

MEMORANDUM

To: Jeff Bremer, City Manager
Patricia Roebling, Asst. City Manager
Daniel Holbrook, Asst. City Manager
Department Heads

From: David K. Pollard, CGFO, OMB Director

Date: July 11, 2016

Re: **Proposed FY 2016-17 Operating Budget**

The attached spreadsheets and charts represent the FY 2016-17 Proposed Budget for the City of Port St. Lucie. The budget total of \$485,272,517 includes all Operating and Capital Improvement Funds. This is a decrease of \$74,096,636 from the originally approved budget for FY 2015-16. This budget decrease is caused by a decrease in expenditures; primarily due to the total project costs encumbered for Crosstown Parkway in FY 15-16 and use of contingency in the Utility Contingency Fund #440. The Proposed Budget is based on no change to the overall Millage Rate which when combined with the 9.18% gain in taxable value, will lead to an increase in total property tax revenue of \$4,206,038. A total of 1,040.11 FTE's are funded with this proposed budget, which is a net increase of 24.95 FTE's. There are recommended staffing increases in the General Fund, Building and Public Works departments based on the greater workload being experienced or enhanced customer based projects driven by the strategic plan. City Council Budgetary Policies and directives are discussed below as well as the key points of this proposed budget. The Police Sworn Staffing Policy continues to be suspended by Council because of the failed economic investments, however officers are being added when possible.

Key Budget Points

Taxable Property Valuation

The taxable value for all properties in the City of Port St. Lucie is set at \$7,901,476,894 for the FY 2016-17 proposed budget. This is a 9.18% increase from the value used for budgeting purposes last year and will generate \$4,206,038 in additional property tax revenue. This revenue is allocated among the Crosstown Parkway fund (voted debt), the road fund and the City's General Fund. There was over \$94.3 million in new construction value during 2015 which contributed toward the \$664.4 million gain in total taxable value for 16-17. This is a larger amount of new construction value than the prior year and contributed toward the stronger total gain of 9.18%. The prior year experienced a 6.91% gain in value. This is the fourth year of taxable value growth and appears to have established a positive trend for the City's economy. After five years of dropping value, in FY 2012-13 the City found itself with only 48.5% of the taxable value it once counted on to generate property tax revenue. The current total taxable value is 60.7% of the peak value from the 2007 tax roll which is a drop of nearly \$5.2 billion.

City's Total Millage Rate

The City Manager's Proposed Budget for FY 2016-17 uses the current millage rate of 6.6289. The portion of the overall rate that is designated for retiring debt on the Crosstown Parkway road project will remain at 1.2193. When combined with the 9.18% gain in taxable value, the total increase to Property Tax Revenue will be \$4,206,038 allocated among three funds that receive property tax revenue.

Pay Rates

The recommended budget for FY 2016-17 addresses pay raises for Police Union employees as required by the various union contracts. The City is currently in the negotiation stage with the Civilian Unions.

Health Insurance Cost

In recent years the City has been working to raise the employee contribution for the health insurance plan. A benchmarking study illustrated that the employee cost was considerably lower than the other local governments listed in the study. For coverage other than single employee, the benchmark study indicates the average is $\pm 20\%$ employee contribution. For the proposed fiscal year, the adopted contracts called for the employees to contribute 8% of the estimated cost for single coverage and 16% of the cost for all plans other than single coverage. Also factored into the rates is an assumed 24.1% cost increase to the employer and 30.6% increase to the employee due to increased claims in previous years. The civilian bargaining groups are not under contract yet for the upcoming fiscal year.

The cost of claims is certainly the largest factor when estimating the cost of this program. The costs have waivered over the years making financial projections difficult. The cost of claims totaled \$11.2 million in FY 2013-14 which is roughly five hundred thousand lower than the prior year. Then looking at FY 2014-15, the claims cost climbed to \$12.5 million, an increase of 1.3 million. The claims cost continues to climb in the current year and is projected to total $\pm \$14.8$ million, an increase of $\pm \$2.3$ million over the prior year. Changes were made in budget amendment #1 and budget amendment #2, transferring one million dollars from all operating funds and increasing stop loss insurance proceeds by \$668,105. This jump in cost of $\pm \$2.3$ million will cause a one and a half million-dollar budget overrun. Using that figure and applying a conservative 5% inflation factor creates a budget amount to pay claims in FY 2016-17 of \$15.3 million. Using the agreed upon contributions based on the negotiated police contracts (city and employee), the proposed budget for FY 2016-17 will provide \$19.5 million in funding for claims plus the other costs (admin charges and the clinic) and reserve a 17% contingency of \$2.7 million. The projected funding in the equation will just barely cover the budgeted costs and allow for a required two-month contingency. The FY 2016-17 budget may have to be revisited, if claims exceed the 1.3 million monthly funding level.

Operating Expenses

City Council Budgetary Policy allows for an inflationary factor of up to 3% to the operating portion of department budgets. Many departments met the goal of a minimum increase to their operating costs due to the CPI index showing 1% overall inflation in the latest data. Examples are the Parks and Recreation Department requesting an increase of 4.9% for operating costs because of building maintenance issues while the Police Department is requesting a decrease of 4.9%, mainly due to fuel cost and efficiency of department. Overall, the total general fund is experiencing an increase of 0.4%.

Also of note, the City's cost for liability and workers comp insurance dropped by 4.1% due to lower claims and the favorable insurance market. These insurances are purchased as part of a pooled effort of four local governments.

Millage Rate for the General Fund

The proposed budget allows for a Millage Rate of 5.048 for the City's General Fund. There's no proposed changes from the FY 15-16 budget. When applied to the taxable value, which climbed by 9.18%, the General Fund will collect \$38,091,756 in property tax in FY 16-17. This is an increase of \$3,432,392.

Millage Rate for the Crosstown Parkway project

The City Council budgetary policy allows for the necessary millage rate to make the debt payments on the \$165 million in bond debt that was approved by a voter referendum. This proposed budget recommends no change to the millage rate dedicated to this project. The full amount of bond debt has not been issued yet but is anticipated to occur soon. For several years the falling taxable value was reducing the level of Property Tax revenue being generated and the millage rate was raised slightly. The current dedicated millage rate of 1.2193 is expected to be sufficient with the new trend of rising taxable values. For FY 2016-17, this millage rate will generate \$9,200,729 for the debt service on this project.

Rolled Back Rate and Maximum Millage Levy Calculations

The budget adoption process as set by the state requires several calculations of millage rates that must be considered. These rates can dictate the advertising that is required and also set the required number of votes by the elected officials to adopt the City's Millage Rate. The Rolled Back Rate is defined as the Millage Rate that will earn the same level of property tax as in the prior year allowed for under the State of Florida TRIM regulations. The rolled back rate allowed by TRIM is 6.1996. This would be a slight drop to the overall Millage Rate of the City because of the 9.18% increase to taxable value. The separate calculation of the "Maximum Millage Levy Calculation" gives the City two additional options for the millage rate. This higher rate is based upon a formula that allows the recapture of the revenue had the City chosen the maximum rate allowed for in the prior year under the majority vote option. Under this regulation, three votes of the five Council Members will allow a total rate of 8.0102 or with four of the five Councilmembers voting in favor, the rate could move to 8.6893. The Maximum Millage Rate options would generate between \$14.6 and \$19.8 million more revenue than the prior fiscal year. These rates include the operating rate plus the corresponding voted debt rate for Crosstown Parkway.

Stormwater Fee

The annual Stormwater Fee is recommended to change under the proposed FY 2016-17 budget by \$5.00, increasing the total fee to \$158.00 and another \$5.00 in FY 17-18, increasing the total fee to \$163.00. The current rate has been in place since FY 2009-10 when it was increased by \$20 to fund the EWIP project and cover inflation. The current revenue methodology produces very little growth without a rate increase and is expected to produce \$20.6 million for the stormwater program. As the City grows, the needed funding for projects and staffing puts pressure on recommendation of increasing the annual fee. Although the current financial model includes increasing the fees for two years, the Stormwater Fund shows a deficit spending trend in current and future trends. The proposed FY 2016-17 budget was balanced by reducing the requested capital stormwater projects and drawing down the fund balance.

Police Sworn Officer Staffing

The past City Council Budgetary Policy was to staff 1.6 officers per 1,000 of population. However, with past budget struggles, the City Council suspended this component of their policy. The current sworn staffing level in FY 2015-16 is 229.50 which establishes a staffing ratio of 1.32 with the assumed population of 174,000. The city added five traffic officers in FY 2015-16, and will be adding one Sgt. in FY 16-17. With population projected at 183,000 and the total sworn police officers at 230.5, the new staffing ratio is estimated to be 1.26 for FY 2016-17.

Financial Contingency

The adopted budgetary policy was adjusted several times in recent years to revise the level of budgeted contingency. This contingency is set in the approved budget and is needed to fund unforeseen expenses without having to modify the city's programs and level of service. Such contingencies also provide the necessary funds to help the negative cash flow situation found in the first quarter of the fiscal year. The policy was adopted by the City Council as part of the financial policy and the strategic plan.

In the proposed FY 2016-17 Budget, the budgeted financial contingency is funded at 16.67%. Port St. Lucie has one exception to that policy with the Building Department having a Council approved policy of holding a 6 month contingency (50%). Also, the Medical Insurance Fund will continue using a 17% (two months) contingency as recommended by our health plan consultants. Also of note, in many of the proposed budgets, there is a level of contingency greater than the 15% amount. Due to a trend of deficit spending, the City has retained a larger fund balance to provide a balanced budget until the revenues can grow with the strengthening economy.

Summary of Rates and Fees

	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
Millage Rate	6.6289	6.6289	no change
Stormwater Annual Fee	\$153.00	\$158.00	\$5.00 increase
Street Lighting Annual Fee	\$26.00	\$26.00	no change
Building Permit Fees		No Proposed Changes	
Public Works Inspection Fees		No Proposed Changes	
Parks and Rec. & Saints Fees		Possible CPI / Market increase	
Water & Sewer Rates		6% Water Increase, 4% Sewer Decrease	
Water only	\$29.20	\$31.00	
Water & Sewer	\$80.61	\$80.39	
Solid Waste annual rate	\$268.36	\$268.36	no change

Financial Threats

There are several potential issues stemming from economic development activity that did not prosper and are now impacting the City's General Fund proposed budget. A number of these items were previously discussed in a report titled Risk Assessment of the City's Financial Threats, April 2013. There are five issues impacting the proposed budget as listed below.

City Center SAD Assessments

The majority land owner in this SAD is not paying their annual tax bill which covers property tax and SAD assessments. This is causing a shortfall of \$1,747,000 for the City as the annual debt payments are the responsibility of the City. The General Fund is budgeting to make this transfer in FY 2016-17.

Debt Service on Municipal Complex (Torrey Pines facility)

The annual debt payments for this facility were to be funded by Public Impact Fees, however with the downturn in construction activity in past years, that revenue is not sufficient to cover the payments. The City's General Fund is budgeting \$1,000,000 in FY 2016-17 for this item. The level of impact fees is increasing and is helping to reduce the impact on the General Fund. In FY 2011-12 the required contribution to complete the funding was \$2,100,000.

Debt Service on Tradition Studio

The annual debt on this city owned facility was being covered by the lease payment from Digital Domain. Following their bankruptcy, the facility was sold and profits from the sale of the building reduced the annual financial responsibility of the General Fund from \$3.4 million to \$1,516,065 annually.

