. We are recommending that this policy be changed to maintain a designated Emergency Reserve of 5% of the total operating budget. For fiscal year 2006, approximately 5% of the total operating budget amounts to \$12,327,292.

Fund Balance Policy. A fund balance forward policy is also being established, as recommended by bond rating companies, in the amount of \$3,937,317. This amount represents approximately 5% of the General Fund operating expenses.

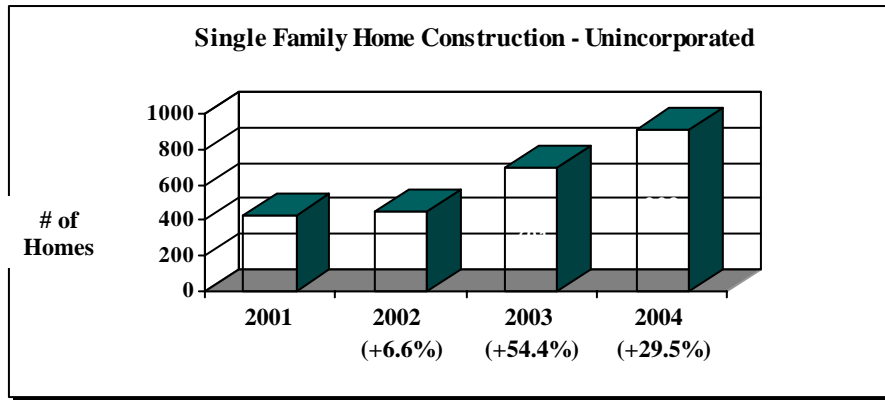
Mitigation Shortfall. Lastly, the County’s responsibility for mitigation shortfall is \$687,931. This amount is needed to cover the County’s matching funds for hazard mitigation projects and will help fund improvements to Lakewood Park and Indian River Estates. Mitigation funding will also help provide shutters and garage doors for various County buildings.

The following table is a breakdown of the funding needed to accomplish Financial Recovery. In the fiscal year 2006 budget, the County has been able to set aside \$5,149,927 toward this financial recovery plan. At this rate, staff anticipates it will take 4.2 years to achieve this financial goal.

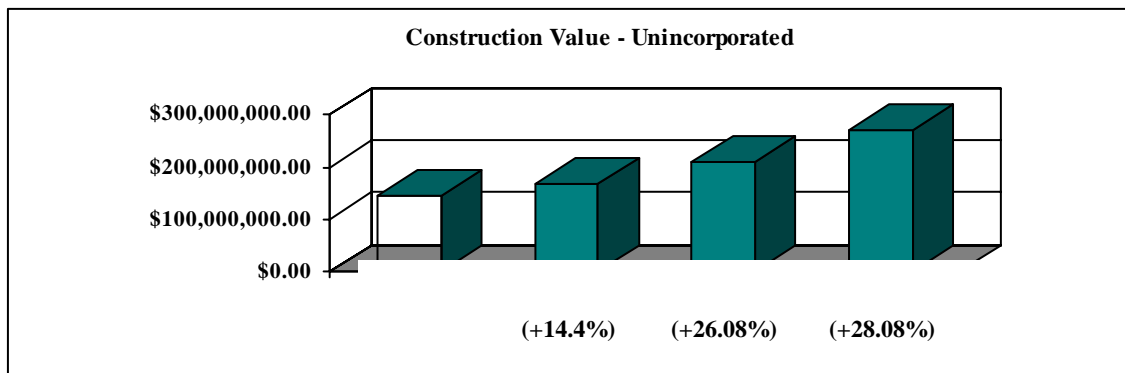
Financial Recovery	
Financial Deficit	\$12,980,107
Recommended Increase in Financial Reserves	\$3,927,292
Fund Balance Policy	\$3,937,315
Mitigation Shortfall	\$687,931
Total Financial Goal	\$21,532,645

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 2005. 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 unincorporated St. Lucie County is still growing at a rapid rate. Single family home construction has increased by 90.5% between 2001 and 2004. The following graph shows the number of single family homes constructed in each year.

