

**BOARD  
OF COUNTY  
COMMISSIONERS**



**COUNTY  
ADMINISTRATION**  
Howard N. Tipton

**Honorable Chair Hutchinson, County Commissioners and Citizens of St. Lucie County:**

I am pleased to submit the adopted FY 2014-15 Annual Budget that was considered by the Board at budget hearings held on September 4<sup>th</sup> and 18<sup>th</sup>. The total budget is set at \$480.7 million for all funds combined, which is \$16.9 million or 3.3 % less than the FY 2014 adopted budget. Of the \$480.7 million adopted budget for all funds combined, \$213 million is dedicated to the County’s General Fund and Fine and Forfeiture Fund, which supports most of the direct services provided by your County government. As is the case with most county governments in Florida, the predominant source of budget financing is derived from property taxes, which comprises approximately 80% of all revenues for the General Fund and Fine and Forfeiture Fund. Nonetheless, the adopted budget is predicated on maintaining the total operating millage rate at the same combined tax rate of 7.391 mills (one mill = \$1 per \$1,000 of assessed property valuation) to support the County’s operating budget (General Fund and Fine and Forfeiture Fund) and two dependent countywide districts for Mosquito Control and Erosion Control. The tax rates for these countywide operations can be summarized as follows:

	<u>FY 2015</u>	<u>FY 2014</u>
General /Fine & Forfeiture Fund	7.0463	6.8920
Mosquito Control	.2522	.4065
Erosion Control	<u>.0925</u>	<u>.0925</u>
<b>Total</b>	<b>7.3910</b>	<b>7.3910</b>

At a regular County Commission meeting held on July 15, 2014, the County Commission formally set the tentative millage rates for FY 2015 as required by Florida Statute (Truth in Millage law). The County Commission approved staff recommendation to maintain the combined countywide tax rate at 7.391 mills which involved lowering the Mosquito Control millage by .1543 mills (from .4065 to .2522 mills) and raising the General Fund millage by a like amount. Upon approval by the Board, this action resulted in no increase to the combined countywide tax rate. More importantly, the County, thereby, took an important initial step to reduce its reliance on one-time reserves (i.e. fund balance) to balance the operating budget. The small millage shift of .1543 mills reduced the operating budget shortfall by approximately \$2.3 million.

All other tax rates levied for Municipal Service Taxing Units (MSTUs) for services provided solely to the unincorporated area such as stormwater drainage, planning, code enforcement and animal control did not change. In addition, there were not any changes to the tax rates levied for the Parks Municipal Services Taxing Unit or the Transit Municipal Services Taxing Unit. The total millage rate for all Municipal Service Taxing Units is set at 1.6562 mills - the same combined rate for the previous fiscal year (FY 2014).

FY 2015 General Fund and Fine and Forfeiture Fund

The General Fund and Fine and Forfeiture Fund budget of \$213 million is \$5.2 million or 2.4% higher than the adopted FY 2014 budget. This budget amount is inclusive of the operating budget, sub-funds, grants and all reserves. Aside from the fact that the budget continues to rely heavily on reserves to balance the budget even with the proposed millage shift, operating revenues estimated at \$126.3 million are up by \$7.1 million or 6% compared to the FY 2014 adopted budget (inclusive of the recommended .1543 millage shift). This appears to be the start of a positive financial trend whereby revenue growth is outpacing increases in expenditures.

Despite this trend, the FY 2015 budget will continue to rely heavily on reserves (i.e. appropriated fund balance). Given the magnitude of the budget shortfall, a small millage shift of .1543 mills from the Mosquito Control Fund as a first incremental step to reduce the use of reserves to balance the FY15 budget. *This millage shift resulted in no change to the tax rate compared to the current fiscal year but reduced the budget shortfall from \$16.4 million to approximately \$14 million.*

**As part of this executive summary, below you will find some of the key “budget highlights” that provides a snapshot of the FY 14-15 adopted budget:**

