

USER'S GUIDE

This document is the approved budget for FY 2006-2007 for the period beginning October 1, 2006 and ending September 30, 2007. 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 2006-2007.

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. Staff recommends this section as an excellent starting point for review of the budget because it includes a discussion of the revenue sources. 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 contains charts, graphs and spreadsheets showing the history of property values, tax millage rates, and the resulting revenues. This section also includes a 10-year personnel history report that shows the % personnel change for each year.

SECTION B – BUDGET BY FUND

Section B begins with a listing of the numerous funds that make up the county budget along with fund definitions. 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. A section showing the estimated changes in fund balance is also included. 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 along with the division mission, function, 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, a glossary for the definitions of terms and a section on acronyms.

For any additional information, contact our office:

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OFFICE OF MANAGEMENT & BUDGET
2300 Virginia Avenue,
Fort Pierce, FL 34982-5652
Telephone (772) 462-1670 • Fax (772) 462-2117

or visit the St. Lucie County website: **www.co.st-lucie.fl.us**



BUDGET MESSAGE

*From the
County Administrator
FY 2006/2007*

Chairman and Members of the Board of County Commissioners

Dear Commissioners:

As this budget document is submitted, I continue to be proud of the hard work from you and our departments in trying to balance each year's budget while once again reducing the countywide ad valorem tax rate. We continue to strive to provide a lifestyle that makes St. Lucie County truly a great place to live, to raise a family, to work, and to do business. In order to achieve this we must deliver competitive services necessary to foster an attractive quality of life thru meaningful and measurable improvements in our neighborhoods. To fulfill this vision, County government must do its part to sustain vital and vibrant communities by delivering effective and efficient services.

Saint Lucie county's property values came in 37.83% over last year, as it continues to grow at a rapid rate. Although the County's property values continue to increase, efforts continue to obligate the county to one time only projects that do not have recurring costs with this additional revenue.

Total appropriations for the FY 2006-2007 budget are \$573,690,508. This amount represents an increase of 14.28% 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, such as roads, parks and buildings. The following table shows the percentage change of the FY 2006-2007 budget in comparison to last year's budget.

Expense Type	Adopted Budget 2005-2006	Adopted Budget 2006-2007
Personnel Expenses	66,725,655	74,331,220
Operating Expenses	279,810,683	324,587,603
Capital Expenses	155,462,281	174,771,685
TOTAL	\$501,998,619	\$573,690,508
Percent Change:		14.28%*

**This increase is representative of major factors influencing the overall budget for FY 2007 including Capital Projects, Criminal Justice Programs and refunds to the Community Redevelopment Agencies.*

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 continued 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 continue to recover from three major hurricanes.
- Providing adequate contingency reserves, for unanticipated expenditures.

- Addressing major issues facing the Board such as: Health insurance, new positions, law enforcement, 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 2006-2007 budget, offered challenges in prioritizing projects or services where they are needed most. Primary factors contributing to this challenge include hurricane recovery, extraordinary growth, increased costs such as fuel, health insurance, and cost of supplies, 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 12%. Fortunately, the final property value came in 25.83% higher. For this reason the Board was able to set aside additional funding for financial recovery and reduce the countywide millage rate by 8.05%. The following table shows the countywide millage rate history for St. Lucie County.

Countywide Millage Rate History									
FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	Change
7.6794	7.6794	7.6794	7.6794	7.6794	7.6794	7.5426	7.3426	6.7512	-8.05%

The Countywide Ad Valorem millage for FY 2006-2007 is 6.7512, which has been reduced from fiscal year 2005-2006 and consists of the following three components:

General Fund	4.2734
Fine & Forfeiture	2.3778
Erosion Control – Zone E	0.1000
Total	6.7512

General Fund. The General Fund budget is the largest component of the operating budgets with a FY 2006-2007 budget of \$138,858,850, which represents an increase of 38.24% (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.

Last year’s general fund budget included a fund balance of \$6.5 million, whereas this year’s FY 2006-2007 budget shows the fund balance at \$10.4 million. The Board continues to take measures to increase the fund balance as part of its plan to reestablish the financial reserves to sufficient levels per approved policies per 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 \$252,626,744 which represents a 11.0% increase over last year’s adopted budget. This increase is due largely to \$2,043,060 in additional county funding for the Airport West Commerce Park – East of Taylor Dairy Road, and an additional \$2,796,505 in grant funding for this project.