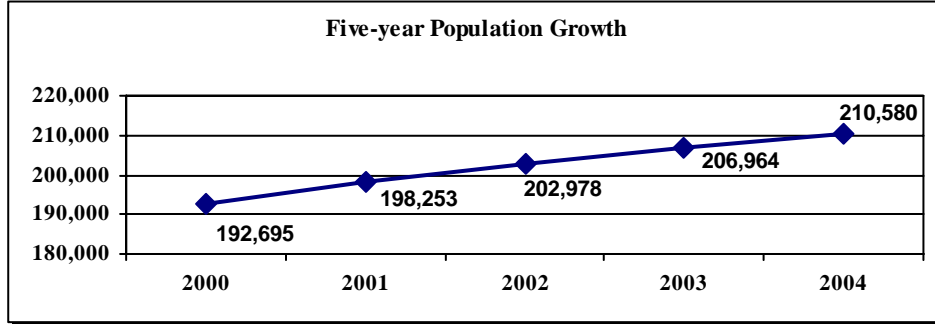


The unincorporated construction value also continues to increase. The following graph shows an overall increase of 68.56% between 2001 and 2004 for the combined construction value of commercial buildings and single family homes.



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 to make sure that those 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>2004 Actual</u>	<u>2005 Actual</u>	<u>2006 Budget</u>
General Fund	\$259,601	\$466,271	\$ 675,000
Fine & Forfeiture	<u>\$223,511</u>	<u>\$415,815</u>	<u>\$ 550,000</u>
Total	\$483,112	\$882,086	\$1,225,000

Tax Refunds to Fort Pierce CRA

	<u>2004 Actual</u>	<u>2005 Actual</u>	<u>2006 Budget</u>
General Fund	\$288,679	\$ 703,851	\$1,150,000
Fine & Forfeiture	<u>\$248,547</u>	<u>\$ 576,065</u>	<u>\$ 900,000</u>
Total	\$537,226	\$1,279,916	\$2,050,000

Health Insurance Plan. The County is experiencing a 15% increase in its health insurance program plus an adjustment to the reinsurance and aggregate insurance premium coverage for the next fiscal year. The actual cost is an extra \$2,291,501, which brings the total plan cost to \$11,171,211. The Board of County Commissioners has agreed to absorb the costs associated with this increase and has not increased the employees’ contribution since 1999.

Law Enforcement. During budget preparation, the St. Lucie County Sheriff’s Department submitted a proposed budget in the amount of \$53,052,978 representing a 14.7% increase over last year. The Board of County Commissioners agreed to a budgeted amount of 50,568,000, which represents an 8.8% increase over last year’s budget.

Transportation Trust. The County’s Transportation Trust Fund is in need of a new revenue source to fund future operations. As the cost of operations increases, the amount of funding available for capital improvements is becoming more and more limited. In the FY2004-2005 budget, \$3,939,882 in projects were moved to later years and revenue sources were adjusted in order to fund operations in FY2005-2006.

Staff is working on suggestions for future funding of Transportation Trust operations and will update the Board at the annual Strategic Planning session in January, 2006.

Unfunded/Under funded Capital Improvement Projects. The following table includes a list of projects identified as unfunded or under funded and are significant to the County's efforts in increasing service levels for a growing population, promoting economic growth, and maintaining existing infrastructure. Alternative funding sources will be discussed during the Strategic Planning session in January, 2006.

Project	Estimated Cost	Funded	Unfunded/ Under funded
Special Needs Shelter*	\$6,772,000	\$2,500,000	\$4,272,000
Emergency Operations Center*	\$6,000,000	\$0	\$6,000,000
Parks & Rec. Administration Building	\$3,000,000	\$0	\$3,000,000
Treasure Coast Research & Education Park Office Center **	\$12,436,000	\$0	\$12,436,000
Admin. Complex Chiller Plant Phase 2	\$2,000,000	\$300,000	\$1,700,000
Fairgrounds Lighting	\$200,000	\$0	\$200,000
Carpet for Tax Collector	\$80,000	\$0	\$80,000
Exterior Efface Wall system Jail B-4 Medical	\$350,000	\$0	\$350,000
Old Courthouse Renovations	\$7,000,000	\$3,000,000	\$4,000,000
Total	\$37,838,000	\$5,800,000	\$32,038,000

*These are estimates only. Design costs are \$400,000 for the Special Needs Shelter and \$350,000 for the Emergency Operations Center.

**The County is seeking State Funding in the amount of \$6.5 million for this project.

Funding for Constitutional Officers and Mandated Non-County Agencies. The following table shows the changes in funding needed for Constitutional Officers and Outside Agencies. The percent change represents the amount of increase or decrease of the FY 2006 Budget as compared to the FY 2005 Budget.