- ❖ The adopted General Fund/Fine and Forfeiture property tax rate for FY 14-15 is 7.0463 – an increase of .1543 mills. The millage increase is offset by a corresponding reduction in the Mosquito Control District millage from .4065 mills to .2522 mills.
- ❖ The combined tax rate for the operating budget and the two countywide Dependent Districts (Mosquito Control and Erosion Control) is 7.391 mills - the same combined tax rate for the previous fiscal year (FY 2014).
- ❖ For the single family homeowner with a home assessed at \$100,000, County property taxes will range from \$776 for a City resident to \$906 for a County (i.e. unincorporated area) resident. These amounts exclude property taxes levied by other taxing authorities such as the cities of Fort Pierce and Port St. Lucie, the School Board and the St. Lucie County Independent Fire District.
- ❖ Including new construction of \$93 million, the countywide tax base increased by approximately \$430 million or 2.8%, which was due mainly to the reassessment of existing properties and the related increase in property values of \$417 million or 3.5%. Some of this increase was offset by a decline in personal property values - most of which was related to depreciation on improvements at the Florida Power & Light nuclear plant.
- ❖ Most of the General Fund Property Tax revenue \$6.2 million increase is attributed to the increase in the tax base coupled with the millage shift increase of .1543 mills.
- ❖ The General Fund and Fine and Forfeiture Fund budget is \$213 million, which is \$5.2 million or 2.4% higher than the FY 2014 adopted budget. The most significant increases include the 3% cost of living adjustment for all employees (County Commission and all Constitutional Officers) and shifting the \$3.2 million debt service payment on an existing Transportation bond issue that was previously paid from Road Impact Fees.
- ❖ The total adopted budget for all funds combined is \$480.7 million, which is \$-16.9 million or 3.3 % less than the FY 2014 adopted budget. The decrease is due mainly to lower appropriations for capital improvements as projects reached completion in FY 2014 and one-time bond proceeds related to the 2013 refunding of Utility revenue bonds.

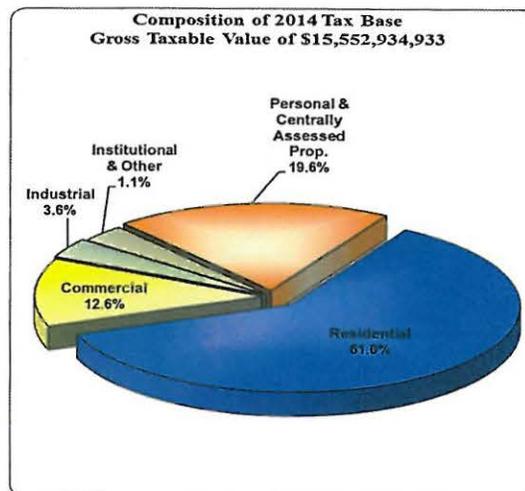
The remaining portion of the transmittal letter presents more detailed analysis of the budget, including more detailed analysis of the tax base, General Fund revenues, expenditures and fund balance. Following the General Fund analysis are summary discussions about the County’s workforce and total payroll, enterprise funds, other major operating funds and the Capital Improvements Program.

#### **Tax Base Summary**

Based on the Certification of Taxable Value provided by the St. Lucie County Property Appraiser on June 19, 2014, *the countywide tax base of \$15.55 billion increased by \$430 million or 2.8% compared to last year.* As shown in the graphic below, the increase was driven by the reassessment of existing real properties coupled with \$93 million of new construction. These increases were offset by a decline in the value of personal property that was caused mainly by depreciation on tangible personal property at the Florida Power and Light nuclear plant.

**SUMMARY OF TAX BASE CHANGES: 2013 VS. 2014**

<b>2013 Final Gross Taxable Value</b>	<b>\$15,123,381,622</b>	
	<b>Change In Taxable Value</b>	<b>% Change</b>
New Construction & Additions	93,011,050	0.62%
Re-assessment of Existing Properties	417,034,569	2.76%
Personal & Centrally Assessed Property	(80,492,308)	-0.53%
<b>Tax Base Net Increase</b>	<b>\$429,553,311</b>	<b>2.84%</b>
<b>2014 Gross Taxable Value</b>	<b>\$15,552,934,933</b>	



Note: percent change in reassessment of existing properties is calculated against 2013 gross taxable value including both real and personal property.