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 non-tax revenues are declining. Numerous Criminal Justice issues were identified during the FY07 review. Effective July 1, 2005, counties began to fund the cost of Juvenile Detention Care for juveniles who reside in the county. This year’s budget includes \$2,367,232 for this purpose as well as continuation of a Juvenile Assessment Center Booking Pilot Program for case management in the amount of \$308,364. We are working with the cities to fund part of this program during FY07. The budget also includes \$1,314,000 for a “pretrial” Sentencing Alternative

Program, \$16,232 Data Exchange Project, New Horizons Family Emergency Treatment Center support of \$481,800, Circuit Court-differentiated case management (three positions) at \$214,560, and a Case Manager position for Mental Health Court \$65,000.

Debt Service Funds. The County's Debt funds account for the payment of annual principal and interest, paying agent, administrative fees, etc. as well as, when stipulated, accumulation of funds for balloon payments for county's debt obligations. The Debt Funds are budgeted at \$27,084,360 for fiscal year 2006-2007, which represents a 19.76% increase over last year's adopted budget.

St. Lucie County debt summary for fiscal year 2006-2007 shows a total outstanding Principal debt of \$164,760,106. Most of the County's indebtedness consists of long-term bonds including \$9,160,000 in General Obligation Bonds, \$91,559,922 in bonds covered by Government Funds, and \$23,360,000 in Enterprise Funds.

Capital Project Funds. The County's Capital Project Funds account for major capital construction and major capital maintenance projects. The Capital Project Funds budget totals \$74,724,903 for FY 2006-2007, representing a decrease of 0.61% in comparison to the FY 2006 budget.

The five-year CIP Capital Improvement Plan (CIP) includes the Capital Project Funds as well as capital projects within various Operational Funds. It provides a systematic plan for infrastructure improvements within a prioritized framework. The county CIP serves as a planning tool and provides a guideline for growth and development. The proposed five-year CIP, included in this budget for St. Lucie County, sets the general schedule within which public improvements are proposed to be undertaken. The first year reflects the Capital Budget proposed for fiscal year 2006-2007. The remaining four years represent a schedule and estimate of future capital needs that may be funded given projected revenue estimates. The CIP is reviewed and revised annually, and an additional year is added to maintain the full five year period for the program.

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, not county tax dollars. The Enterprise Funds are budgeted for a total amount of \$53,005,420 for FY 2006-2007, representing an increase of 4.28% in comparison to the FY 2006 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, 2006 is estimated to be \$10,364,674. The County's Special Revenue Funds are estimated to have a combined fund balance total of \$70,242,476.

A second indicator of financial strength is the County's financial reserves. The General Contingency Fund is the same as the past five years' budgets with \$1,000,000 designated for FY2006-2007.

Following a torrential hurricane season in FY04, followed by Hurricane Wilma in FY05, the County is now striving to achieve financial recovery in order to be prepared for future unforeseen disasters and projection shortfalls. 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, maintaining the approved fund balance according to policy, and providing for County matching funds for hazard mitigation projects (mitigation shortfall).

Financial Recovery. At this time, the County currently has a financial deficit in the amount of \$12,414,290 prior to increasing Emergency Reserves to the recommended level. This financial deficit does not represent a negative cash balance, but the effect of the Hurricanes on the County's resources. The prior \$8,400,000 in Emergency Reserves needs to be increased by \$5,875,224 to \$14,275,224 (5% of the operating budget) based upon Board policy. The fund balance policy needs to be funded as recommended by bond rating companies in the amount of \$4,444,295 (5%) General Fund Operating Expenses.

Recommended Increase in Financial Reserves. The Board established a policy last year to maintain a designated Emergency Reserve of 5% of the total operating budget. In fiscal year 2007, approximately 5% of the total operating budget amounts to \$14,275,224. We are working towards funding this amount as part of our Financial Recovery Plan.

Fund Balance Policy. A fund balance forward policy was established, as recommended by bond rating companies, in the amount of \$4,444,295. This amount represents approximately 5% of the General Fund operating expenses.