	2005 Budget	2006 Request	2006 Adopted	Percent Change
Clerk of Circuit Court	3,598,370	1,935,226	1,935,226	-46.2%
Supervisor of Elections	2,227,695	2,787,863	2,585,863	16.1%
Sheriff	46,482,776	53,052,978	50,568,000	8.8%
Tax Collector	4,733,266	*	5,567,362	17.6%
Property Appraiser	3,548,670	3,833,619	3,839,474	8.2%
Constitutional Officers Total Increase = 6.8%				
Mandated Non-County Agencies	2,422,423	2,493,580	2,501,418	3.2%

**Clerk of Circuit Court 46.2% budget reduction is because the Clerk did not submit a budget for the non-court related expenses. These are now budgeted out of excess fees.

PERSONNEL

The County's staffing level for FY 2005-2006 has increased by 5.8% over last year's budget. The County's current staffing level is at 885.03 positions, and for FY 2005-2006 that number will increase to 936.11 representing 51.08 additional positions being added to the County this year. The number is representative once again of the tremendous growth experienced by the County and the need to provide additional quality services to the community.

Approximately five years ago, a new filing and scanning system was implemented in the Human Resources Department. The scanning system has been a great success. The HR department currently receives over five hundred forms a week including payroll, leave slips, letters, and records. To handle the increasing workload, a part-time position has been included in next year's budget to scan and file these documents. In the past, the department has had to bring in Kelly temporary services to do this work and having a part-time position in place provides for cost savings.

Due to the Administration Building Addition, 2 new jail pods, the Walton Road Annex building, the proposed new Clerk of Court Building, and various other county building projects slated for the future, the Central Services Department is adding 3 new positions to handle maintenance and repair issues.

Cultural Affairs will receive an increase in staff members due to plans that are underway for the new Post Office Museum. Expecting to open during FY2005-2006, the newly renovated facility will require the services of 3 employees including a museum curator, museum attendant, and gift shop manager. Together, these additional positions will work to run and maintain the museum as well as encourage participation from tourists and local residents.

Again, due to tremendous growth throughout the County, the Growth Management department will receive 4 additional positions in the FY2005-2006 budget year. These positions are needed to provide for increased fiscal responsibility, additional clerical support, and mapping coordination services.

The Mosquito Control District will be adding 2.28 positions to its staff during the FY2005-2006 budget year. The District hopes to increase educational programming that will focus on the "Mangroves, Mosquitoes and Man program" as well as games to introduce mosquito control concepts to younger children, explanation of technological advances in mosquito control to older classes, and general discussions on the biological implications and variety of methods used in mosquito control. The addition of an impoundment operator was also added due to changes in the job complexity of impoundment operations due to technological advancements. This additional position increases the District's ability to respond to daily operational and maintenance needs.

During the next budget year, the Parks and Recreation Department will see an overall increase of 16.5 positions. A majority of the positions were added to the department due to the expansion of park areas. The majority of the new staff is being hired for Lakewood Park Regional Park, which will have softball and baseball fields, a pool and soccer fields. The Savannas Recreation Area has also been expanded in the past couple of years to include a bathroom and kitchen building, canoe launch, enclosed laundry facility, large pavilion and the Rasmussen House. Additional maintenance staff is needed to take care of these additional facilities. Other support positions were added to handle the increased work load once again resulting from major growth and the demand for greater services within the County.

The remaining positions added to next year's budget will support the Airport, Public Safety and Public Works Departments. These departments are experiencing increased demands influenced by mandates, enormous growth, and efforts to maintain high levels of service.

BUDGET HIGHLIGHTS

Jail Pods. During this year's budget process, the Board has addressed the overcrowding of the County jail. This budget reflects the anticipated opening of one of the two new jail pods in 2005.

New Clerk of Court Building. The County plans to begin construction of the New Clerk of Court Building during the FY2005-2006 budget year. The five story building will be located on the southwest corner of Atlantic and Indian River Drive in downtown Ft. Pierce and is intended to house the employees of

the Clerk of the Circuit Court. The total building area is approximately 57,000 square feet and funding sources for this project include court fees, general fund revenue, grants, bonds, and public building impact fees. With everything in place, the project is estimated to be completed by July 2007.

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. Fiscal Year 2005-2006 appropriations for the Center total \$608,960 for the 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.

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.