**Real Property Base**

The increase in values between 2013 and 2014 is reflected below for the major categories of real property. Including new construction valued at \$93 million, the total 2014 real property base increased \$510 million or 4.25%. A summary of the changes in the entire tax base between 2013 and 2014 is depicted below:

<u>Real Property Category</u>	<u>2014 Taxable Value</u>	<u>2013 Taxable Value</u>	<u>% Change</u>
Residential	9,489,482,397	9,039,344,294	4.98%
Commercial	1,955,380,371	1,888,398,925	3.55%
Industrial	558,239,545	573,149,875	(2.60%)
Agricultural, Institutional/Other	499,207,456	491,371,056	1.59%
<b>TOTAL*</b>	<b>\$12,502,309,769</b>	<b>\$11,992,264,150</b>	<b>4.25%</b>

\*excludes taxable value for personal and centrally assessed property.

**GENERAL FUND AND SPECIAL REVENUE FUNDS**

The County's General Fund budget totals \$131,114,823 for FY 2015, which represents an increase of \$90,740,026 or 6.9% compared to FY 2014's adopted budget of \$122,040,797.

The budget for the Special Revenue Funds totals \$178,350,192.

**GENERAL FUND/FINE & FORFEITURE FUND OPERATING BUDGET - REVENUES**

Total recurring revenues in the FY 2015 operating budget (General Fund and Fine and Forfeiture Fund) are projected at \$126.3 million, an increase of \$7.1 million or 6% over the FY 2014 budget. The increase is attributed to the following changes:

**Property Taxes (General Fund & Fine & Forfeiture Fund)**

At the adopted millage rate of 7.0463 mills, the County budgeted \$104.1 million in property taxes (@95%), an increase in property tax revenue of \$6.2 million compared to the FY 2014 adopted budget.

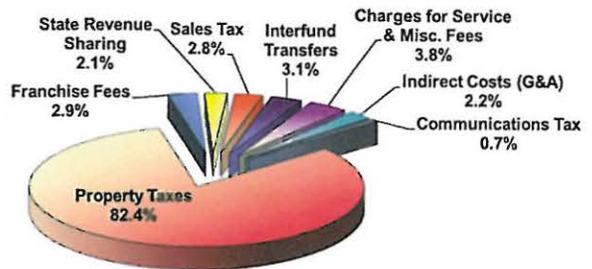
- FY 2015 proposed budget: \$104.1 million - at 7.0463 millage rate
- FY 2014 adopted budget: \$ 97.9 million - at 6.8920 millage rate

As reflected in the pie chart below, the operating budget continues to be heavily reliant on property taxes as the main source of budget financing.

**Non-Property Tax Revenues**

Total non-ad valorem revenues of \$16.4 million reflect a net increase of approximately \$500,000 or 3.1% measured against the FY 2014 non ad valorem base of \$15.9 million. Leading the most significant increases is the Half Cent Sales Tax (+\$714,000) and State Revenue Sharing (+\$303,000). These increases were partially offset with expected declines in Utility Franchise Fees (-\$223,000) and Charges for Service and miscellaneous fees (-\$372,000).

**FY15 Total Revenues = \$126.3 million  
of which 82% is from Property Taxes  
Increase of \$7.1M over FY14 budget**



**Support from Other Funds (Transfers)**

Support from other Funds is set at \$3.9 million or 3.1% of all operating budget revenues; an increase of \$356,000. The most significant transfer is from the Law Enforcement MSTU (\$3.05 million) that provides funding for a portion of the Sheriff’s road patrol costs within unincorporated areas of the County.

**Fund Balance Appropriation**

As previously discussed, the operating budget remains heavily reliant on reserves to bridge the budget shortfall estimated at \$14.9 million. However, the actual amount of fund balance used at year-end will likely be less than the appropriated amount due to normal underspending and the recovery of a portion of the statutory 5% withholding on revenues. Nonetheless, total undesignated fund balance will continue to decline until the structural imbalance of the operating budget is corrected.