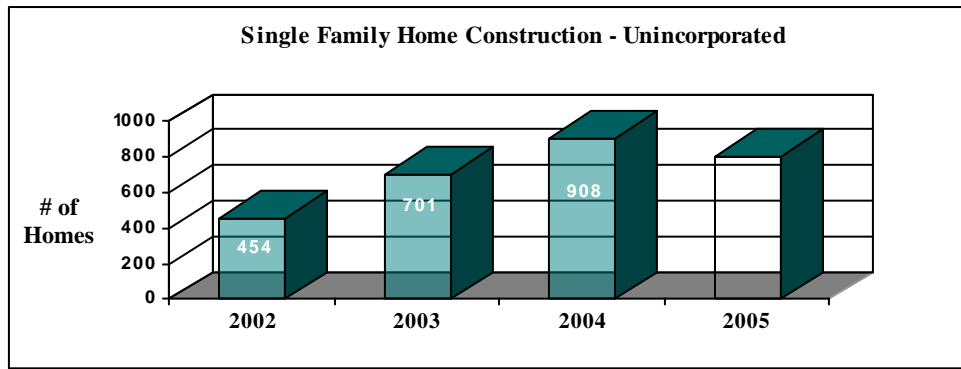
Mitigation Shortfall. Lastly, the County’s responsibility for mitigation shortfall is \$687,931. This amount is needed to cover the County’s matching funds for hazard mitigation projects and will help fund improvements to Lakewood Park and Indian River Estates. Mitigation funding will also help provide 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 2007 budget, the County has been able to set aside \$6,142,108, in addition to \$5,149,927 set aside as of last year totaling \$11,292,035, toward the financial recovery plan.

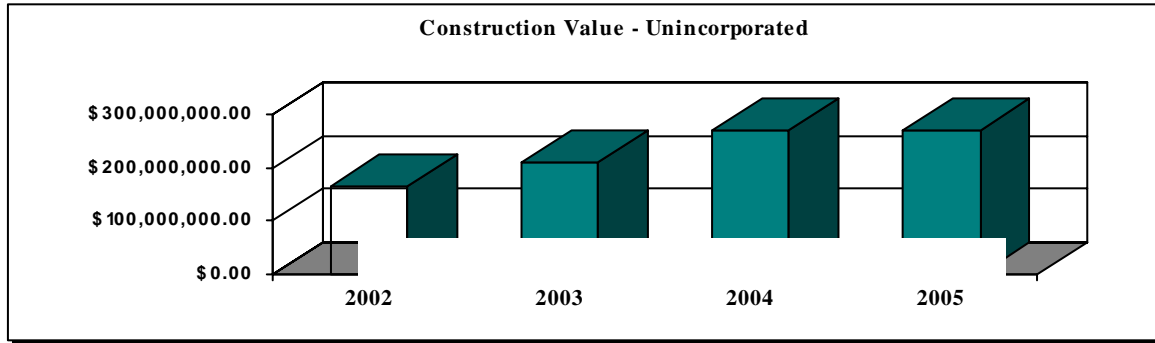
Financial Recovery	
Financial Deficit	\$12,414,290
Recommended Increase in Financial Reserves	\$5,875,224
Fund Balance Policy	\$4,444,295
Mitigation Shortfall	\$687,931
Total Financial Goal	\$23,421,740

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 has grown at a rapid rate. Single family home construction increased by 76.7% between 2002 and 2005. 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 61.49% between 2002 and 2005 for the combined construction value of commercial buildings and single family homes.



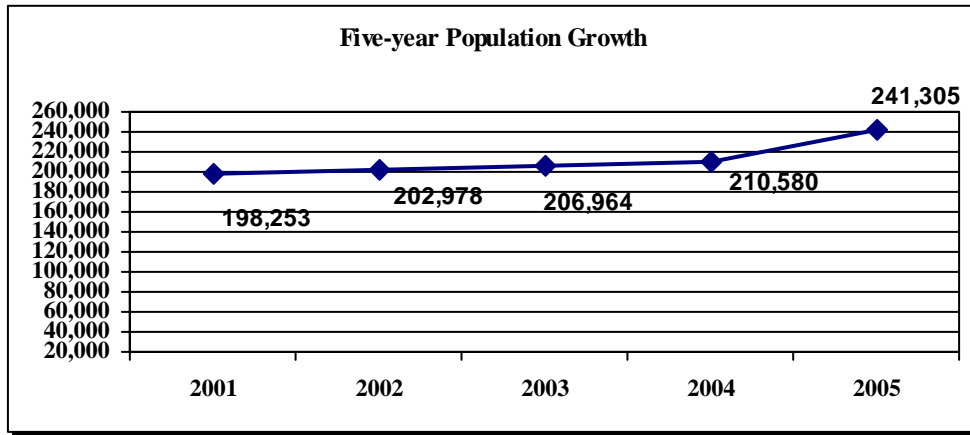
Source: St. Lucie County Code Compliance Dept.