Windmill Point Library (Darwin Square). 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 2005-2006 is \$3,200,000. Impact fees will fund \$2.7 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 \$622,713 have been allocated for FY 2005-2006, and the remaining funds will be allocated in 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 has started 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 park will also include a playground and maintenance building as well as a decal lane to for easy access to the facilities. This anticipated cost of this project is \$12,151,288.

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. 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 and the department is working to secure additional grant funding to provide for a playground, picnic area and pavilions near the soccer fields and softball areas. The anticipated cost of this project is \$7,005,000.

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.

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. This MSTU is projected to generate \$1,551,606 during the FY 2005-2006 budget year.

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 \$1,048,256 is allocated in the FY 2005-2006 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. Permits for this project are due by November 2005 and construction is estimated to begin by late 2006.

Bailing Facility Expansion. The Solid Waste division will be expanding the existing bailing facility to include a new bailer. This expansion is needed to handle the existing volumes of Class I garbage. Funds in the amount of \$4,375,000 have been allocated in the FY2005-2006 Budget. Of the total budget, \$3,043,000 is expected to be funded by landfill fees and the remaining \$1,332,000 will be funded by future landfill expansion.

New Phase 3B Cell for Class I Garbage. Solid Waste is also constructing a new cell known as Phase 3B Cell to handle Class I Garbage. The construction of this new cell is also necessary due to the increasing volume of waste being disposed of at the current facility. Funds in the amount of \$4,504,500 have been allocated in the FY2005-2006 budget for this project. The entire project will be funded using landfill fees.

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. The entire project cost is estimated at approximately \$4.0 million dollars and \$2,447,794 has been appropriated for the FY 2005-2006 budget year. A majority of the funding for this project has been secured through federal, state and local grants.

Environmentally Sensitive Lands. The County began placing funds in the amount of \$500,000 from the General Fund into a capital fund in FY2003-2004 for the purchase of environmentally significant lands. During the FY2004-2005 budget process, the Board gave 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. In return, the County has now secured debt funds in the amount of \$6.2 million to purchase environmentally significant lands and will be using the \$500,000 to make annual debt service payments on these bonds.