Civic Center Debt Service

The City's Civic Center was constructed with the CRA holding debt for their financial contribution toward the project. The revenues of the CRA have fallen substantially and the CRA is not able to fund the debt payments. The City's Parks MSTU fund will be making a contribution to the CRA of \$1.8 million in FY 2016-17. In the proposed FY 2016-17 budget, the General Fund will begin funding this debt with a contribution \$924 thousand and in the following years an annual contribution is estimated to be \$1.4 million. This item is causing a draw of funds that were anticipated for construction of new parks and as of FY 2015-16 started impacting the General Fund.

Vaccine & Gene Therapy Institute

This medical research firm is one of several firms that located in Port St. Lucie in recent years. The nature of their business is to receive grant funding to cover their costs. These grants have greatly dropped off in availability and VGTI has found itself in a difficult financial condition. The City backed the debt that was issued to build their facility and in early 2015 the City was notified that the firm did not have the necessary funds to make their debt payments. In FY 2015-16 the City was required to fund the annual debt payments, insurance, operating costs controlled by a receiver. In the proposed budget for FY 2016-17, the City is assuming it will continue to fund the debt payments as well as the operating costs for the facility. This is an annual impact of \$5.6 million to the City's General Fund. These costs will have a negative impact on the long-range financial condition of the General Fund.

Level of Service

Due to the items listed above that are having a negative financial impact on the City's General Fund, there are limited FTE's being added or other program costs that would address maintaining the level of service. With the City's local economy showing signs of growth, there will be greater demands placed on the City for various services and programs to be enhanced.

General Fund

The City's General Fund reports the financial activities of all the administrative departments plus the Parks and Recreation and Police Departments. The financial condition of the City's General Fund has struggled in recent years with the severe drop in taxable value causing a significant drop in its largest revenue, Property Tax. This caused staff reductions in past years and the reorganization of several departments. The financial condition has become more stable in recent

years, except for several economic projects that failed. These are noted in the Financial Threats information listed above.

Major Revenue Source

The largest single revenue in the General Fund is Ad Valorem Property Tax, which is set to earn ±\$38 million in FY 2016-17. This revenue figure is based on the 9.18% increase in taxable value. There are several other major revenues of the General Fund that are experiencing an upward trend (Utility Tax and Sales Tax). The projected gain in these major revenues is approximately \$1.1 million. The General Fund is projected to have a balance of ±\$25.5 million to carry into FY 2016-17. This is an increase of ±\$46.9 thousand from the audited balance on September 30, 2015.

Expenditure Trends

Salaries and Benefits are the largest area of cost for the General Fund and are budgeted to grow by 5% due to the pay increases that are required per the union contracts and the inflationary factors on the benefits. A net increase of 15.58 FTE's, are proposed to be added in the General Fund. Positions are being transferred from Utility Finance and Public Works Keep Port St. Lucie Beautiful because of reorganization of Finance and Neighborhood Services while other departments are adding staff to keep up with growth of unmet needs and demand on services. The City recently took the step to cover the annual debt payments of \$4.1 million and operating costs \$1.5 for the VGTI Building. Also, the City is budgeting to complete the funding of the annual SAD assessments for property surrounding the Civic Center. The majority property owner in this special assessment district is not paying its annual assessments, which is leaving the City responsible to pay the debt on the bond financing used to build the infrastructure. The annual cost will be \$1,747,000 for the City Center SAD shortfall. The City's General Fund will also need to contribute \$1.0 million toward the annual debt service on the Torrey Pines facility. The impact fee revenue that was scheduled to cover this debt is short of its goal. The effect of these items is not allowing the city to address the need to expand its level of service or keep up with maintenance issues on buildings as the City grows.

Long Range Model(s)

The long range model included for the General Fund show years of slight surpluses that will keep the fund balance within the approved policy of 16.67% through the end of FY 2019-20. This model assumes a modest level of taxable value increase going into future years and increases to other economic revenues. For this model, the expenses are shown to be relatively flat, which would not address the growth in the community. Each future year shows a slight surplus spending condition until 2020-21.

Road & Bridge Operating Fund

The activities reported in this fund include pothole patching, street signs, street striping and road right-of-way mowing. Also the maintenance of the traffic signal system is funded here plus street lighting costs for major roads.

Major Revenue Source

The largest single revenue for this operating fund is Local Option Gasoline Tax revenue and is projected to be ±\$6 million for FY 2016-17. This individual revenue has experienced increases in past years as this revenue is based on the gallons sold and is projected to grow by perhaps \$503 thousand. Due to the general economy more gallons are being sold even with more efficient

vehicles becoming the norm. This fund also receives Ad Valorem Property Tax revenue totaling nearly \$2.7 million based on its allocation of 0.3616 mill from the overall millage rate. This revenue is benefiting from the growth in taxable value. Also, this fund is projected to carryforward a balance of \$5.1 million into FY 2016-17.

Expenditure Trend

The Public Works Department staffing is proposing to add 10 new positions which will be split funded between the storm water fund, shifting four positions to the General Fund for a net increase of 6 FTE's. Salaries and Benefits are budgeted to grow by 5% due to the pay increases subject to union negotiations for civilians and the inflationary factors on the benefits. The adopted budget will set a 15% contingency and show a projected ending balance in FY 2016-17 of \$4.3 million.

Long Range Model

The long range model for this fund indicates that this fund will be deficit spending in all future years. The FY 16-17 has a smaller deficit which could be overcome if the revenue projections prove to be stronger. The problem years are FY17-18 and beyond when the annual debt service increases by \pm \$1 million. This model is based on keeping the allocated millage rate equal and conservative growth in expenses. The advantage for this fund is the fact that it has a fund balance that is larger than the policy of 15% which gives it the ability to absorb a deficit spending condition.

Stormwater Utility Fund

This is an enterprise fund that earns revenues from an annual fee charged to all property owners for the purpose of constructing and maintaining the City's stormwater system. The most costly item funded each year is the reworking of the roadside swale system. City crews reshape the swale drainage system and in some areas a plastic liner is installed to aid the flow of stormwater. Other activities include mowing and cleaning of the liner system plus canals, ditches and greenbelt areas. The Public Works department is partially funded by this revenue.

Major Revenue Source

This fund's major revenue is the annual stormwater fee and is expected to generate \$21.3 million for 2016-17. The annual fee is recommended to increase by \$5.00 for two years at \$158 per residential unit in FY 16-17 and \$163.00 in FY 17-18. The only normal growth in the Stormwater Fee revenue occurs when a vacant lot is built on providing \pm \$38 per unit additional revenue. This fund will also carryforward \$7.8 million in fund balance. The culvert inspection fee collected in this fund is experiencing slight growth as the level of construction permits begins climbing. Also of note is the federal subsidy to help cover the debt service on the EWIP project (\$901,903).

Expenditure Trends

The adopted budget contains the request of additional staff, which in some cases will be split funded with the Road and Bridge Operating Fund. Pay raises for all employees are budgeted at 5% pending union negotiations. The higher cost capital projects are proposed at a cost of \$2,093,496. Debt service is \$4 million in FY 2016-17.

Long Range Model

The long range model indicates projected results that are close to breakeven until FY 19-20 and FY20-21. Any projected deficits are relatively small and the fund has a sufficient balance to cover the projected deficit spending. The key to balancing future years for the Stormwater Fund is to spread the costly capital projects into future years and acquiring grants can be very helpful in the financial equation.

Building Department Fund

This is a special revenue fund that reports the financial activity of the Building Department. By tracking the financial activity of this one department isolated in this single fund, their revenues (permits fees, etc.) can be compared to the cost of their work with their rates being set accordingly.

Major Revenue Source

This fund's largest single revenue, Building Permit Fees, is directly driven by construction activity. New construction activity is climbing and Permit Fee Revenue is expected to hit \$4.5 million in the current year and \$4.7 million is budgeted for the proposed FY 2016-17. The projected fund balance of \$6.6 million for the start of FY 2016-17 is above the stated policy of 50%. This higher level of fund balance helped stabilize this department during the years of falling revenue.

Expenditure Trends

There are three additional positions requested for this fund to assist with the increase in demand for service. Raises are budgeted at 5% for this fund pending union negotiations. The cost of those three FTE's plus the necessary operating and capital outlay expenses totals \$289,566. The costs for the current level of expenses (without the expanded positions) is approximately equal to the current year budget.

With the climb in revenues and the proposed expenses (including the three new positions), the fund is projected to experience a slight climb in fund balance. For the proposed FY 2016-17 this fund should generate a surplus of \$36,419. The policy required 50% financial contingency is \$2,551,243 and there will be \$4,116,696 in additional reserves.

Water & Sewer Utility Funds

There are two operating funds for the City's Water and Sewer Utility, a Connection Fund and Operating (maintenance) Fund. For many years, the rapid growth in the City and this utility system required increased staff and contractor crews to keep up with the demand for connections to the system. As these requests have slowed, staff was shifted away from the Connection Fee Fund over to the Maintenance Operating Fund and overall staff reductions were made during the slower years. Now with the latest market trend of moderate growth, the Utility Department is requesting 5.00 additional FTE's to handle the increasing level of work. Also included in the Utility group of funds is a Renewal and Replacement Fund which covers the regular replacement of equipment that is part of the system. There is also a Utility Contingency Fund that is holding nearly \$13.7 million to give the bond market a level of confidence in the City's financial condition. This contingency can also be used to stabilize the rates or to reduce debt in the future

if needed. The Utility has created a new fund, the Water & Sewer Capital Facility Fund #441 to set aside funding collected from new connections for capital facility projects.

Major Revenue Source

The Water and Sewer Operating Fund is funded primarily by the monthly revenues from the users of the system which is projected to be ±\$66.3 million. There is an increased level of new customers expected to be added as construction occurs in the City which will boost the operating revenues. The Utility is proposing a rate adjustment increase of six percent to water and a 4 percent decrease in sewer for FY2016-17. When factored together, a utility customer should experience a similar bill. The projected cash carryforward source of funds next year is \$31.3 million between the two operating funds.

Expenditure Trends

Both operating funds show a relatively stable level of cost for personal services and operating categories of expense even after taking into account potential raises. There are 5.0 FTE's being added as an expanded level of budget for FY 2016-17. There are 5.0 FTE's from Utility Finance transferring to the Finance Department of the General Fund. The departments felt it would be a better fit as Utility Finance is managed by the City's Finance Director. These 5.0 FTE's workload has grown not only processing work for Utilities but also work related to other departments and/or funds throughout the City. By adding the 5.00 FTE's to the General Fund, the Finance Department will experience a greater administrative credit. Annual debt service is \$30.4 which is a lower amount after refinancing occurred in the current year. Originally the debt payment schedule called for a jump in annual payments in FY 2015-16 because the annual revenues were projected to be at a higher level. But as the past years of lower growth impacted the revenue trend, it was necessary to adjust the payment schedule to match our revenue stream. With this adjustment made to the annual debt schedule, the Utility Funds are now able to balance and actually show a small operating surplus in the proposed FY 2016-17 and 17-18 budget.

Long-Range Model

This five year look into the future takes into account growth in customers. Costs are shown to be relatively flat into the future. With these assumptions, the fund balance will grow in all future years. It appears the fund will have a fund balance greater than the policy of 15%. The test for debt service coverage is being met thru the future years meaning operating revenues are sufficient to fund the debt service requirement.

Saints Golf Course Fund

This enterprise fund tracks the financial activity of the City's Golf Course. The golf course fund no longer depends on a financial contribution from the City's General Fund as it did several years ago. The past couple of years produced an operating deficit because of the green renovation project that was funded from reserves. The proposed budget calls for earning nearly \$1.6 million in greens fees plus several small revenues to fund the operations of the City's golf course. Although this fund might end the current year with a small deficit of \$19,333, this fund will carry into the FY 2016-17 a projected balance of \$321,521. There is only inflation to the current level of operating costs being addressed as there are no changes to staffing. This fund is also holding a 15% financial policy contingency (\$236,969) with this recommended budget.