In June, the unemployment rate in St. Lucie County was 3.9 percent. Thanks to area growth in manufacturing and high-tech businesses, St. Lucie and surrounding counties are seeing record low unemployment rates.

MEETING THE CHALLENGES

Impact Fees. Impact Fees are favored because they are a way to raise revenues to meet obligations. They are also favored because infrastructure needed to accommodate population growth is paid for by the people that are driving the demand.

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.



Source: U.S. Census Bureau, census.gov

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.

Community Redevelopment Agencies (CRAs). The county's tax refund requirements to the CRAs, to be used for various projects within the CRAs, continue to increase.

Tax Refunds to Port St. Lucie CRA

	<u>2005 Actual</u>	<u>2006 Budget</u>	<u>2007 Budget</u>
General Fund	\$466,271	\$ 668,018	\$1,200,000
Fine & Forfeiture	<u>\$375,047</u>	<u>\$ 550,000</u>	<u>\$ 825,000</u>
Total	\$841,318	\$1,218,018	\$2,025,000

Tax Refunds to Fort Pierce CRA

	<u>2005 Actual</u>	<u>2006 Budget</u>	<u>2007 Budget</u>
General Fund	\$ 703,851	\$1,247,856	\$2,900,000
Fine & Forfeiture	<u>\$ 566,145</u>	<u>\$ 900,000</u>	<u>\$2,000,000</u>
Total	\$1,269,996	\$2,147,856	\$4,900,000

Health Insurance Plan. The County is experiencing a 7.14% 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 \$851,136, which brings the total plan cost to \$12,769,416. 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 \$64,531,047 representing a 26.7% increase over last year. Following discussion, the Board of County Commissioners agreed to the Sheriff's revised budget submission of \$59,233,566, which represents a 16.3% increase over last year's budget.

Transportation Trust. As the County continues to grow, it is necessary to expand some of our major roadways. If the County does not expand these roadways, these roads will pose both a safety and capacity problem.

During the 2006 budget process, it was difficult funding the increased operating costs and funding capital improvement in the Transportation Trust Fund. The Board reviewed and discussed current and various new revenue sources beginning fiscal year 2007 to assure funding of adequate services to St. Lucie County residents at its January 2006 Strategic Planning Session. The Board agreed to (1) an increase in Stormwater Millage and (2) usage of General Fund property taxes to cover a proposed \$43 Million Bond for unfunded/underfunded transportation/road projects.

Funding for Constitutional Officers and Community 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 2007 Budget as compared to the FY 2006 Budget.

	2006 Budget	2007 Request	2007 Adopted	Percent Change
Clerk of Circuit Court	1,935,226	2,079,178	2,114,178	9.25%
Supervisor of Elections	2,585,863	2,882,753	2,882,753	11.48%
Sheriff	50,930,242	59,233,566	59,233,566	16.30%
Tax Collector	5,567,362	*	7,675,288	37.86%
Property Appraiser	3,839,474	4,443,275	4,443,275	15.73%
Constitutional Officers Total Increase = 17.72%				
Community Agencies	2,276,449	2,721,574	2,655,866	16.67%

* The Tax Collector's Budget is an estimate based on commissions, and not a request from the Tax Collector.

Unfunded/Underfunded Capital Improvement Projects. The following table includes a list of projects identified as unfunded or under funded and are significant to the County’s continued efforts in increasing service levels for a growing population, promoting economic growth, and maintaining existing infrastructure.

Project	Estimated Cost	Funded	Unfunded/ Under Funded
Research & Education Center *	\$12,436,033	0	\$12,436,033
Old Courthouse Renovations Phase II	\$4,500,000	0	\$4,500,000
Taylor Dairy Road**	\$5,500,000	\$500,000	\$5,000,000
Total	\$22,436,033	\$500,000	\$21,936,033

*Seeking State funding for \$6,218,000. This project is being reviewed and will most likely be downscaled.

**Planning to use \$500,000 from Bond Proceeds for design

PERSONNEL

The County’s staffing level for FY 2006-2007 has increased by 2.91% over last year’s budget. The County’s current staffing level is at 961.04 positions, and for FY 2006-2007 that number will increase to 989.00 representing 27.96 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.