**GENERAL FUND/FINE & FORFEITURE FUND BUDGET - EXPENDITURES**

As previously discussed, the FY 2015 General Fund/Fine & Forfeiture Fund budget of \$213 million is approximately \$5.2 million or 2.4% higher than the adopted FY 2014 budget. The major budget changes are summarized below:

- 3% Cost of Living Adjustment \$1,900,000 (BOCC & Constitutional Officers)
- Debt Service Payment (Transportation Bond Issue) 3,200,000 (shift from Road Impact Fees)
- Constitutional Officers 1,300,000 (excluding wage adjustment)
- Judicial/Medicaid costs 660,000
- “Above Base” items (BOCC Departments) 795,000 (see detail on next page)
- Capital Improvements (1,600,000)
- BOCC Departmental Costs (2,100,000)

The “above-base” budget items reflect increases in personnel and operating expenditures above the target or base budget. For FY 2015, the target budget that guided budget development was the FY 2013 actual expenditure levels (with exceptions allowed for certain fixed costs or other obligations incurred since FY 2013). As part of the budget development process, the Board’s operating departments submitted a variety of above base requests that were reviewed and considered by County Administration and OMB staff. These changes along with additional changes made to the above base budget by the Board are detailed below:

**General Fund/Fine & Forfeiture Fund Operating Budget**

**Positions**

Intergovernmental Relations Coordinator	74,220	Legislative advocacy and lobbying at State Level
4-H Program Specialist (part-time)*	23,781	General Fund cost to replace grant funding.
Housing Manager*	35,569	General Fund cost to replace grant funding.
Program Specialist*	26,810	General Fund cost to replace grant funding.
Part-Time Maintenance Tech II	11,417	Lincoln Park Community Center
Maintenance Tech IV (3 positions)	90,000	Maintain new fields at Lawnwood
National Resources Coordinator Position	<u>62,380</u>	Environmental Resources position
<b>Sub-Total</b>	<b>324,177</b>	

\*existing positions

**Operating Expenses**

Administration	10,000	Intergovernmental Relations Travel & Expenses for new position
Community Services	28,179	Library communications & Veteran's scanners
Cooperative Extension	3,511	Education and Outreach expansion
Parks, Recreation, & Facilities	1,800	Records management contract
Public Safety & Communications	<u>325,925</u>	Communications, Equip. Maint., & Contractual Services
<b>Sub-Total</b>	<b>359,415</b>	

**Capital**

Media	50,000	HD Digital Camera System for Chambers (replace analog cameras)
Information Technology	70,634	Equipment (\$39,931), Software (\$30,703)
Marine Safety	6,906	ATV Replacement
Criminal Justice	10,439	Polycom Camera
Community Services	<u>750,000</u>	Veteran's Nursing Home Site Preparation
<b>Sub-Total</b>	<b>887,979</b>	

**Total Above Base (GF/FF Operating Budget) 1,571,571**

For all other funds, the recommended changes along with board additions to the base budget are detailed below:

**All Other Funds**

**Positions**

PT Maintenance Tech. II	14,000	Funding for previously unfunded golf course position
Building & Code Regulation	59,003	PT Staff Assistant to full-time (\$14,463), Planning Tech. (\$44,540)
Utilities	1,500	Overtime
Building Inspector/Plans Examiner	<u>66,113</u>	Building and Code Regulations Position
<b>Sub-Total</b>	<b>140,616</b>	

**Operating Expenses**

Risk Management	30,000	Risk Consultation Services (on-site vehicle training)
Mosquito Control	10,000	Educational materials mailing (mosquito borne disease prevention)
Tourism & Venues	75,000	Fairgrounds electrical Upgrades
Building & Code Regulation	6,438	Tables & computer monitors (for Plans Examiners)
Public Safety	24,803	800 MHz system consultation & 911 interpretation services
Utilities	62,108	Continuation of 10 year meter change out program
Port	<u>100,000</u>	Spoil Site Grounds Maintenance
<b>Sub-Total</b>	<b>308,349</b>	