Government Finance Fund

This fund is to account for the revenues and expenditures of the Master Lease Agreements and various Certificates of Participation projects (series 1997 & 2004) such as acquisition of land near City Hall and several buildings that were completed in early 2005. In past years, this fund accounted for the Law Enforcement (County Sheriff) Impact Fee. The western Police Sub-station was sold and the impact fees will not be used for this purpose in future years. To complete the funding for the annual debt service, the General Fund must cover the balance with a transfer of \$52,163 in FY 2016-17. As a result of selling the sub-station, the sale proceeds will reduce the annual debt service for the next few years.

Police Impact Fee Fund

The City imposes an impact fee on new development to help fund the equipment costs associated with new officers. This fund tracks this revenue and the allowed expenses. With the increase in construction activity, this revenue is climbing. The proposed budget is requesting one Sergeant and one Animal Control Supervisor. Any qualifying purchases for these two positions will be charged to this fund. The fund will have a contingency of \$710,723 available for approved expenditures.

Street Lighting Fund

This is a special revenue fund that tracks the financial activity of this unique revenue that is dedicated toward a specific function. Citizens that elect to form a Street Lighting District to provide streetlights in a residential neighborhood will pay an annual fee of \$26 next year per this approved budget. This is the same annual fee as the current year. The other streetlights located along the main thoroughfares in the City are funded within the Road & Bridge Fund using Gasoline Taxes. Several new districts are added each year which increases the total revenue and expenses of this fund. The proposed budget and financial projection show a deficit spending trend which is being done in order to draw down the fund balance. In several prior years, the adopted rate was generating a surplus and the fund balance was becoming too large. The financial results are being monitored along with the electric rates to see if the current rate can be maintained in future years.

Major Revenue Source

The significant revenue in this fund is the annual special assessment charged to the residents in the districts. The annual fee of \$26 should generate \pm \$397 thousand in the 2016-17 budget year. This fund is projected to carry forward \pm \$115 thousand into the fiscal year 2016-17 budget.

Expenditure Trend

The main cost being funded is the electric bills associated with the streetlights. With an increase in the number of districts, the expenses of the fund will increase. The budget for electric use and operating costs are \$440,000 plus \$20,529 for administrative costs. The approved budget has a projected contingency of \$53,330 thousand.

National Pollution Discharge Elimination System Fund (NPDES)

This fund separately tracks the cost of this federally required program to control any potential pollution discharge from construction sites. A separate permit fee is being charged and funds the cost of this program. When construction activity dropped in past years, the revenues for this program also dropped and did not fund the one employee dedicated to this activity. Now that permits fees and this revenue are on the rise, the proposed budget will fund one half of a position for this program with related operating expenses. Revenues are expected to be \$55,000 with a carryforward balance of \$131,268. After the proposed costs, the fund will have a budgeted contingency of \$91,212 which represents a deficit spending trend. This fund will be monitored to regain a balanced spending condition in the future as the balance is drawn down.

Neighborhood Stabilization Fund (NSP)

This is a federal grant fund that is being used to account for the financial activity of the Neighborhood Stabilization program. This fund is for the original level of this grant (\$13 million) and its purpose is for reducing blight by allowing the City to purchase and renovate homes that are in poor condition and are in the foreclosure process. The foreclosures in past years contributed to a large number of neglected homes. This grant operates on a reimbursement basis thus causing an operating deficit in any single year.

Major Revenue Source

Revenue for this fund is the federal grant plus the proceeds from the sale of homes that generate funds for the program. The total available funds for the proposed FY 2016-17 budget is \$834,500.

Expenditure Trends

Operating costs are budgeted at \$1,000 and \$833,500 is available for the housing program costs in the FY 2016-17 budget.

Neighborhood Stabilization #3 Fund (NSP)

This is a federal grant fund that is being used to account for the financial activity of the Neighborhood Stabilization Program. This is the third level for this grant and allowed \$3.5 million for reducing blight by allowing the City to purchase and renovate homes that are in poor condition and are in the foreclosure process. The high number of foreclosures in the past contributed to a large number of neglected homes. This grant operates on a reimbursement basis thus causing an operating deficit in any single year.

Major Revenue Source

Revenue for this fund is expected to be \$776,623 for FY 2016-17. Included in the revenues of this fund is the proceeds from the sale of homes which is rolled back into the program to further help the community.

Expenditure Trends

Operating costs are budgeted at \$40,117 while \$1.3 million is available for the housing program in the proposed FY 2016-17 budget.

Community Development Block Grant (C.D.B.G.) Fund

The CDBG federal entitlement block grant is allocated to cities with a population over 50,000. This funding may be used for projects such as community service, infrastructure improvements and housing for low-income residents. Typical projects funded in the past include infrastructure improvements in low-income areas and construction of public facilities.

Major Revenue Source

The only revenue available for this fund is the federal grant that the City is entitled to. This grant operates on a reimbursement basis, which means it never has a cash balance available to earn interest income. This program's revenue is expected to be ±\$1.4 million in FY 2016-17.

Expenditure Trends

Administrative funding is set at \$361,860 plus nearly \$1.4 million for Council designated projects. This fund does not carry a balance or a contingency but is simply reimbursed for projects and approved administrative costs.

State Housing Initiative Partnership (S.H.I.P.) Fund

The state SHIP grant that the City receives is accounted for in this fund and is used to assist low-income households with down payment and housing rehabilitation costs. The applicants must qualify according to an income level based on family size. Any request for repair funding must deal with a health and/or safety issue on their existing home. For down payment assistance, the applicants must meet the low-income standard to qualify but then also qualify with a financial institution for their home mortgage.

Major Revenue Source

Revenue for this fund is from the state grant and is received by the City on a monthly basis. The state earns these funds through documentary stamps charged to all real estate transfers. The expected revenue is \$1,107,300 plus an expected fund balance to carryforward into next year of \$506,526.

Expenditure Trends

The proposed budget for this program is budgeted at \$182,967 for administrative costs with \$1,430,859 available for the housing program.

Water & Sewer Special Assessment Funds

These funds are for payment of the annual debt service on the bonds used for financing the water and sewer improvements in each of the special assessment districts. The annual assessment revenue collected from the residents is the source of funds. Each district has its own individual fund in order to match the actual costs of the district with the assessment to its residents. The bonds have a 20-year payback schedule.

SW Annexation SAD Debt Service Fund

This fund is for payment of the annual debt service on the bonds used for the infrastructure improvements made in this special assessment district. The annual assessment revenue collected from the property owners is the source of funds. The bonds have a 33-year payback schedule and are dependent on the land owners paying their assessments as their property is developed in the future and gains value.

South Lennard Road SAD Fund

This special assessment fund covers the annual assessment collections and payment of the annual debt service associated with the PUD. Bonds were issued to fund the capital improvements and now the property owners pay annually an assessment to cover the debt payment. This SAD was annexed into the City and the improvements were made to help create a commercial district. The Debt was retired in FY 2013-14 and the remaining fund balance will be used to fund allowed projects.

River Point SAD Fund

This special assessment fund covers the annual assessment collections and payment of the annual debt service associated with the PUD. Bonds were issued to fund the capital improvements (roads, drainage and utility lines) and now the property owners pay annually an assessment to cover the debt payment. As cash flow allows, debt will be retired early.

Tesoro SAD Fund

This special assessment fund covers the annual assessment collections and payment of the annual debt service associated with the PUD. Bonds were issued to fund the capital improvements and now the property owners pay annually an assessment to cover the debt payment. Any contingency generated will remain in this fund and will help accelerate debt retirement.

Glassman SAD Fund

This special assessment fund covers the annual assessment collections and payment of SAD Funds of the annual debt service associated with the PUD. Bonds were issued to fund the capital improvements and now the property owners pay annually an assessment to cover the debt payments.

East Lake Village SAD Fund

This special assessment fund covers the annual assessment collections and payment of the annual debt service associated with the PUD. Bonds were issued to fund the capital improvements and now the property owners pay annually an assessment to cover the debt payments.

St. Lucie Land Holding SAD Fund

This special assessment fund covers the annual assessment collections and payment of the annual debt service associated with the PUD. Bonds were issued to fund the capital improvements and now the property owners pay annually an assessment to cover the debt payments.

City Center SAD, 2006 Series

This special assessment fund will track the collections and then the debt payments associated with the public infrastructure improvements in the City Center project. The property owners in the district will either make a contribution for their share of the cost or they can make payments according to the financing plan. These improvements were for the public areas of what is called City Center, an area of redevelopment along US 1 that is planned to have a combination of residential, retail, office and public uses including the City's Civic Center. Unfortunately, the majority property owner has failed to pay their annual assessments and the City's General Fund is budgeting in FY 2016-17 to fund the shortfall in this fund in the amount of \$1,747,000.

Combined Road SAD, Series 2006

This special assessment fund will track the collections and then the debt payments associated with the three small road / intersection improvements. The property owners in the three districts will either make a contribution for their share of the cost or they can make payments according to the financing plan. These funds will be used to retire debt associated with making the improvements.

Torrey Pines Collection Fund

This special revenue fund will use Public Building Impact Fees collected by the City to make the annual debt payments on the bond debt issued for the construction of the facility that will house the research firm, Torrey Pines Institute for Molecular Studies. The revenue is based on guaranteed fees from certain developers that contracted with the City to help fund this project. However, the projected revenue from impact fees is being supplemented with a transfer from the City's General Fund to ensure debt coverage. For FY 2016-17, the expected City's contribution will be \$1 million. If future impact fees grow, this supplement can be reduced.

Community Redevelopment Agency Fund

The financial activity of the Community Redevelopment Agency (CRA) is tracked in this special revenue fund. The budget schedule for this fund is presented in a format to show the projected growth in revenue into the future. The CRA earns revenues based on the increase in taxable values within the established district. There are actually four separate districts that make up this financial data. Due to the falling property tax value and the associated revenue, the CRA is unable to fund the debt service originally designated for this fund. Debt was issued to fund half of the cost of the City's Civic Center and the revenues of the CRA was the funding source. The CRA fund is funding the CRA Manager and half of the cost of an administrative support position in the proposed FY 2016-17 budget. In order to make the full debt payment in FY 2016-17 of \$4,337,350, the City's Parks MSTU fund and General Fund must contribute a combined total of \$2.7 million. Beginning in FY 2012-13, the CRA was facing a shortfall because of the debt payments and the Parks MSTU fund began using its fund balance to complete the funding. The long-term solution for the CRA's financial condition is to gain taxable value so that property taxes will grow and allow the CRA to fund a greater portion of their obligations.

General Obligation Debt Service 2005 Series Fund (Crosstown Pkwy)

This is the special revenue fund that will post the Ad Valorem Property Tax revenue associated with the millage rate designed for the debt payments for the Crosstown Parkway road project. The voter referendum allowed the City to issue \$165 million in bond debt to fund this project and use Ad Valorem Property Tax to retire that debt. The current millage rate for this purpose is 1.2193. In FY 2016-17, the final phase of this project will begin and depending on financial forecasts, there might be a need to issue additional debt to complete the funding of the total project. However it is forecast that the current level of millage rate will generate enough property tax revenue to cover the annual debt. Currently the annual revenue generates a slight surplus with the present annual debt payment schedule.