Departments receiving New Positions, reason, and budget impact:

- **County Extension Office** *New Positions - 1*
 The landscape design and maintenance industry is a growing multi-billion dollar enterprise in Florida. The value of the industry is also directly linked to the tourism industry. In 2005, the Florida Legislature funded an Institute of Food and Agricultural Sciences (IFAS) initiative to focus on the needs of this industry and developing landscapes across the state because of the rapidly increasing demand for landscaping services in FL and especially in the tri-county area. County Extension staff position will teach landscape design and maintenance professionals the best, most current, science-based information related to this field.
- **Environmental Resources** *New Positions– 3*
 There is currently over \$5M worth of restoration needed on County owned Environmentally Significant Lands such as upland restoration (removal of exotics and replanting) and wetland restoration (plugging of old drainage ditches and replanting with wetland plant species) for design and overall restoration of ESL with the services of a Restoration Biologist, Coastal Resources Coordinator, and Environmental Planning Coordinator-Towns Villages, and Countryside (TVC). Being a coastal community, staff is responsible for sea turtle lighting inspections, dune replanting oversight, inspections when building is proposed on the dune and education for each. Also, in order to maintain the level of service required by the County’s Land Development Code, with the anticipation of additional plan review duties associated with the TVC and the Rural Lands Stewardship projects, these new positions were added.
- **Grants Resources and Disaster Recovery** *New Positions – 2*
 The number of grants written by the County increased from 20 to 66. During this same period, grant funding received steadily increased from \$616,873 to more than \$13 million. A new Grants Resources and Disaster Recovery department was established and the volume of work required additional staff. The duties of this department includes preparing and managing grants, overseeing and tracking project worksheets submitted under the FEMA Public Asst. program and overseeing the County’s Local Mitigation Strategy.

- **County Attorney** **New Positions – 3**
 New Civil Officers for Circuit Court-Differentiated Case Management, and Mental Health Court.
- **Growth Management** **New Positions – 5**
 These positions are to assist with studies in support of planning staff, project tracking, code compliant, State mandated CIP, transportation concurrency and liaison with Ft. Pierce and Port St. Lucie. They will also assist with fulfilling obligations for the TVC implementation and perform government functions and duties recommended by the Treasure Coast Regional Planning Council (TCRPC).
- **Community Services** **New Positions – 1**
 The Transit Planning Manager is to assist in coordination of planning and implementation of programs and activities associated with Transportation. This position will improve transit and associated pedestrian facilities within the County to increase access to jobs, shopping, schools, and medical facilities.
- **Mosquito Control** **New Positions – 3.18**
 These are positions needed in order to begin controlling diseased larval mosquitoes, which are breeding in canals with aquatic plants. Also, Fog Truck operator is required.
- **Parks & Recreation** **New Positions – 4**
 Parks and Recreation (P&R) has been overloaded with various projects (Lawnwood Soccer Field, Recreation Division maintenance facility, and Rasmussen House), which have delayed other P&R projects from being completed. Additional staff is necessary to manage the new special needs facility/auditorium, new Lakewood Regional Park grounds and facility maintenance duties.
- **Airport** **New Positions – 1**
 St. Lucie County installed a new security system with the increased focus on Homeland Security at airports. This position will handle badging, processing tenant application, verification of information, monitoring, etc.
- **Public Safety** **New Positions – 4**
 Additional staffs are needed due to greater demand for 911 center computer aided dispatch functions and one Marine Safety Officer.
- **Public Works** **New Positions – 3**
 Code Enforcement Officer Position to present cases to the Code Enforcement and Contractor Licensing Board and other administrative functions, a Traffic Signal Maintenance Tech, and a Stormwater Program Coordinator to insure compliance with Municipal Stormwater Permit reporting.
- **Solid Waste** **New Positions – 1**
 Inventory/parts Specialist to assist with the dramatic increase in equipment, parts and repairs. Staff will manage the acquisition, disposition and tracking of the parts inventory.

Other positions added to next year’s budget for outside agencies includes (2) School Nurses, (23) Detention Officers, (12) Law Enforcement Officers, (5) Court Security Officers, (3) Civil Officers, (13) Law Enforcement Support Staff.