**Capital**

Solid Waste	90,274	Replacement of Ford Escapes (2), 3 new dewatering pumps
Land Management	81,500	Case 1650K Dozer (\$57,500), Roller Choppers (24K)
Mosquito Control	335,000	Renovations to Administrative Offices
Parks, Recreation, & Facilities	124,000	Pull-Behind Blower (9K), Reel Grinder (60K) & Mower (55K)
Planning & Development Services	20,000	Replace Plotter/Scanner/Copier
Utilities	38,000	Thompson Pump & Radio
Public Works	<u>2,150,000</u>	Resurfacing (pending further review of list)
Sub-Total	<b>2,838,774</b>	
<b>Total Other Funds</b>	<b>3,287,739</b>	
<b>Total Above Base - All Funds</b>	<b>4,859,310</b>	

**Support to Other Funds and Debt Service**

Transfers of \$5.4 million from the General Fund and Fine and Forfeiture Fund to other funds are up by \$2.7 million. The increase is due primarily to shifting the \$3.2 million debt service payment on an existing Transportation bond issue from Road Impact Fees to the General Fund. Otherwise, the budget includes \$1 million for the annual debt service payment on the County General Capital Bond Issue and \$510,298 to subsidize Airport operations.

**Undesignated Fund Balance**

An important indicator of the County's financial position is the level of its undesignated fund balance relative to the total expenditures in the operating budget. At September 30, 2013, the operating budget undesignated reserve was \$57 million. FY 2014 year-end projections indicate that the undesignated fund balance will decline to approximately \$50 million. *The estimated amount of undesignated fund balance excludes emergency reserves of \$12.6 million and other reserves designated for a specific purpose such as the Torrey Pines payment, Job Growth Incentive grants, carryover funding for maintenance improvement projects and reserves that are restricted to a specific use such as E-911 and the Wireless Surcharge.*

*The trend whereby the County continues to appropriate and use its reserves to bridge the operating budget shortfall remains a significant concern for the foreseeable future. Creating a self-sustaining operating budget whereby recurring revenues equal recurring expenses is the most challenging financial issue facing the County.*

**Changes in the County Workforce and Total Payroll**

The total number of full and regular part time positions approved in the adopted FY 2015 budget *for all funds and BOCC departments* is 708 full time equivalent positions compared to 675 FTE's in the FY 2014 budget. The additional positions being recommended are being offset by the elimination of 3 vacant positions:

- FY 2015 FTE count includes the conversion of temporary agency workers to regular county employees due to a provision in the Affordable Health Care Act that requires the County to offer health insurance to temporary agency employees who work in excess of 30 hours per week. A total of seventeen (17) positions will be converted at October 1, 2014 including Solid Waste (6), Parks and Recreation (4), and Road and Bridge (7). However, the total cost of salary and benefits will be less than total temporary agency cost with health insurance.
- 3 Maintenance Technicians to maintain the new baseball fields at the Lawnwood athletic complex, a part time custodian for the Lincoln park Community Center
- 1 Planning Tech. to adequately staff the intake counter in the Building Division
- 1 part time Staff Assistant in Code Enforcement that will allow Code Enforcement officers to spend more time in the field.

- 1 new Inspection Foreman position for Mosquito Control Inspection Division for midlevel oversight/management.
- 1 Building Inspector/Plans Examiner position to maintain the current level of service with a steady increase in the number of building permits.
- 1 Natural Resources Coordinator position to improve operational efficiency, help reduce the backlog of grant requirements, and keep up with the increasing amount of new acreage.
- 1 Intergovernmental Relations position dedicated to assisting the managing, developing, and implementing the County's annual legislative program on the local, state, and federal platforms.
- 10 Recycling Technicians for the new Single-Stream recycling facility.

Three (3) vacant positions will be eliminated including a Budget Analyst, a Grants Specialist and an Aquatics Supervisor.