Police Forfeiture Fund

This fund tracks the assets, cash and otherwise, that have been seized by the Police Department because of illegal activity. The proceeds in this fund are used to pay the legal fees associated with acquiring these assets and then can be used to purchase special equipment needed for surveillance work, crime prevention, school resource officers, grant matching funds and other law enforcement purposes as stipulated by Florida State Statute 932.7055(4). This helps fund some of the equipment needs of the Police Department without drawing on property tax revenues from the citizens.

Major Revenue Source

The only significant revenue for this fund is from the assets that the Police Department has seized. This revenue can be unpredictable and an estimated amount of \$50,000 is budgeted as revenue for FY 2016-17.

Expenditure Trend

The adopted budget is allowing the use of \$10,000 for administrative costs related to court cases. There will be a transfer to the General Fund to help fund the staff cost for this program.

Medical Insurance Fund

This fund tracks the accumulation of the employee and employer contributions that fund the total cost of the Health Insurance Program for the city staff. The City is self-insured for Health Insurance and directly benefits from any period of lower claims. A system of internal rates is used to charge the various department budgets based on the number of participants and their type of coverage. Included in this fund's budget is the cost for the City Clinic which is available for the covered employees and dependents.

Major Revenue Source

The largest revenue for this fund is the employer contributions toward employee health insurance. This figure is charged as an expense to the operating departments and is processed as revenue to this fund. The employer contribution revenue is expected to be ±\$15.8 million while the employee contribution will total \$2.7 million based on the approved contribution rate. It is projected that

±\$2.5 million will be available as a cash carryforward amount. The approved union contracts set the employee contributions for the next year based on a 16% ratio for the plans other than single coverage which remains at 8%. These contribution rates are in place for the sworn officers bargaining groups, however the unions representing the civilian employees are in the process of negotiating these rates and many terms in the future contract.

Expenditure Trends

Because the City is self-insured for its health insurance program, the claims paid is an ever changing cost number and the largest single cost to this program. In past year's claims were relatively stable, however claims costs climbed by \$1.3 million in FY 2014-15, and is projected to increase by 2.3 million in FY 2015-16 based on claim activity through May. An additional transfer of \$1 million was budgeted from all operating funds to keep up with increased claims in FY 2015-16. Using this new level of costs and an inflation assumption of four percent will allow for a budget of \$15.3 million for claims in FY 2016-17. The proposed budget for this fund does contain the required two-month (17%) contingency reserve in order for the City's self-insured plan to be certified by the state.

Conservation Trust Fund

The City's Conservation Trust Fund accumulates mitigation fees paid by developers who chose to make this payment in place of preserving a portion of their sites as required under the City's Land Development Code. These fees can be used for preservation of conservation land. With \$281,434 projected as a balance to carryforward into FY 2016-17 and \$50,000 in projected revenue, a small amount is appropriated for possible administrative costs and \$100,000 for capital projects. This will leave a contingency of \$133,934 available for future projects.

Other Post Employee Benefits (OPEB) Trust Fund

The City's OPEB Trust Fund accounts for the funding of benefits for retirees which for the City of Port St. Lucie is the Health Insurance Program available to retirees. This is a requirement of GASB statement #45. The various operating funds are charged an annual amount that has been calculated to generate the future amount needed to provide the health insurance benefit for the group of retirees. The revenue in this fund is the transfer from the operating funds, which is an expense to the various departments. The annual contributions are budgeted to be \$1,541,210 to create an ending balance of \$11,674,848. A transfer of \$700,000 will be made to the Medical Insurance Fund #605 to help with the costs of retirees on the plan.

Solid Waste Non-Ad Valorem Assessment Fund

This fund is to account for the revenues and expenditures associated with the collection of solid waste in the City. The assessment is placed on the property owner's tax bill and passes through the County Tax Collector to the City who will then pay the vendor providing the service. Handling this service through the tax bills provides a reduced fee to the citizens of our community. The reduction of uncollectible accounts and the cost reduction for billing and collecting will generate a savings that can pass on to the citizen. The projected assessments will total ±\$17.6 million for the year with ±\$17.1 million being paid to the vendor, Waste Pro and \$330,00 for operating costs and postage. There is also budgeted an annual transfer of \$200,000 to the General Fund that covers the administrative cost of the City. There is no change to the charge to the citizens for the FY 2016-17.

City of Port St. Lucie
General Operating Fund - #001
Fiscal Year 16-17 Expanded Request Summary (NOT FUNDED)

Department	Expanded Costs	New FTE's
FINANCE - 1300		
Salaries and Benefits:		
Financial Specialist	69,069	1.00
Total	\$ 69,069	
HUMAN RESOURCES - 1310		
Salaries and Benefits:		
Employment Manager	86,152	1.00
Office Assistant	15,072	0.63
Operating Expenses:		
Tuition Reimbursement	50,000	
Total	\$ 151,224	
MIS - 1320		
Salaries and Benefits:		
Data Analyst	76,818	1.00
Service Desk Supervisor	80,174	1.00
Network Technician	77,706	1.00
SharePoint Developer	101,719	1.00
(1) Programmer	74,350	1.00
Operating Expenses:		
	21,550	
Capital Outlay:		
	34,800	
Total	\$ 467,117	
PROCUREMENT MANAGEMENT DIVISION - 1335		
Salaries and Benefits:		
Assistant Director	\$ 118,328	1.00
Part-time to Full-time Buyer	42,292	0.50
Operating Expenses:		
Insurance Bond Tracking	5,000	
Munis Contract Module	20,000	
Submit for Praeto Accreditation (highest Procurement Award)	5,000	
Total	\$ 190,620	
P.D. OPERATION SUPPORT - 2105		
Salaries and Benefits:		
Evidence Secretary		
Total	53,150	1.00
	\$ 53,150	

City of Port St. Lucie
General Operating Fund - #001
Fiscal Year 16-17 Expanded Request Summary (NOT FUNDED)

Department	Expanded Costs	New FTE's
P.D. PROFESSIONAL STANDARDS - 2111		
Salaries and Benefits:		
Crime Analyst		
Training Officer	72,691	1.00
Total	94,582	1.00
	\$ 167,273	
P.D. NEIGHBORHOOD SERVICES - 2130		
Salaries and Benefits:		
(7) Police Officers		
Total	674,345	7.00
	\$ 674,345	
BUILDING/FACILITIES MAINTENANCE - 4135		
Salaries and Benefits:		
Plumber		
Electrician	58,111	1.00
Operating Expenses:	61,443	1.00
Capital Outlay:	5,450	
Van or Truck for New FTE		
Total	22,000	
	\$ 147,004	
BUILDING//A.C. MAINTENANCE - 4136		
Salaries and Benefits:		
(2) HVAC Helpers		
Operating Expenses:	120,409	2.00
Total	2,016	
	\$ 122,425	
P.D. ANIMAL CONTROL DIVISION - #6200		
Salaries and Benefits:		
Kennel Worker		
Total	15,365	0.63
	\$ 15,365	
AIROSO COMMUNITY CENTER - 7201		
Salaries and Benefits:		
Part-time Maintenance Worker		
Total	11,754	0.50
	\$ 11,754	
GYMNASIUM - 7202		

City of Port St. Lucie
General Operating Fund - #001
Fiscal Year 16-17 Expanded Request Summary (NOT FUNDED)

Department	Expanded Costs	New FTE's
Salaries and Benefits:		
Part-time Maintenance Worker		
Total	11,754	0.50
	\$ 11,754	
PARKS & RECREATION/PARKS DIVISION #7210		
Salaries and Benefits:		
(4) Maintenance Workers		
Part-time Maintenance Worker	196,615	4.00
Operating Expenses:	\$ 8,228	0.35
Total	2,520	
	\$ 207,363	
PARKS & RECREATION - TURF CREW DIVISION - 7235		
Salaries and Benefits:		
(1) Maintenance Worker		
Operating Expenses:	49,202	1.00
Total	630	
	\$ 49,832	
PARKS & RECREATION - MAINTENANCE - 7501		
Salaries and Benefits:		
(1) Plumber		
(3) Maintenance Workers	68,501	1.00
Operating Expenses:	147,605	3.00
Capital Outlay:	25,600	
Computer Upgrades		
Toro Workman	17,000	
1800 PSI power washer	25,000	
Total	1,500	
	\$ 285,206	
PARKS & RECREATION - HOSPITALITY - 7504		
Salaries and Benefits:		
(1) P/T Event Representatives		
Total	19,360	0.63
	\$ 19,360	
Expanded Grand Total	\$ 2,642,858	34.74

City of Port St. Lucie
General Operating Fund - #001
Fiscal Year 16-17 Expanded Request Summary (FUNDED)

Department	Expanded Costs	New FTE's
COMMUNICATIONS - 1311		
Salaries and Benefits:		
Staff Writer	94,982	1.00
Capital Outlay:		
Remote System to Community Center Meetings	33,500	
Total	\$ 128,482	
MIS - 1320		
Salaries and Benefits:		
Programmer III	136,146	1.00
(1) Programmer	74,350	1.00
Operating Expenses:		
	14,000	
Capital Outlay:		
	17,200	
Total	\$ 241,696	
PLANNING - 1500		
Salaries and Benefits:		
Administrative Assistant from P/T to Full-Time	38,189	0.50
Total	\$ 38,189	
P.D. CRIMINAL INVESTIGATIONS - 2115		
Salaries and Benefits:		
CSI Sergeant	147,417	1.00
Total	\$ 147,417	
INDUSTRY DEVELOPMENT (ECONOMIC DEVELOPMENT) - 5200		
Salaries and Benefits:		
Business Navigator	83,777	1.00
Operating Expenses:		
	35,880	
Capital Outlay:		
	2,000	
Total	\$ 121,657	
P.D. ANIMAL CONTROL DIVISION - #6200		
Salaries and Benefits:		
Animal Control Lieutenant	155,437	1.00
Total	\$ 155,437	

City of Port St. Lucie
General Operating Fund - #001
Fiscal Year 16-17 Expanded Request Summary (FUNDED)

Department	Expanded Costs	New FTE's
CIVIC CENTER - MAINTENANCE - 7501		
Salaries and Benefits:		
(1) Electricians	61,443	1.00
Bldg. Supervisor	97,943	1.00
Operating Expenses:	25,600	
Capital Outlay:		
Computer Upgrades	8,000	
Commercial Washing Machine	4,000	
Floor Scrubber	8,000	
Total	\$ 204,986	
CIVIC CENTER - HOSPITALITY - 7504		
Salaries and Benefits:		
(2) P/T Event Representatives	38,720	1.25
Sales Specialist	70,302	1.00
Part-time to Full-time AV Specialist	39,235	0.38
Operating Expenses:	1,500	
Capital Outlay:	2,500	
Total	\$ 152,257	
Expanded Grand Total	\$ 1,190,121	11.13

**City of Port St. Lucie
Road & Bridge Operating Fund - #104
Fiscal Year 16-17 Expanded Request Summary (FUNDED)**

Department	Expanded Costs	New FTE's
<u>P.W. OPERATIONS - 4105 50% charged to Stormwater #401</u>		
Salaries and Benefits:		
Construction Inspector	31,968	0.50
Sr. Construction Inspector	34,559	0.50
Project Coordinator	36,879	0.50
Contract Coordinator	36,879	0.50
Operating Expenses:	3,125	
Capital Outlay:	3,500	
Total	\$ 146,909	
<u>P.W. REGULATORY - 4118 50% charged to Stormwater #401</u>		
Salaries and Benefits:		
Customer Service Leader	28,525	0.50
Operating Expenses:	750	
Capital Outlay:	1,000	
Total	\$ 30,275	
<u>P.W. TRAFFIC CONTROL & IMPROVEMENTS - 4121</u>		
Salaries and Benefits:		
(2) Traffic Technicians	105,807	2.00
Operating Expenses:	2,500	
Capital Outlay:	2,000	
Total	\$ 110,307	
<u>P.W. GREENBELT & WATERWAY MAINTENANCE - 4127 50% -401</u>		
Salaries and Benefits:		
Inspector 50% fund by #401 Fund	31,968	0.50
Equipment Operator 50% fund by #401 Fund	27,822	0.50
Operating Expenses:	30,500	
Capital Outlay:	1,000	
Total	\$ 91,289	
15% Contingency	\$ 55,692	
Expanded Grand Total	\$ 434,472	5.50