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

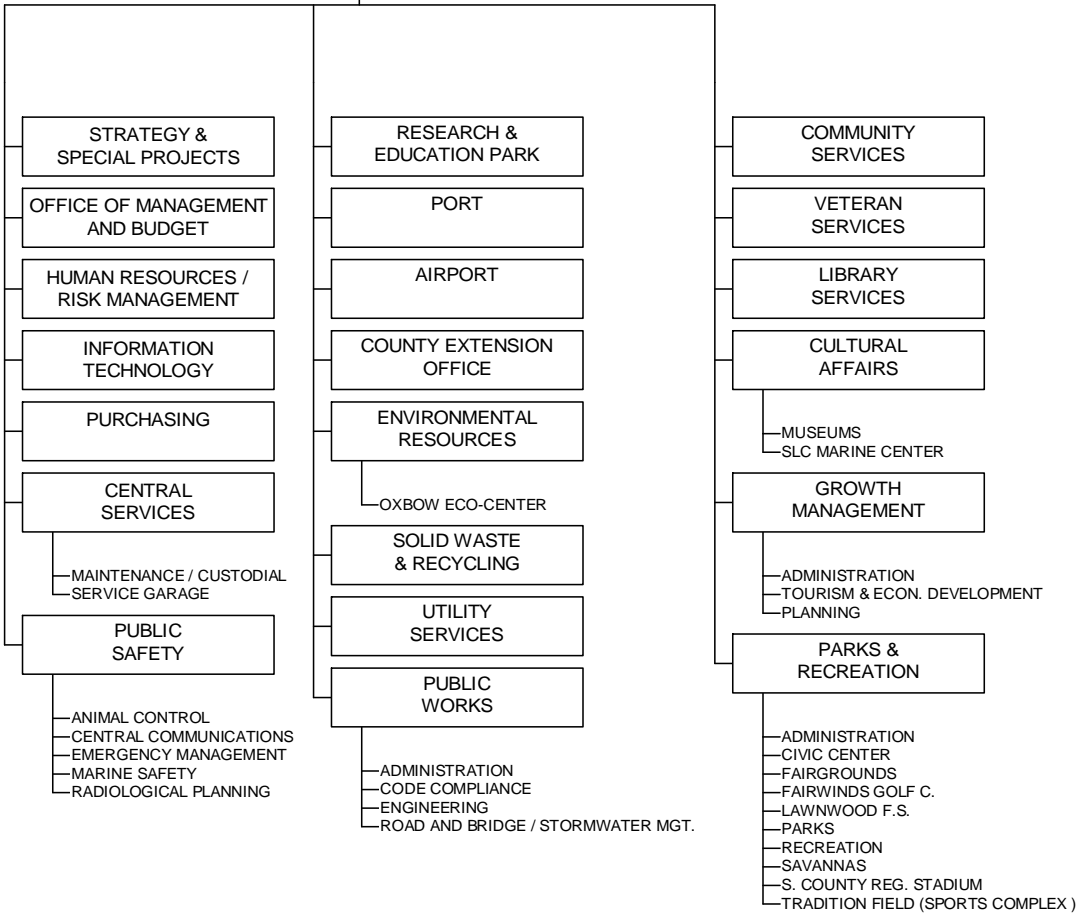
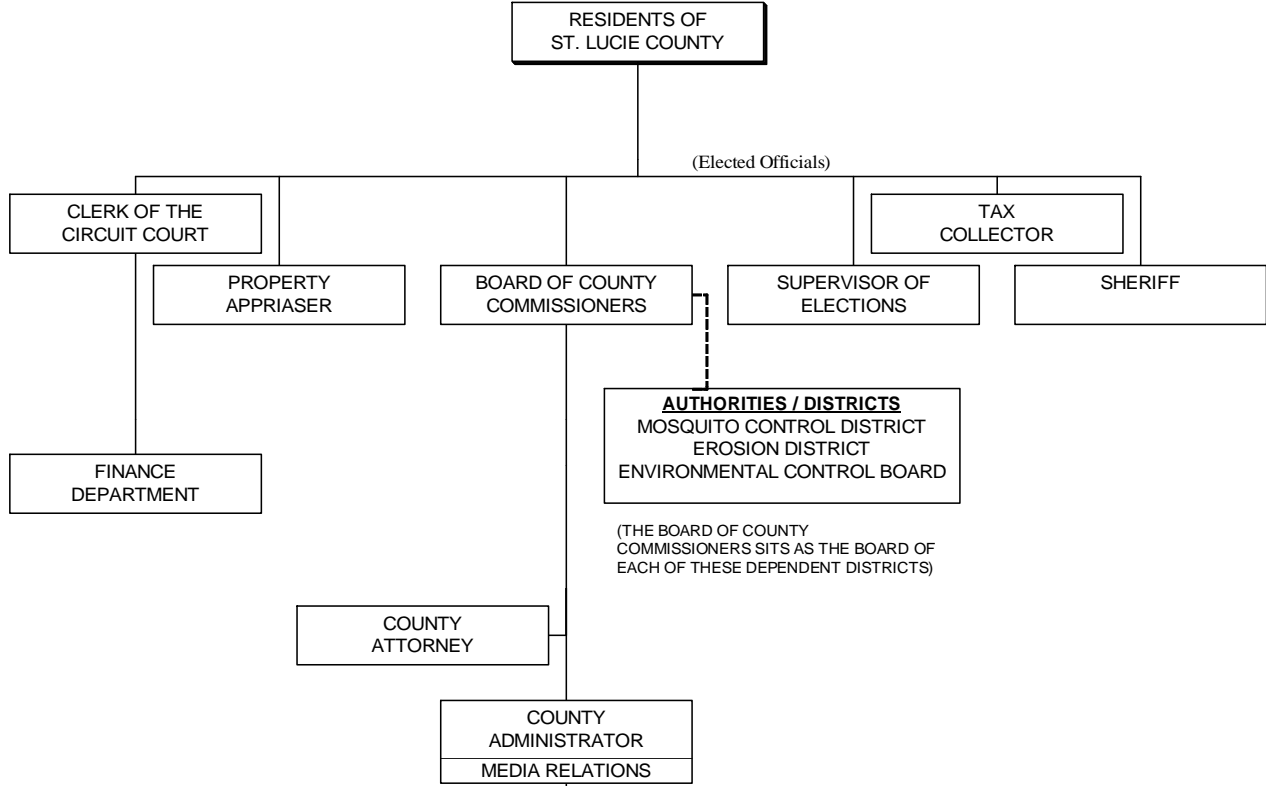
revenue sources, and pursuing an aggressive and carefully planned economic development strategy in order to create an economic base that is adequate to fund desired public service levels on a continuing basis.