### OTHER OPERATING FUNDS

#### Unincorporated Area Services Fund (\$5,262,523 total FY15 budget)

- The FY15 budget is \$141,915 higher than the FY14 adopted budget. Although the expenses were less due to the transferring of the funding of 5.6 Planning Technicians to the Building Code enterprise fund coupled with a reduction in operating expenses, the overall fund increased from prior year due to offsetting increases mostly due to fleet vehicle replacement and approval of a part-time to full-time position for the Building Code Regulations Division. Since the transferred positions are an integral part of the Building Code Division (handling zoning and initial intake of permits at the front counter), these costs are more appropriately tied to the enterprise fund.
- The current millage rate of .438 mills that supports Planning, Code Enforcement, Animal Control and Stormwater Maintenance remained unchanged.
- At the end of FY14 and FY15, the fund balance should remain slightly above \$2 million.

#### Law Enforcement MSTU Fund (\$3,862,515 total FY15 budget)

- The current millage rate of .5103 mills that supports Sheriff road patrol costs for the unincorporated areas will remain unchanged.
- The budget is balanced with no use of fund balance. FY15 revenues exceed expenses by \$177,000.

The fund balance by the end of FY14 is estimated at \$614,000 and should increase to almost \$800,000 by the end of FY15 (9/30/15).

#### Mosquito Control Fund (\$9,843,321 total FY15 budget)

- The adopted millage rate for FY15 is .2522 mills, a reduction of .1543 mills (current millage rate is .4065 mills). Lowering the millage rate will allow the Mosquito Control Fund to be self-sustaining while maintaining the reserve level at \$4 million to \$5 million.
- During FY14, the millage rate of .4065 mills allowed the Mosquito Control Fund to reach the target level reserve of \$4 million. FY14 year-end estimates indicate that the reserve will reach \$5 million by 9/30/14.

#### Airport Fund (\$6,966,343 total FY15 budget)

- FY15 recurring revenues estimated at \$440,000 is not sufficient to meet recurring personnel and operating expenses of approximately \$1 million. Consequently, the Airport budget continues to rely on a subsidy from the General Fund estimated at \$510,298. The subsidy may be reduced as we explore ways to reduce costs for environmental monitoring and related land management activities.
- In addition, the Airport Fund will require General Fund support in the amount of \$665,000 as a match against Airport Improvement grants.

## ENTERPRISE FUNDS

### Building Code Fund (\$3,441,034 total FY15 budget)

- The FY15 budget is \$509,241 higher than the adopted FY14 budget due mainly to transferring 5.6 Planning Technicians from the Unincorporated Area Services Fund.
- Current permit activity indicates that revenues will remain at or exceed the FY14 projection of \$1,259,000. Consequently, revenues should be sufficient to offset or exceed FY15 operational costs.
- The reserve level is expected to remain above \$2 million through FY16.

### Golf Course Fund (\$1,283,648 - total FY15 budget)

- Based on the improved revenues during the current fiscal year (FY14), operating revenues are expected to reach approximately \$1.3 million.
- Personnel and operating expenses for FY15 are budgeted at \$1,283,648.
- Given a continuation of FY14 revenue trends, the Golf Course Fund is expected to be self-sufficient in FY15 except for equipment replacement that is funded through the Parks MSTU Fund.

### Water & Wastewater Fund (\$7,533,377 - N. County / \$6,883,597 - S. Hutchinson)

- Both Operating Funds are self-sufficient as recurring revenues derived primarily from water and sewer sales are expected to exceed operating expenditures (exclusive of reserves and capital) in both funds.
- The North County Utility Fund has sufficient recurring revenue to make a \$412,000 transfer to the Renewal and Replacement (R&R) Fund, which is necessary to fund replacement and rehabilitation of utility infrastructure. The South Hutchinson Utility Fund will rely primarily on reserves to meet a higher than normal \$714,000 transfer to its R&R Fund for planned capital replacement projects.
- Both operating funds are in relatively strong financial position as measured by their fund balance (i.e. retained earnings) and debt service coverage. At September 30, 2013, the debt service coverage factor was 1.66 - in other words net utility revenues were 38% higher than annual debt service, which compares favorably to the 1.20 minimum requirement.