**City of Port St. Lucie
Stormwater Fund - #401
Fiscal Year 16-17 Expanded Request Summary (FUNDED)**

Department	Expanded Costs	New FTE's
P.W. OPERATIONS - 4105 50% charged to Road & Bridge #104		
Salaries and Benefits:		
Construction Inspector	31,968	0.50
Sr. Construction Inspector	34,559	0.50
Project Coordinator	36,879	0.50
Contract Coordinator	36,879	0.50
Operating Expenses:	3,125	
Capital Outlay:	2,500	
Total	\$ 145,909	
P.W. REGULATORY - 4118 50% charged to Road & Bridge #104		
Salaries and Benefits:		
Customer Service Leader	28,525	0.50
Operating Expenses:	3,270	
Total	\$ 31,795	
P.W. DRAINAGE - 4126		
Salaries and Benefits:		
CADD Technician	60,480	1.00
Operating Expenses:	5,500	
Capital Outlay:	2,500	
Total	\$ 68,480	
P.W. GREENBELT & WATERWAY MAINTENANCE - 4127 50% 104		
Salaries and Benefits:		
Inspector 50% fund by #401 Fund	31,968	0.50
Equipment Operator 50% fund by #401 Fund	27,822	0.50
Operating Expenses:	30,500	
Capital Outlay:	1,000	
Total	\$ 91,289	
15% Contingency	\$ 49,721	
Expanded Grand Total	\$ 387,194	4.50

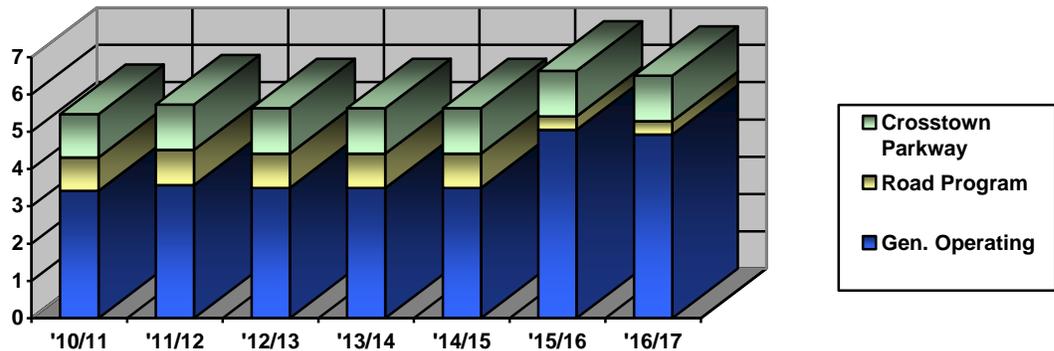
**City of Port St. Lucie
Building Fund - #110
Fiscal Year 16-17 Expanded Request Summary (FUNDED)**

Department	Expanded Costs	New FTE's
Building - Field Inspections - 2420		
Salaries and Benefits:		
(2) Bldg. Inspectors	158,078	2.00
Operating Expenses:	4,200	
Capital Outlay:		
(2) Vehicles	44,000	
Total	\$ 206,278	
Building Department - Plans Review - 2425		
Salaries and Benefits:		
Plans Examiner	79,878	1.00
Operating Expenses:	610	
Capital Outlay:	2,000	
Total	\$ 82,488	
15% Contingency	\$ 121,383	
Expanded Grand Total	\$ 410,149	3.00

City of Port St. Lucie
Utility Fund - #431
Fiscal Year 16-17 Expanded Request Summary (FUNDED)

Department	Expanded Costs	New FTE's
UTILITY ENGINEERING - 1350		
Salaries and Benefits:		
Engineering Intern	86,344	1.00
Operating Expenses:		
Capital Outlay:		
Total	\$ 86,344	
UTILITY INSPECTORS - 1375		
Salaries and Benefits:		
(2) Locators	121,207	2.00
Operating Expenses:		
Capital Outlay:		
(2) Trucks	52,000	
Computers	1,600	
Locator	5,000	
Total	\$ 182,943	
Utility Water Distribution - Preventive MAINTENANCE - 3316		
Salaries and Benefits:		
(2) Field Technicians	105,462	2.00
Capital Outlay:		
(2) Trucks F150's	70,000	
Total	\$ 175,462	
15% Contingency	\$ 47,422	
Expanded Grand Total	\$ 492,171	5.00

City of Port St. Lucie Millage Rates



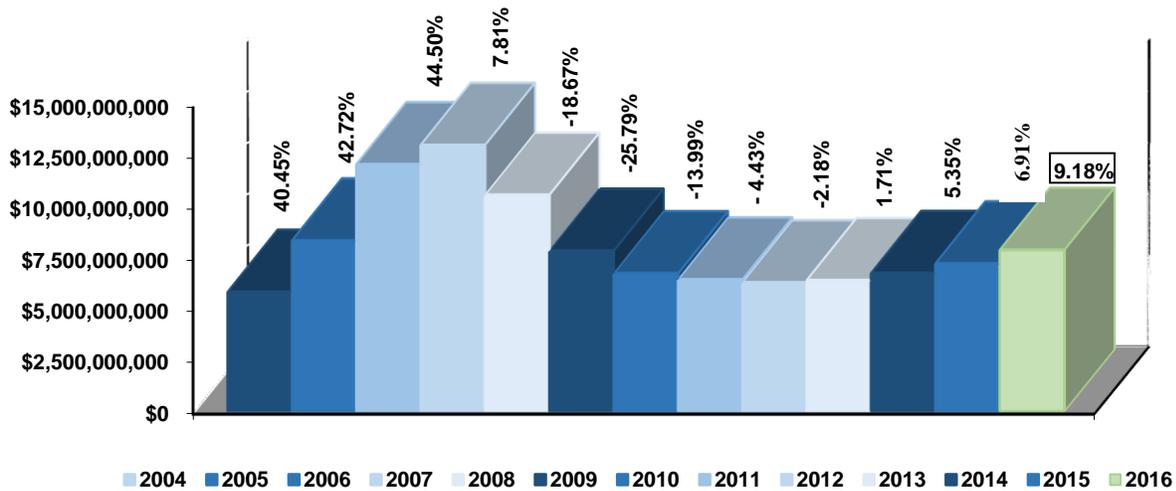
Fiscal Year	10-11	11-12	12-13	13-14	14-15	15-16	16-17
General Operating	3.4106	3.5688	3.4897	3.4897	3.4897	5.0480	4.9191
Road & Bridge Operating	0.3526	0.3698	0.3616	0.3616	0.3616	0.3616	0.3616
Road CIP Program	0.5466	0.5710	0.5583	0.5583	0.5583	0.0000	0.0000
Crosstown Parkway Debt Service Fund	1.1625	1.2193	1.2193	1.2193	1.2193	1.2193	1.2193
Total Millage Rates	5.4723	5.7289	5.6289	5.6289	5.6289	6.6289	6.5000

The City's millage rate is the tax rate charged against both residential and commercial properties within the city limits. It is formally called an Ad Valorem Tax Rate meaning that it is charged "per value". All properties are assessed a taxable value by the County Property Appraiser. The tax bill for a piece of property is then calculated by multiplying the taxable value times the adopted millage rate(s). Millage rates are expressed for example as 1.2345, and are charged against the value in thousands. Residential property owners who use their home as their primary residence can apply for a \$50,000 homestead exemption, which drops their "billable" tax value by that amount. This chart shows seven years of millage rates broken into the numerous programs that are funded by Ad Valorem Revenue. For several years, taxable value was falling, so in order to offset that downward impact on the revenue,

the Council raised the tax rate two times. A small decrease of 0.1000 was adopted for FY 2012-13. In FY 2015-16 the millage rate was raised by 1.0000 in order to fund the debt payments and any associated operating costs on the five failed economic investments the City was facing. In addition to the one mill increase for the General Fund, the existing 0.5583 mill that was allocated to the Road CIP Fund was redirected to the General Fund.

The Proposed FY 2016-17 Budget is based on a decrease of .1289 for a total millage rate (6.5000). Due to demands for service with the growth in the community plus the higher than expected operating costs for the VGTI facility, the proposed budget contains many compromises as many items are unfunded.

City of Port St. Lucie - Property Valuation



This graph shows the property valuation for the City of Port St. Lucie, which is set by the St. Lucie County Property Appraiser and is an important demographic indicator for the community. The level of taxable valuation sets the tone for the development of the budget each year. The City of Port St. Lucie had steady growth of 2 –5% increase for a number of years. Beginning in 2002, the rate of growth began climbing and then for three years, the increase exceeded 40% annually. Large numbers of new homes being built pushed the total property valuation upward at record rates as Port St. Lucie became the fastest growing City over 100,000 in population. The majority of the valuation increase in those three years was due to the strong real estate market which pushed the value of existing homes to record high levels. That served to increase the Ad Valorem Tax Revenues of the City in direct proportion.

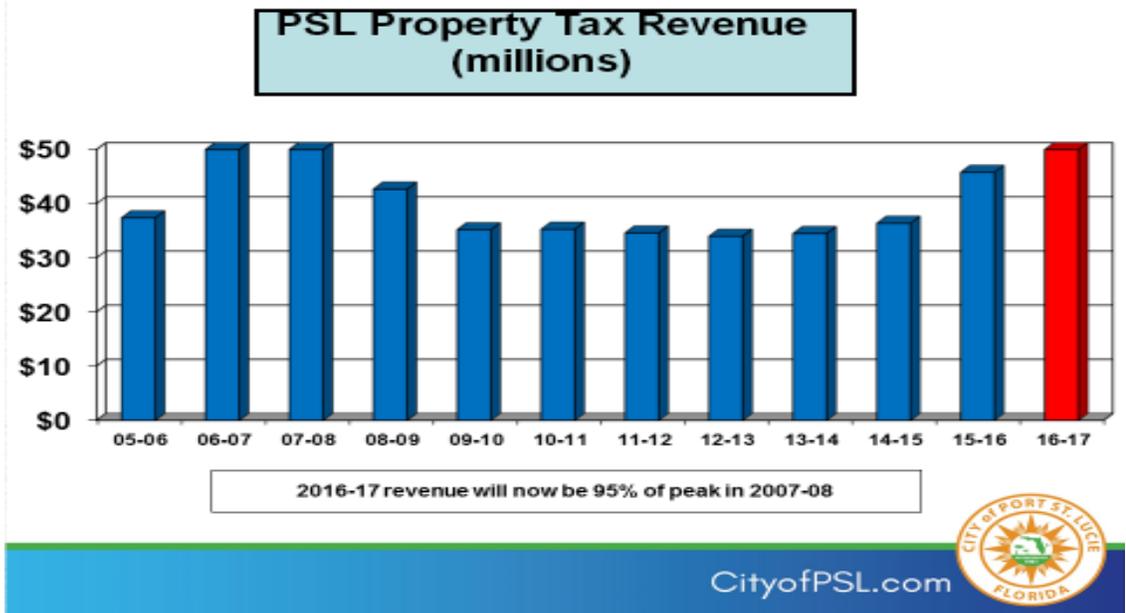
The value peaked in 2007 at just over \$13 billion. The following five years experienced decreases in valuation that drove the property

tax revenues lower and caused financial stress for the City. The recent four year trend of climbing taxable value is a positive indicator for the City and a reflection of the general economy.