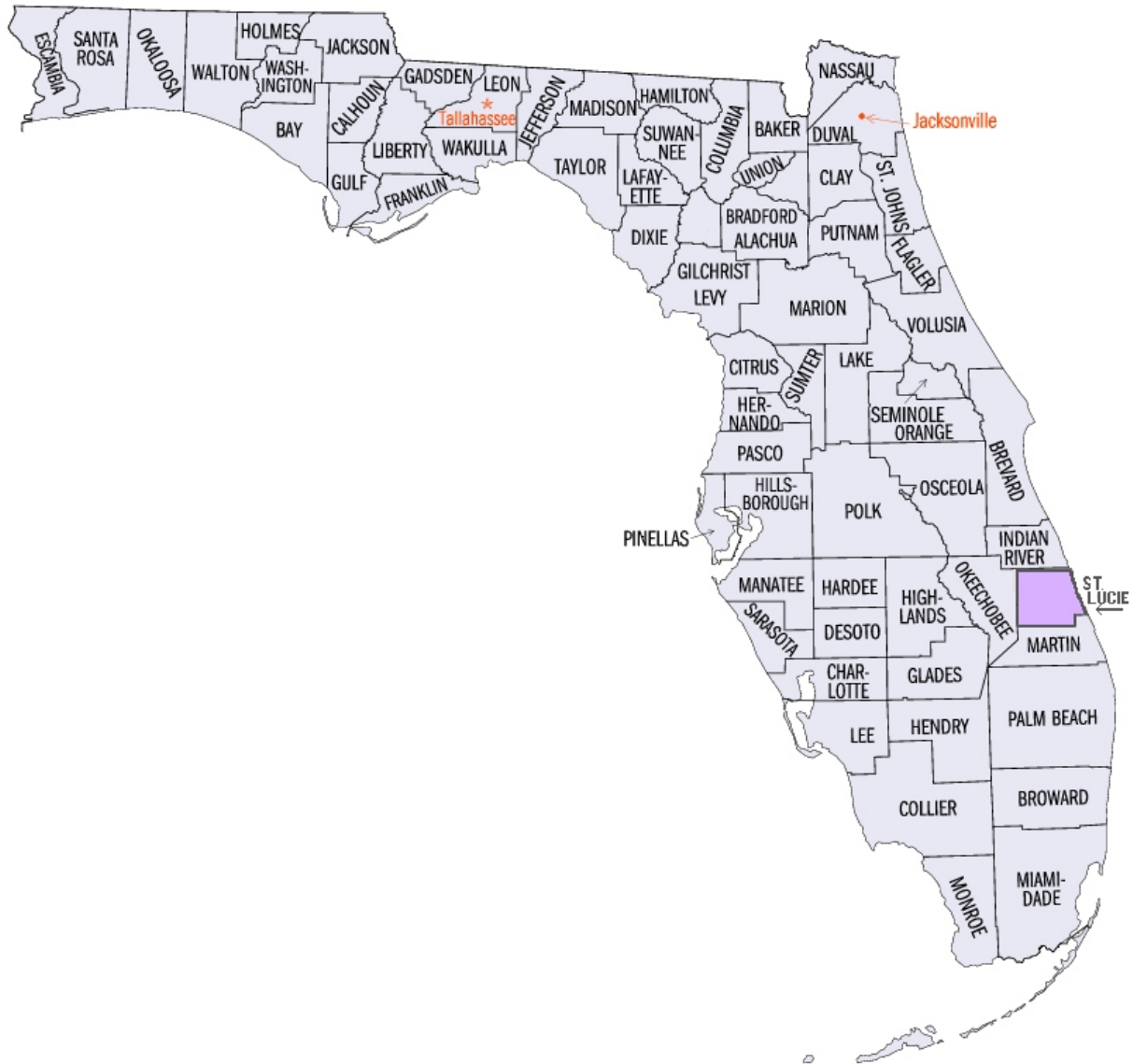
It is with great pride that I present to you the FY 2005-2006 Budget that communicates the leadership and vision of the Board of County Commissioners to define our present opportunities and anticipate our future challenges.

Sincerely,

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 Lucia” 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 Lucia.

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.