### Solid Waste Fund (\$30,355,451 - total FY15 budget)

- FY15 operating revenues are estimated at \$10.7 million (@95%) of which \$6.8 million is projected from the \$41 per ton tipping fee for Class I solid waste. Operating revenues also include \$1.56 million for the processing fee related to the operation of the new single stream (recycling) processing facility.
- FY15 expenditures are set at \$10.7 million of which \$9.24 million is dedicated to direct operational costs. The balance is allocated for equipment replacement (\$677,000), the revenue sharing payment to the City of Port St. Lucie (\$452,000), and transfers to other funds (\$341,000).
- Any excess of revenues over expenses at year-end is transferred to a reserve account for future landfill cell construction.

## INTERNAL SERVICE FUNDS

### Health Insurance Fund

- The beginning fund balance (i.e. reserves) in the Health Insurance Fund at October 1, 2014 is at \$12 million based on current claims trend and other fixed costs. In addition, a reserve is set aside equal to 2 months of estimated claims expense or approximately \$1.7 million.
- As was the case in FY14, fund balance (i.e. reserves) will be used to subsidize insurance premiums that are the main source of financing for the Health Insurance Fund. - The final budget -included approximately \$4.5 million in reserves appropriated to balance the Health Insurance Fund, although actual usage will be dependent on the level of claims expenses incurred at year-end.
- The FY15 budget includes a 6% premium increase that is a first step for bringing premiums up to the level necessary for the Health Insurance Fund to be self-supporting (i.e. premiums paid by both the employer and employee equal medical claims expenses and other fixed costs).
- FY15 total expenditures excluding reserves for the Health Insurance Fund are \$14 million of which medical claims is the predominant expense estimated at \$10.5 million. The other major expense items include the health and wellness clinic at \$1.2 million and reinsurance premiums at \$1 million.

### Trust and Agency Funds

In 2013-2014, the trust and agency funds were budgeted at \$3,416,712. Trust and agency funds account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds (i.e. Law Enforcement Trust Fund). The amount for 2014-2015 is \$3,673,780, which represents an increase of 7.5% from the adopted fiscal year 2013-2014 budget. This increase is due to renewal of Art in Public Places ordinance on capital projects.

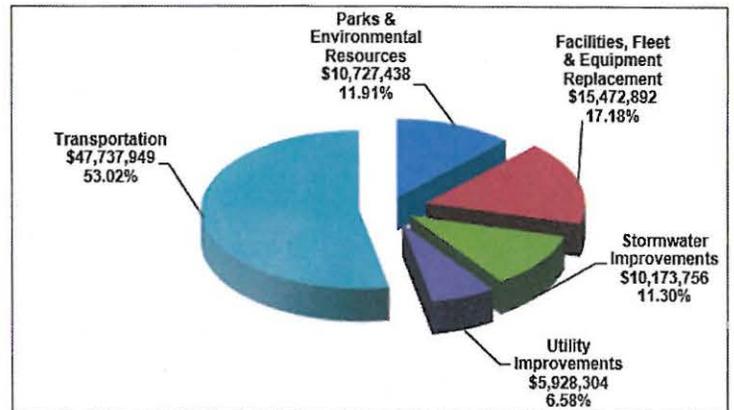
### Debt Service Funds

The County's debt funds account for the payment of annual principal and interest, fees, anticipated new debt, administrative fees, etc. as well as, when stipulated, accumulation of funds for balloon payments for the County's debt obligations. The debt funds are budgeted at \$18,286,466 for fiscal year 2014-2015, which represents a 4.73% increase over FY 2014 adopted budget of \$17,460,777. The debt service funds increase is mostly due to an increase in the fund balance for North Lennard Road.

The St. Lucie County debt summary for fiscal year 2014-2015 shows an estimated total outstanding principal debt of \$145,681,135. Some examples of the categories of the County's indebtedness are long-term bonds including \$545,000 in general obligation bonds, \$81,600,000 in bonds covered by governmental funds, \$21,105,000 in bonds covered by enterprise funds, \$21,479,595 in notes payable covered by governmental funds. The total debt funds include other bond expenses, which are not included on the debt schedule of principal and interest for the fiscal year.