The proposed FY 2016-17 budget is based on the certified taxable value of \$7,901,476,894 which is 9.18% greater than the prior year. This new taxable value is still only 60% of the peak value established in 2007.

Amendment One passed in January 2008, allowing for an additional \$25,000 in Homestead Exemption (\$50,000 total) which contributed toward the overall drop in taxable value.

Of note also is the fact that the 2016 DR-420 tax form reports a larger level of new construction value (\$94.3 million) than in recent years. The overall gain in value will generate \$3,233,370 in additional property tax revenue using the City Council recommended millage rate of 6.5000.



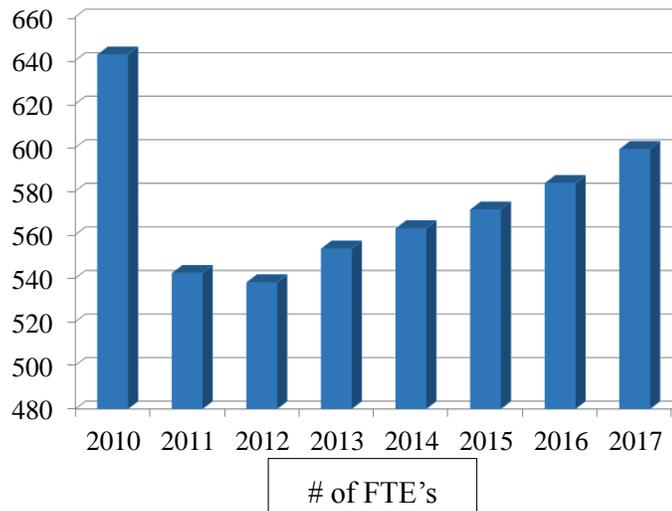
The total level of Ad Valorem Property Tax revenue is shown in the chart above. It is quite easy to note that this has been a major issue with the City's budget as the revenue for several years were below the level collected in FY 2007-08. After a number of years of declining revenue and then small increases, this revenue was increased in FY 2015-16 due to the 6.91% increase in taxable value and the 1.0000 mill increase to the millage rate. Over the years, the level of Property Tax revenue tracks consistently with the level of Taxable Value as the total value peaked on the 2007 tax roll that generated the revenue in FY 2007-08. For the proposed FY 2016-17 budget, the City Council recommended millage rate will decrease by .1289 for a total of 6.5000 and will generate \$49 million for the City. The Property Tax revenue for the City is allocated 76% to the General Fund (\$37.1 million), 19% to the Crosstown Parkway road project (\$9.2 million) and the remaining allocation goes toward the Road Operating fund (\$2.7 million).

The problem with the early trend on this chart was the loss of revenue to the

General Fund which impacted the ability to fund the Police and Parks & Recreation Departments plus administrative departments. That issue led to staffing reductions in these departments. The Police Department lost 50 sworn officers in FY 2009-10 and 2010-11. In recent years the City has benefited by adding limited staff to these departments.

It is noted that the revenue for several years in the middle of this time frame was roughly flat because the Council raised the Millage Rate to compensate for the drop in taxable value and then small value increases were experienced. The increase in revenue for FY 2015-16 corrected the deficit spending trend in the General Fund and was generated by the 1.0000 mill increase. The increased revenue for FY 2016-17 is higher due to the 9.18% valuation increase. For the future years, it is hoped that the stronger real estate market and new construction will generate increases to the taxable value and ultimately generate additional revenue for the City.

General Fund Staffing



Because staffing costs are the major component of most department budgets, tracking the number of FTE's is a critical statistic to monitor. The budgeted number of FTE's and the actual FTE's are compared each month to ensure that proper levels of staffing are maintained. Due to financial issues, the City took steps to control costs which lead to reducing the staffing costs in past years. The City froze payrates and raised the employee health insurance contributions. In addition to these adjustments, the City reduced staffing levels by an overall 21% in past years. The trend in FTE's reported in the General Fund follows closely the trend of property tax revenue in the General Fund which is the largest single revenue in this fund.

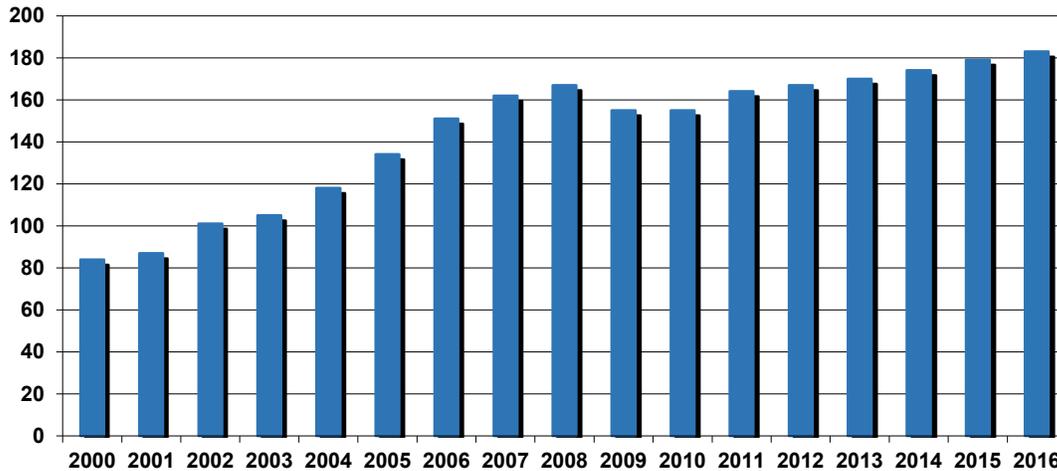
Beginning in FY 2012-13, as taxable values and related revenues started to climb, minor level of staffing has been

added to the General Fund in an attempt to return to the levels before the economic downturn. During this time period, the City has added population and demand for service has risen.

It should be noted that the proposed number of FTE's for FY 2016-17 is 598.15 which is a net increase of 14.58 FTE's. This net increase takes into account the transfer of five positions from the Utility Fund into the Finance Department and the transfer of 3.38 FTE's into the Neighborhood Service Department from Public Works. There is also a reduction of 2.93 FTE's in the School Crossing Guard staffing. Thus there are really only 10.13 new positions being added to the General Fund. They are spread among the Civic Center, Police Department and administrative departments.

City of Port St. Lucie Population

183,000
 Projected in
 October 2016



This population chart shows the strong growth pattern experienced by the City of Port St. Lucie. The City was incorporated in 1961 and our population was only 330 in 1970. However, our population is estimated to be 183,000 thousand in October 2016. Annual increases had been averaging approximately 3,000. However, the growth pattern exceeded that trend between 2003 and 2007 as tremendous numbers of new homes were constructed. Port St. Lucie is Florida’s eighth largest city by population and was once listed as one of the fastest growing cities in the nation. This level of growth in past years was the driving force behind the infrastructure needs of the city and also increasing levels of service. Over the years, the Parks and Recreation, Police and Utility Departments have grown to reflect the growth of the community.

However for several years after 2007, the number of new home permits dropped substantially which has caused a slower growth rate for the City. And along with the slower growth rate, the inventory of homes on the market climbed. Those conditions lead to a slight decline in the population estimate. That real estate activity drove down the taxable value in the City which greatly impacted the City’s budget. The general economy also suffered during this same time period which negatively impacted other revenues of the City. The second half of this time period shows a more reasonable and steady growth although the pace of new residential construction is picking up which adds to the population.

The chart exhibits three phases in the population history. First the very rapid growth through 2008 and the middle of the chart is the downturn in the economy which caused a drop in population and minimum growth. Then the recent phase is the slower, yet steady, population gains since 2011.

Future Growth in the City

For many years, the key issue facing the City of Port St. Lucie was our rapid growth. Our rate of growth caused the City to address expansion of the transportation system, Police staffing, Parks & Recreation programs and the Utility System. However, that trend changed beginning in 2007 when the level of tax value growth slowed followed by years of declining taxable value hitting a record low in fiscal year 2012-13. It appears the City has now entered a period of positive growth again, although at a more conservative rate.

Perhaps the most amazing growth indicator in our past was the record jump in taxable value from 2004 through 2006. For each of these tax rolls, the taxable value grew by over 40%. However, the 2007 tax roll that generated Property Tax Revenue for the FY 2007-08 budget only grew by 7% which was the peak in taxable value in the City. Since then, the taxable value dropped dramatically. Beginning with the 2013 tax roll, the City starting experiencing gains in taxable value. Port St. Lucie has now recorded four years of growth in taxable value with the 2016 tax roll showing a 9.18% gain.

One of the quickest ways to view the growth pattern is to study the number of building permits over the past few years as shown in the following graph. The number of residential permits dropped substantially from the record levels in past fiscal years. However recent years are showing increases in permits much like the gains in taxable value. With growth in the level of construction activity, impact fee revenue will also climb.

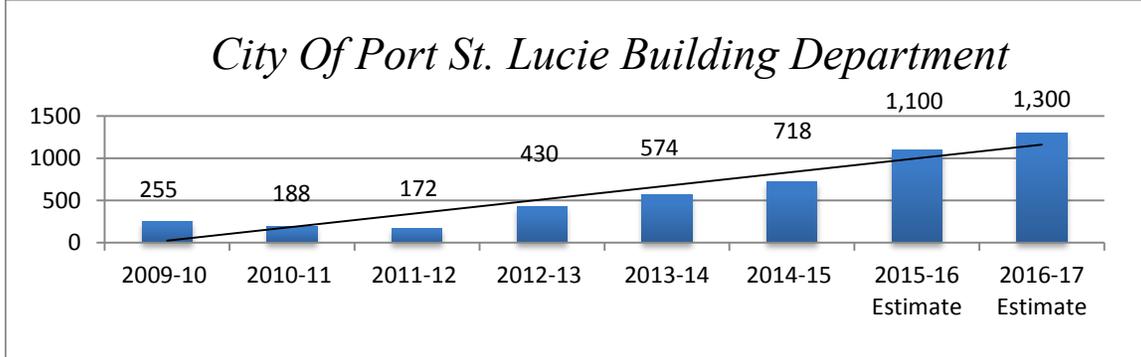
The number of business tax applications dropped from the high level recorded in 2009-10 and then had several years of stable activity. Then it dropped again in 2014-15 but is now rebounding as the local economy gain momentum.

The number of zoning applications has seen a slight increase over the time period listed. This indicator will also track similar to the overall economy and business activity in our community.

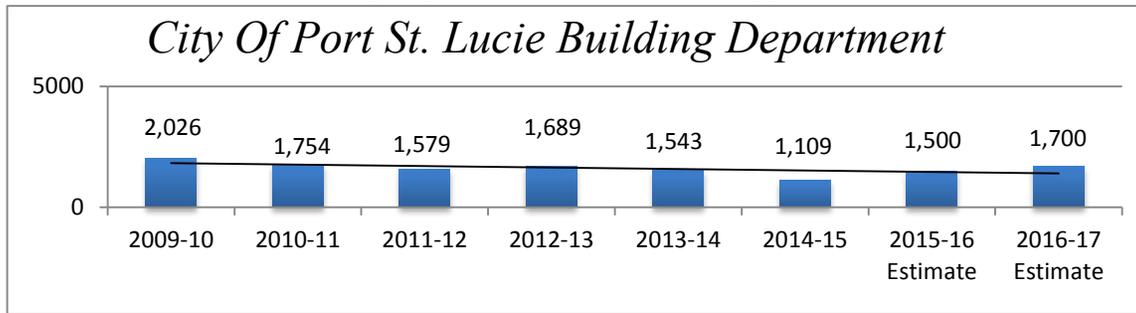
The number of calls for service in the Police Department appears to have dropped substantially in this chart, but the Police Department changed its method of tracking their activity in FY 2011-12. As the community grows, this indicator will show growth going forward.