BUDGET HIGHLIGHTS


AMOUNT	PROJECTS FUNDED
\$100,000	Economic Development Council Match
\$5,028,000	Criminal Justice Programs
\$6,142,00	Emergency Reserves addition
\$6,500,000	Courthouse Renovations/Improvements
\$43,000,000	In Road Improvements through a New Bond Issue – includes \$6,000,000 for Sidewalks

\$4,800,000	Airport West Commercial Park completion
\$500,000	Lincoln Park Community Center match (matching \$1,000,000 CRA Funding)
\$900,000	Towards the New Emergency Operation Center
\$750,000	Towards Lakewood park Drainage Improvement to match State \$750,000
\$4,000,000	New Library in SW Port St. Lucie
\$29,000,000	New Parks Projects
\$500,000	New Classroom at Oxbow Center
\$6,900,000	Returned to CRAs for reinvestments
\$14,000,000	Returned to Taxpayers
\$500,000	Skateboard Park
\$45,405	Toward an additional Summer Program

This budget reflects the efforts of the Board of County Commissioners and staff to reduce tax rates, 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 focusing on 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.

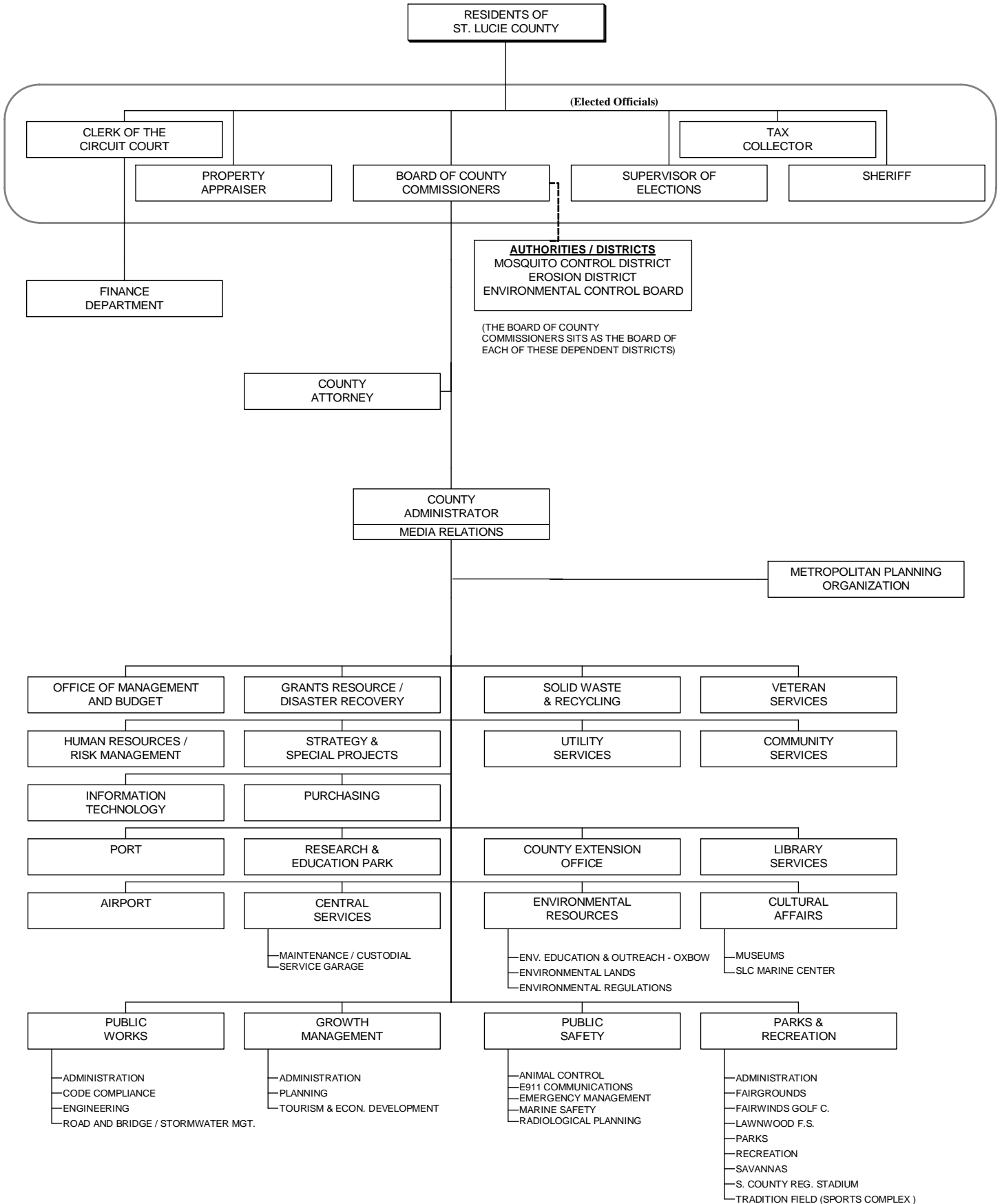
It is with great pride, once again, that I present to you the FY 2006-2007 Budget that communicates the leadership and vision of the Board of County Commissioners to define our present opportunities and continue to anticipate our future challenges.