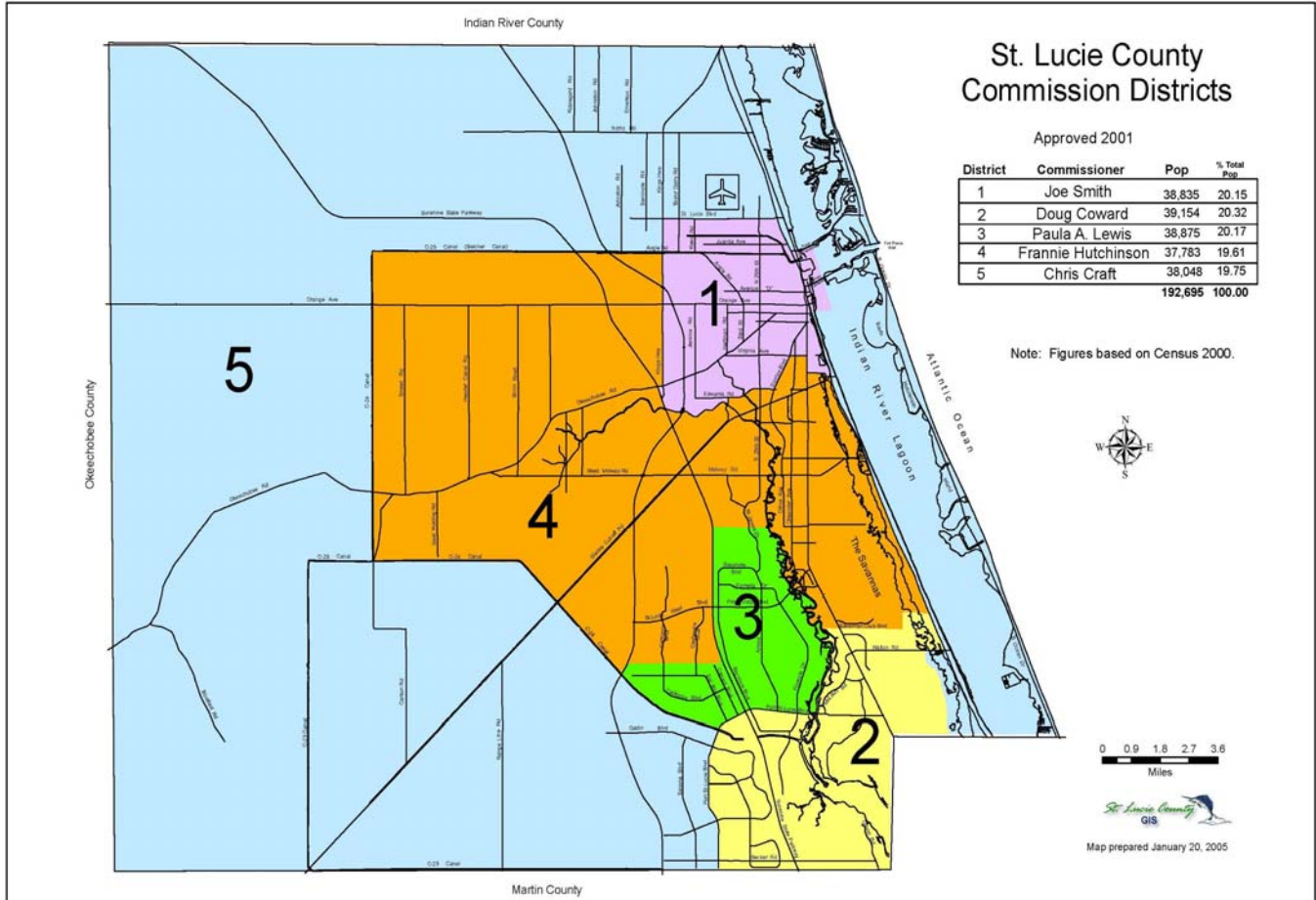
2001

The City of Fort Pierce held its Centennial Celebration.

2005

St. Lucie County 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 2004 is estimated by the census at 226,816, which is largely concentrated in the eastern portion of the County within 5-10 miles of the Atlantic Coast. This is a 17% increase over 2000 and a considerable 51% increase since 1990. Most of the growth over the past ten years occurred in the City of Port St. Lucie (84%) followed by the unincorporated area (21%). 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 75% white, 16% black and includes 9% Hispanic. The median age is 43. Concentrations of the population are: Port St. Lucie - 49%; Unincorporated - 33%; Fort Pierce - 18%; 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 7.5% in 2003, which while improving is still higher than the state average of 5.1%. To counter this the County initiated an aggressive campaign to attract targeted businesses.