Growth Indicators

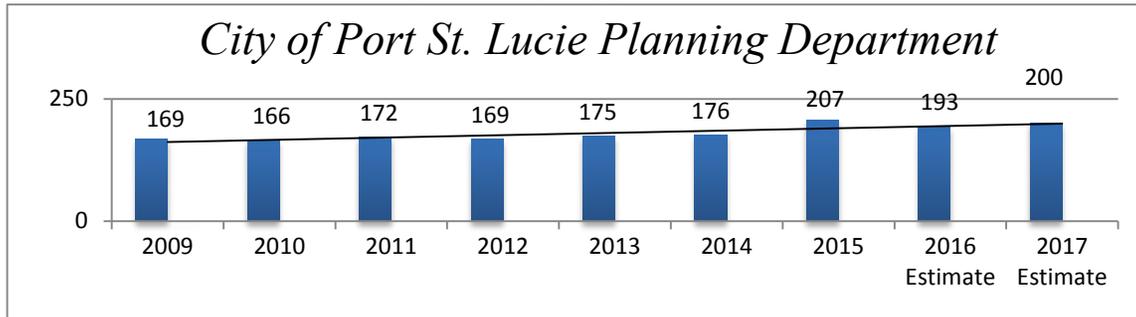
Building Department - Building Permits Issued - Single & Multi Family Residential



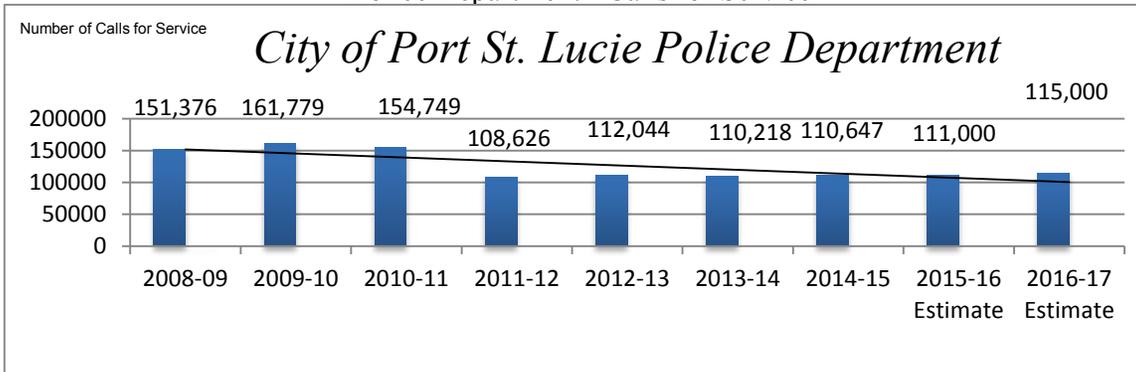
Building Department - Business Tax Applications



Planning & Zoning - Applications Received



Police Department - Calls for Service



*Starting in FY 11-12 Calls for Service figures are on FY basis & exclude "10-codes" or Administrative/

Status codes. PSLPD switched to a new Computer Aided Dispatch (CAD)/Records Mgmt. System (RMS) in February 2012.

**CITY OF PORT ST. LUCIE
PROPOSED MILLAGE RATE
FY 2016-17**

Certified Value for Budget	Operating Value	Voted Debt Value
1994 Taxable Value -	\$ 2,299,624,130 +3.70%	
1995 Taxable Value -	\$ 2,363,133,077 +2.76%	
1996 Taxable Value -	\$ 2,426,088,141 +2.67%	
1997 Taxable Value -	\$ 2,562,662,599 +5.66%	
1998 Taxable Value -	\$ 2,588,830,292 +1.01%	
1999 Taxable Value -	\$ 2,696,096,713 +4.14%	
2000 Taxable Value -	\$ 2,829,679,470 +4.95%	
2001 Taxable Value -	\$ 3,043,495,099 +7.69%	
2002 Taxable Value -	\$ 3,383,147,240 +11.11%	
2003 Taxable Value -	\$ 4,169,293,001 +23.24%	
2004 Taxable Value	\$ 5,855,647,719 +40.45%	
2005 Taxable Value	\$ 8,357,354,870 +42.72%	
2006 Taxable Value	\$ 12,076,620,530 +44.50%	\$ 12,111,314,165
2007 Taxable Value	\$ 13,019,500,613 +7.81%	\$ 13,051,953,242
2008 Taxable Value	\$ 10,588,547,899 -18.67%	\$ 10,614,659,946
2009 Taxable Value	\$ 7,857,718,426 -25.79%	\$ 7,874,713,590
2010 Taxable Value	\$ 6,758,070,253 -13.99%	\$ 6,774,018,617
2011 Taxable Value	\$ 6,458,614,299 -4.43%	\$ 6,458,614,299
2012 Taxable Value	\$ 6,317,778,096 -2.18%	\$ 6,317,778,096
2013 Taxable Value	\$ 6,425,625,585 1.71%	\$ 6,425,625,585
2014 Taxable Value	\$ 6,769,343,240 5.35%	\$ 6,769,343,240
2015 Taxable Value	\$ 7,237,078,873 6.91%	\$ 7,237,078,873
2016 Taxable Value	\$ 7,901,476,894 9.18%	\$ 7,901,476,894
With 95.5% Collection, 1.0000 Mill Produces for operati		\$7,545,910
With 95.5% Collection, 1.0000 Mill Produces for Voted Debt-		\$7,545,910

	City Council Proposed Reduction of .1289 Requires 3 Council Votes		TRIM Calc. Rolled Back Rate Requires 3 Council Votes		Maximum Levy Calc. Majority Vote Max Millage Requires 3 Council Votes		Maximum Levy Calc. Two-Thirds Vote Max Millage Requires 4 Council Votes	
	Millage Rate *****	Revenues *****	Millage Rate *****	Revenues *****	Millage Rate *****	Revenues *****	Millage Rate *****	Revenues *****
Fund 001 - General Fund								
Operating Expenditures	4.3608	\$ 32,906,206	4.1336	\$ 31,191,775	5.6364	\$ 42,531,770	6.2001	\$ 46,785,399
Shift of Millage Rate	0.5583	\$ 4,212,882	0.5130	\$ 3,871,052	0.6995	\$ 5,278,364	0.7694	\$ 5,805,823
Fund 104 - Road & Bridge Operating Fund								
Operating Expenditures	0.3616	2,728,601	0.3337	2,518,070	0.4550	3,433,389	0.5005	3,776,728
Fund 301 - General Capital Imprv. Fund								
General Capital Projects	-	0		0	-	0	-	0
Fund 304 - Road & Bridge Capital Imprv. Fund								
Road Improvements & Rebuilding	-	0		0	-	0	-	0
Sub-Total for Operating & CIP	5.2807	\$ 39,847,689	4.9803	\$ 37,580,898	6.7909	\$ 51,243,523	7.4700	\$ 56,367,951
Fund 214 - General Obligation Debt Service Fund								
Designated for Crosstown Parkway	1.2193	9,200,729	1.2193	9,200,729	1.2193	9,200,729	1.2193	9,200,729
Total	\$ 6.5000	\$ 49,048,418	\$ 6.1996	\$ 46,781,626	\$ 8.0102	\$ 60,444,252	\$ 8.6893	\$ 65,568,680
Operating & CIP PSL Ad Valorem Revenue:								
Rev. change from 15-16		\$ 2,459,724		\$ 192,933		\$ 13,855,558		\$ 18,979,986
Total PSL Ad Valorem Revenue (including voted debt):								
Rev. change from 15-16		\$ 3,233,370		\$ 966,578		\$ 14,629,204		\$ 19,753,632

CITY OF PORT ST. LUCIE
SUMMARY OF BUDGETED POSITIONS
FY 2016-17

(FULL TIME EQUIVALENT)	PRIOR	CURRENT	PROPOSED	INCREASE
	FY 2014-15	FY 2015-16	FY 2016-17	(DECREASE)
GENERAL FUND DEPARTMENTS	*****	*****	*****	*****
1100 CITY COUNCIL	3.00	3.00	2.00	(1.00)
1200 CITY MANAGER OFFICE	5.20	5.00	5.00	0.00
1210 CITY CLERK	9.00	9.00	9.00	0.00
1300 FINANCE	17.50	20.00	25.00	5.00
1310 HUMAN RESOURCES	8.63	10.25	10.25	0.00
1311 COMMUNICATIONS	7.25	8.00	9.00	1.00
1312 NEIGHBORHOOD SERVICES	2.18	2.10	2.48	0.38
1313 RISK MANAGEMENT	3.00	3.00	3.00	0.00
1320 INFORMATION SERVICES	22.00	24.00	26.00	2.00
1330 OFFICE OF MANAGEMENT & BUDGET	3.00	3.00	3.00	0.00
1335 PROCUREMENT MANAGEMENT	8.60	8.75	8.75	0.00
1400 LEGAL COUNSEL	14.00	13.00	12.00	(1.00)
1500 PLANNING	9.30	9.30	9.80	0.50
2105 PD-SERVICES BUREAU	26.00	28.00	28.00	0.00
2110 PD-ADMINISTRATIVE	12.00	8.00	8.00	0.00
2111 PD-PROFESSIONAL STANDARDS	0.00	12.00	12.00	0.00
2112 PD-SPECIAL INVESTIGATION UNIT	14.00	14.00	14.00	0.00
2115 PD-DETECTIVE	31.50	31.50	32.50	1.00
2123 PD-DOMESTIC VIOLENCE	1.00	1.00	1.00	0.00
2130 PD-OPERATIONS/PATROL	180.25	167.00	167.00	0.00
2131 PD-NPB DISTRICT SUPPORT	0.00	13.50	13.50	0.00
2134 PD-SCHOOL CROSSING GUARDS	17.07	16.32	13.39	(2.93)
2135 NEIGHBORHOOD SERVICES-CODE COMPLIANCE	19.00	20.00	20.00	0.00
2136 FINANCE-BUSINESS TAX	3.81	3.00	3.00	0.00
2139 PD-NPB TRAFFIC UNIT	0.00	5.00	5.00	0.00
2140 PD-SERVICE AID	10.00	0.00	0.00	0.00
2910 NEIGHBORHOOD SVCS.-NUISANCE ABATEMENT	1.00	1.00	1.00	0.00
3900 NEIGHBORHOOD SERVICES-KPSLB	0.00	0.00	3.00	3.00
4135 BUILDING MAINTENANCE	11.00	11.00	11.00	0.00
4136 A/C MAINTENANCE - BLDG.	3.00	3.00	3.00	0.00
5100 SUMMER YOUTH PROGRAM	1.08	1.08	1.08	0.00
5200 INDUSTRY DEVELOPMENT	0.00	0.00	1.00	1.00
6200 PD-ANIMAL CONTROL	11.00	11.00	12.00	1.00
7200 RECREATION	12.60	12.40	12.40	0.00
7201 AIROSO COMMUNITY CENTER	8.20	8.20	8.20	0.00
7202 GYMNASIUM	4.13	4.13	4.13	0.00
7205 PARKS & REC. ADMINISTRATION	6.63	6.63	6.63	0.00
7210 PARKS	39.60	41.05	41.05	0.00
7215 BOTANICAL GARDENS	1.38	1.38	1.38	0.00
7235 TURF MAINTENANCE	6.30	6.30	6.30	0.00
7500 CIVIC CENTER - ADMINISTRATION	3.00	3.00	3.00	0.00
7501 CIVIC CENTER - MAINTENANCE	13.50	13.38	15.38	2.00
7502 FITNESS CENTER	5.50	5.50	5.50	0.00
7503 RECREATION	10.00	10.20	10.20	0.00
7504 CIVIC CENTER - HOSPITALITY	6.25	6.63	9.25	2.63
FUND TOTAL	571.44	583.57	598.15	14.58