Sincerely,



Douglas M. Anderson,
County Administrator

ST. LUCIE COUNTY ORGANIZATIONAL CHART



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.

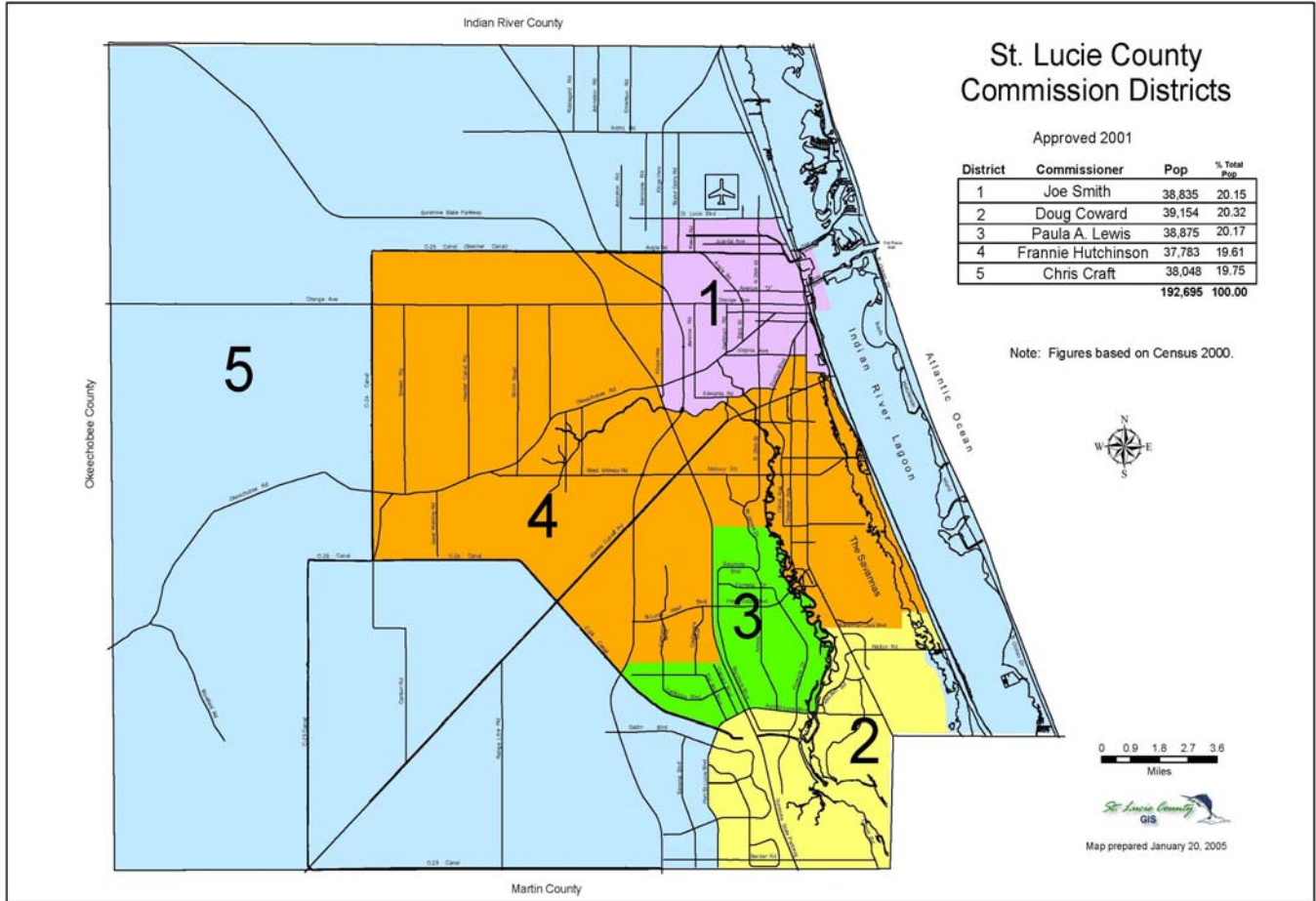
2001

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 2005 is estimated by the census at 241,305, which is largely concentrated in the eastern portion of the County within 5-10 miles of the Atlantic Coast. This is a 25% increase over 2000 and a considerable 61% increase since 1990. 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 71% white, 16% black and includes 11% Hispanic. The median age is 43. Concentrations of the population are: Port St. Lucie - 55%; Unincorporated - 29%; Fort Pierce - 16%; 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 6.2% in 2004, which while improving is still higher than the state average of 4.8%. To counter this the County initiated an aggressive campaign to attract targeted businesses.

In 2004-2005 the major areas of employment were:

Agriculture.....	2,552
Construction	5,459
Transportation, Communications and Public Utilities	1,748
Manufacturing	2,895
Wholesale/Retail Trade	12,450
Finance, Insurance, Real Estate.....	3,571
Services.....	14,181
Other	702

Major employers within the County are:

<u>Employer</u>	<u>Number of Employees</u>
St. Lucie County School District.....	3,689
St. Lucie County BOCC	989
St. Lucie County Sheriff Department	630
St. Lucie County Fire District	321
St. Lucie County Clerk of Courts	217
St. Lucie County Tax Collector.....	76
St. Lucie County Property Appraisers.....	71
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).....	1,750
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:

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

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 nineteen elementary schools (grades K-5), four middle schools (grades 6-8) and five high schools (grades 9-12). St. Lucie County also has ten schools that combine grades K-8 and one Magnet School grades 6-12.

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 38,552) 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 131,692) 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. 586) 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 process schedule for fiscal year 2006 – 2007 follow.

ST. LUCIE COUNTY TRIM TIMETABLE - FY 06-07

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
11	11-Jul		BOCC adopt proposed millage	OMB
14	14-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
69	7-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