### CAPITAL IMPROVEMENTS PROGRAM

Included in the FY 2015 budget is the 5- Year Capital Improvements Program that serves as a blueprint for future capital investments over the next five year period (FY2015-FY2019). The total funding commitment appropriated for FY 2015 from various dedicated funding sources for capital improvements is approximately \$90 million of which \$10.4 million is allocated for new projects and \$79.7 million is carryover funding to complete (or start) projects funded in FY 2014. As reflected in the adjacent pie chart, more than half of the FY15 capital program is comprised of transportation projects of which \$26.4 million is dedicated to the Midway Road widening project.



*The Parks & Environmental Resources category includes \$5.2 million reserved for future acquisition of preserves and environmentally sensitive lands.*

Besides Midway Road, other significant projects scheduled for FY 2015 include:

- ✓ Design and construction of the taxiway connector at the Airport.
- ✓ Completion of the 2<sup>nd</sup> Street road and utility improvements at the Port.
- ✓ Completion of the North Hutchinson wastewater treatment plant expansion.
- ✓ Construction of the Paradise Park Phase 5 drainage improvements.
- ✓ Design and begin construction/renovation of the Rosser Road Library building.
- ✓ Replacement of 42 light fleet vehicles, 5 heavy equipment (Road & Bridge) vehicles and 15 Sheriff's patrol vehicles.

### Summary Comments

The adoption of the budget and tax rates were the subject of public hearings on September 4<sup>th</sup> and September 18<sup>th</sup> at which time the Board received public input and were able to consider and ask questions about various aspects of the adopted budget.

As adopted, the FY 2015 Budget addresses several important County Commission goals and priorities:

- **Maintaining the combined tax rate at 7.391 mills that makes a “down payment” towards reducing the County’s reliance on one-time reserves to balance the operating budget.**
- **Providing the staffing and financial resources necessary to maintain current levels of service for law enforcement and other municipal-type services provided by your County government that citizens have come to expect and deserve.**
- **Utilizing \$2.9 million in excess sales tax revenue to fund site development costs for the State Veterans’ Nursing Home facility (up to \$750,000) and the balance (\$2,150,000) for resurfacing of County-maintained collector roads. The excess sales tax resulted from the refunding of the Sales Tax Revenue Bond issue.**
- **Continuing to make a substantial capital investment to improve County roadways (particularly the Midway road widening), neighborhood drainage infrastructure, and Parks and Recreation and general administrative facilities.**

The economic realities of the past several years have challenged us to undertake a critical review of all aspects of County government in terms of the services we provide and the level at which those services are provided. We will continue to face similar - but hopefully less severe challenges in future years as the economy slowly improves. Nonetheless, as your new County Administrator, I am prepared to work closely with the County Commission as we strive to improve St. Lucie County’s quality of life through continued economic development efforts and by maintaining current levels of service while addressing the structural imbalance of the County’s operating budget.

Most importantly, I would like to thank the County’s many valuable employees whose daily work is not taken for granted and is the key ingredient to providing quality services to our citizens and visitors alike. As well, I would like to thank the County’s Department Directors and staff and the Constitutional Officers for their efforts in preparing their respective budgets within constrained financial conditions. Special recognition is also in order for County Attorney Dan McIntyre who served as Interim County Administrator during preparation of the FY15 budget. Finally, I want to recognize Jennifer Hill, Budget Manager and the entire OMB staff for their untiring efforts in developing a budget document that was recently recognized for the 16<sup>th</sup> consecutive year by the Government Finance Officers Association (GFOA) for the Distinguished Budget Presentation Award (FY 2013-14 budget document).

Respectfully submitted,



Howard N. Tipton  
County Administrator

CHRIS DZADOVSKY, District No.1 • TOD MOWERY, District No. 2 • PAULA LEWIS, District No. 3 • FRANNIE HUTCHINSON, District No. 4 • KIM JOHNSON, District No. 5  
County Administrator, Howard N. Tipton

2300 Virginia Avenue • Fort Pierce, FL 34982-5652 • Phone (772)462-1453  
TDD (772)462-1428 • Fax (772)462-2131 • email: [phelank@stlucieco.org](mailto:phelank@stlucieco.org)  
website: [www.stlucieco.org](http://www.stlucieco.org)