In 2003-2004 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.....	14,181
Other.....	133

Major employers within the County are:

<u>Employer</u>	<u>Number of Employees</u>
St. Lucie County School District.....	3,689
St. Lucie County Board of County Commissioners	878
St. Lucie County Fire District	321
St. Lucie County Clerk of Courts	203
St. Lucie County Tax Collector.....	78
St. Lucie County Property Appraisers.....	66
St. Lucie County Supervisor of Elections	15
Liberty Medical Supply.....	1,828
Indian River Community College	1,766
Wal-Mart Stores (includes Sam's Club).....	1,421
Lawnwood Regional Medical Center.....	1,260
City of Port St. Lucie.....	985
QVC.....	975
Publix Super Markets	939
Florida Power and Light.....	913
St. Lucie Medical Center.....	807
Convergys Corporation	600
Wal-Mart Distribution Center	600
Bernard Egan & Company	500
Riverside National Bank.....	487
Aegis Communication Group.....	400
Winn-Dixie	389
City of Fort Pierce	385
Home Depot.....	385
Tropicana.....	375

Harbor Federal Savings Bank.....	370
New Horizons Health Care.....	369
Bell South.....	350
Club Med Sandpiper.....	318
Drawdy Brothers Construction.....	300
PGA of America.....	278
Packers of Indian River	275

Source: Economic Development Council of St. Lucie County (www.edcstlucie.org)

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:

Frannie Hutchinson, Chair	District 4
Doug Coward, Vice-Chair	District 2
Joseph E. Smith	District 1
Paula A. Lewis	District 3
Chris Craft	District 5

A professional administrator, Douglas Anderson, who is appointed by the Board of County Commissioners, manages the County on a daily basis.

Education

The public school system is countywide and is governed by the School Board consisting of five members each elected for a four-year term. The school system is comprised of 22 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 four alternative schools. The school system employs approximately 1,925 full time instructional staff and 107 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 County amenities as well as commercial 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.

Three local law enforcement departments serve the County. 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 38,732) 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. A five-member city commission that employs a professional manager governs the City of Fort Pierce.

The City of Port St. Lucie (estimated population 103,072) 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. 622) is a small enclave covering 1.5 square miles of territory in North St. Lucie County along the Indian River.

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 may be budgeted in each of the 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 5% of the total operating budget. 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 also maintain a fund balance reserve in the general fund equal to 5% of the general fund operating budget. By a majority vote, the Board may use all or a portion of this fund balance reserve to address unanticipated revenue shortfalls or any unforeseen expenditures not necessarily resulting from a natural disaster.
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 strives 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 2005. 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.

Moody’s Investors Service has assigned the rating of “Aaa” and Standard & Poor’s assigned a rating of “AAA” (Ambac Insured Policy No. 24046BE) to concurrently issued \$11,930,000 St. Lucie County, Florida – Sales Tax Refunding and Improvement Revenue Bonds, Series 2005, dated June 29, 2005 which sold through negotiations on June 14, 2005 and the \$12,715,000 St. Lucie County, Florida-State Revenue Sharing Improvement Revenue Bonds, Series, 2005, dated June 28, 2005 which sold through negotiations on June 9, 2005. The ratings were based on an insurance policy provided by Ambac.

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.

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 department 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.

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 actual; publish final budget.
JANUARY	Distribute budget preparation guidelines to departments. Citizens Budget Committee agenda and schedule adopted.
JANUARY / 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 workshops; 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.

ST. LUCIE COUNTY TRIM TIMETABLE - FY 05-06				
DAY #	BOCC DATE	NOT LATER THAN	ACTIVITY	OFFICE/AGENCY
	1-Jun		Property Appraiser provides an estimate of the total assessed value of nonexempt property	Property Appraiser
1	1-Jul		Property Appraiser submits certification of value on form DR-420 to each taxing authority	Property Appraiser
5	5-Jul	15-Jul	Within 15 Days of receiving DR-420 - Submits tentative budget to the Board - Budget workshops begin	OMB
12	12-Jul		BOCC adopt proposed millage	OMB
15	15-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
77	15-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
81	19-Sep	Sep 18 -Oct 3	Within 15 days of 1st public hearing - Advertises in the newspaper final millage, budget and final budget hearing date	OMB/BOCC
84	22-Sep	Sep 21 - 24	Between 2 and 5 days after advertisement - Hold public hearing to adopt final budget and millage rate.	OMB/BOCC
85	23-Sep	25-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
106	14-Oct	21-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

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).