74	12-Sep	22-Sep	Within 15 days of 1st public hearing - Advertises in the newspaper final millage, budget and final budget hearing date	OMB/BOCC
76	14-Sep	Sep 14 - 17	Between 2 and 5 days after advertisement - Hold public hearing to adopt final budget and millage rate.	OMB/BOCC
77	15-Sep	17-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
105	13-Oct	14-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

This timetable complies with the requirements set forth in Florida Statutes Chapter 200, "Determination of Millage."

BUDGET PROCESS SCHEDULE FOR FISCAL YEAR 2006 - 2007

Budget formulation, adoption, and execution in St. Lucie County involves the year-round interaction of the Board of County Commissioners, the County Administrator, and staff at various levels within the County. The purpose of the budget process is to identify departmental needs, develop strategies to meet those needs, and to develop detailed revenue and expenditure estimates to carry out the financial plan. The budget process for fiscal year 2006 - 2007 for St. Lucie County incorporates the following scheduled activities beginning in November 2005.

<u>DATE</u>	<u>ACTIVITY</u>
November	Close out prior fiscal year; begin policy planning for fiscal year 2006 -2007.
December	Adjust prior year estimates to unaudited actual; publish final budget.
Mid January	Distribute budget preparation guidelines to departments. Citizens Budget Committee agenda and schedule adopted.
January 30 - 31	Board strategic planning session; review of general budget policy direction.
February 6	Distribute budget packages to departments.
February 15	Department appropriation requests due to Purchasing, Central Services and Information Technology.
March	Departments prepare budgets and Department Directors review budgets.
March 13	Department budget packages and Capital Improvement Plans due to OMB.
Mid April	Update audited carryover amounts; make preliminary revenue estimates.
April 17 - 28	County Administrator's Budget Review
May 1	Clerk of the Court, Sheriff, and Supervisor of Elections budgets due to OMB.
June 1	Property Appraiser budget due to BOCC.
June 9	Distribute budget summaries to Departments.
July 5 - 10	BOCC budget workshops; set proposed millage rates.
August 1	Tax Collector budget due.
Mid August	Prepare tentative budget book.
September 7	First public hearing FY 07 budget - adopt tentative budget and millage rate.
September 14	Final public hearing FY 07 budget - adopt final budget and millage rate.
October 1	New fiscal year begins; implementation of FY 07 adopted budget.

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).