CITY OF PORT ST. LUCIE
SUMMARY OF BUDGETED POSITIONS
FY 2016-17

(FULL TIME EQUIVALENT)	PRIOR FY 2014-15	CURRENT FY 2015-16	PROPOSED FY 2016-17	INCREASE (DECREASE)
BUILDING DEPARTMENT				
2405 ADMINISTRATION	5.81	7.81	7.81	0.00
2410 LICENSING	5.00	7.00	7.00	0.00
2415 PERMITTING	7.00	7.00	7.00	0.00
2420 INSPECTIONS	12.31	16.00	18.00	2.00
2425 PLANS REVIEW	5.00	8.00	9.00	1.00
FUND TOTAL	35.13	45.81	48.81	3.00
C.B.D.G. FUND -118				
5910	1.10	1.84	2.24	0.40
5911	0.00	0.00	0.00	0.00
FUND TOTAL	1.10	1.84	2.24	0.40
S.H.I.P. FUND -119				
5510	0.50	0.70	1.78	1.08
5540	0.15	0.05	0.02	(0.03)
FUND TOTAL	0.65	0.75	1.80	1.05
NSP FUND -116				
116-5500	0.00	0.00	0.00	0.00
116-5510	2.22	0.86	0.24	(0.62)
FUND TOTAL	2.22	0.86	0.24	(0.62)
NSP 3 -114				
114-5500	0.00	0.00	0.00	0.00
114-5510	0.85	0.45	0.00	(0.45)
FUND TOTAL	0.85	0.45	0.00	(0.45)
PUBLIC WORKS DEPARTMENT				
3900 KPSLB	2.50	2.00	0.00	(2.00)
4105 OPERATIONS	16.00	20.00	23.00	3.00
4118 REGULATORY	6.00	9.00	10.00	1.00
4121 TRAFFIC CONTROL/IMPRV.	18.00	19.00	21.00	2.00
4125 STREETS	11.00	10.00	10.00	0.00
4126 DRAINAGE	58.00	50.50	50.50	0.00
4127 GREENBELT/WATERWAY MAINT.	9.00	10.00	12.00	2.00
DEPT. TOTAL	120.50	120.50	126.50	6.00
NPDES FUND				
112-4126	0.50	0.50	0.50	0.00
DEPT. TOTAL	0.50	0.50	0.50	0.00

CITY OF PORT ST. LUCIE
SUMMARY OF BUDGETED POSITIONS
FY 2016-17

(FULL TIME EQUIVALENT)	PRIOR FY 2014-15	CURRENT FY 2015-16	PROPOSED FY 2016-17	INCREASE (DECREASE)
UTILITY DEPARTMENT				
1340 ADMINISTRATION	19.50	9.50	10.50	1.00
1345 ADMIN./FINANCE	6.00	5.00	0.00	(5.00)
1346 CUSTOMER SERVICE	29.00	35.50	34.50	(1.00)
1347 BILLING	7.00	8.00	8.00	0.00
1348 METER READERS	7.00	6.00	5.00	(1.00)
1350 TECH. SERVICES	6.50	6.50	7.50	1.00
1355 UTILITY ENGINEERING	0.00	0.00	4.50	4.50
1360 MAPPING	8.00	8.00	8.00	0.00
1375 INSPECTORS	6.00	6.00	8.00	2.00
1380 LAB	8.00	8.00	8.00	0.00
3310 WATER SVS. - PLANT	14.00	14.00	14.00	0.00
3311 WATER SVS. - CROSS CONNECTION	5.00	5.00	5.00	0.00
3312 JEA WATER FACILITIES	7.00	7.00	7.00	0.00
3314 MCCARTY RANCH FACILITIES	1.00	0.00	0.00	0.00
3316 WATER DISTRIBUTION/PREVENTIVE MAINT.	17.00	19.00	22.00	3.00
3345 WAREHOUSE	7.00	8.00	8.00	0.00
3360 MAINTENANCE	7.00	7.00	7.00	0.00
3370 INFLOW & INFILTRATION	7.00	7.00	7.00	0.00
3380 LIFTSTATIONS	11.00	13.00	13.00	0.00
3390 TELEMETRY & INSTRUMENTATION	13.00	14.00	14.00	0.00
3512 WP WASTEWATER PLANT	8.00	8.00	8.00	0.00
3513 GLADES WWTP	10.00	10.00	10.00	0.00
3516 WASTEWATER COLLECTIONS/PRE. MAINT.	24.00	24.00	24.00	0.00
3560 WASTEWATER MAINTENANCE	4.00	5.00	5.00	0.00
FUND TOTAL	232.00	233.50	238.00	4.50
UTILITIES /CONNECTIONS				
1355 UTILITY ENGINEERING	4.50	4.50	0.00	(4.50)
3315 WATER DISTRIBUTION	3.00	3.00	3.00	0.00
3515 WASTEWATER COLLECTION	5.00	8.00	8.00	0.00
FUND TOTAL	12.50	15.50	11.00	(4.50)
GOLF COURSE				
7250 MAINTENANCE DIVISION	4.00	4.00	4.00	0.00
7251 OPERATIONS DIVISION	5.38	5.38	5.38	0.00
FUND TOTAL	9.38	9.38	9.38	0.00
NEIGHBORHOOD IMPROVEMENT FUND				
309 NEIGHBORHOOD SERVICES	0.00	1.00	1.00	0.00
FUND TOTAL	0.00	1.00	1.00	0.00
CRA				
5210 CRA	1.50	1.50	1.50	0.00
FUND TOTAL	1.50	1.50	1.50	0.00
CITY TOTAL	987.76	1,015.16	1,039.11	23.95

*Positions are converted to Full Time Equivalent with 80 hours per two week pay period equaling 1.0 FTE. This allows tracking of manhours which controls salaries being paid.

*Starting in FY 15/16 Civic Center (7500, 7501, 7504) is not included in Parks & Rec Sub-Total

Police Department Sub-Total	302.82	307.32	306.39	(0.93)
Civic Center Sub-Total	38.25	23.00	27.63	4.63
Parks and Recreation Sub-Total	131.07	109.78	109.78	0.00

CITY OF PORT ST. LUCIE
SUMMARY OF STAFFING CHANGES
FY 2016-17

Fund	Cost Center	Position	Cost - Incr./Decr.	FTE Incr./Decr.
General Fund				
001-1100	City Council	Office Manager	\$ (67,664)	(1.00)
001-1300	Finance	Transfer 5 FTE's from 431-1345	-	-
		(3) Accounting Clerks	167,576	3.00
		Revenue Acct. Specialist	63,989	1.00
		Financial Procedures Manager	124,333	1.00
001-1311	Communications	Staff Writer	94,982	1.00
001-1312	Neighborhood Services	Reallocation of Funds & Staff	58,794	0.38
001-1320	MIS	Programmer III	136,146	1.00
		Programmer I	74,350	1.00
001-1400	Legal	Office Assistant	(48,668)	(1.00)
001-1500	Planning	Administrative Assistant hours from CRA	38,189	0.50
001-2115	PD-Criminal Investigations	Sergeant	147,417	1.00
001-2134	School Crossing Guards	Crossing Guard Reduction	(64,426)	(2.93)
001-3900	Neighborhood Svcs-KPSLB	Transfer from 401-3900 & 401-4126	189,923	3.00
001-5200	Industry Development	Business Navigator	83,777	1.00
001-6200	PD-Animal Control	Animal Control Lieutenant	155,437	1.00
001-7501	Civic Center Maintenance	Building Supervisor	97,943	1.00
		Electrician	61,443	1.00
001-7504	Civic Center Hospitality	(2) PT Event Reps.	38,720	1.25
		Sales Specialist	70,302	1.00
		PT to FT AV Specialist	39,235	0.38
General Fund Total			\$ 1,461,798	14.58
NSP/NSP 3/CDBG Funds				
114-5510	NSP 3 Fund	Reallocation of Funds	\$ -	(0.45)
116-5510	NSP Fund	Reallocation of Funds	-	(0.62)
118-5910	CDBG Fund	Reallocation of Funds	-	0.40
119-5510	SHIP Fund	Reallocation of Funds	-	1.08
119-5540	SHIP Fund	Reallocation of Funds	-	(0.03)
NSP/NSP 3/CDBG Funds Total			\$ -	0.38
Building Department				
110-2420	Field Inspections	Bldg. Inspectors	\$ 158,078	2.00
110-2425	Plans Review	Plans Examiner	79,878	1.00
Building Department Fund Total			\$ 237,956	3.00
Public Works Department				
401-3900	KPSLB	Transfer to 001-3900	\$ (59,497)	(2.00)
104/401-4105	Operations	Transfer to 001-3900 (Nbhd Svcs Director)	(145,204)	(1.00)
		Senior Construction Inspector	69,118	1.00
		Construction Inspector	63,935	1.00
		Project Coordinator	73,758	1.00
		Contract Coordinator	73,758	1.00
104/401-4118	Regulatory	Customer Service Leader	57,050	1.00
104-4121	Traffic Control & Improv.	(2)Traffic Tech's.	105,807	2.00
401-4126	Drainage	CADD Tech.	60,480	1.00
		Transfer to 001-3900	(42,634)	(1.00)
104/401-4127	Greenbelt & Wtrwy. Maint.	Inspector	63,935	1.00
		Equipment Operator	55,643	1.00
Public Works Fund Total			\$ 376,150	6.00
Utility Funds				
431-1345	Admin/Finance	Transfer 5 FTE's to 1300	\$ (167,576)	(3.00)
		(3) Accounting Clerks	(63,989)	(1.00)
		Revenue Acct. Specialist	(124,333)	(1.00)
		Financial Procedures Manager	86,344	1.00
431-1350	Utility Engineering	Engineering Intern	121,207	2.00
431-1375	Inspectors	(2) Locators	105,462	2.00
431-3316	Water Dist./Prev. Maint.	(2) Field Tech. Trainees	(42,886)	0.00
Utility Funds Total			\$ (42,886)	0.00
Grand Total - All Funds			\$ 2,033,018	23.95

CITY OF PORT ST. LUCIE
SUMMARY LISTING OF ALL BUDGETS
FISCAL YEAR 2016-17

	2015-16 ADOPTED BUDGET *****	2016-17 PROPOSED BUDGET *****	INCREASE <DECREASE> *****
General Fund	\$100,964,572	\$113,622,049	\$12,657,477
Road & Bridge Fund	\$15,179,254	\$15,306,305	127,051
Stormwater Utility Fund	\$27,964,261	\$30,553,336	2,589,075
Building Department Fund	\$9,757,156	\$12,598,331	2,841,175
Utility Operating Fund	\$82,232,266	\$92,213,566	9,981,300
Saints Golf Course Fund	\$1,996,858	\$2,013,465	16,607
Governmental Finance Fund	\$247,690	\$178,974	(68,716)
Police Impact Fee Fund	\$653,132	\$781,223	128,091
Street Lighting Fund	\$480,733	\$513,859	33,126
N.P.D.E.S. Fund	\$164,057	\$187,368	23,311
Neighborhood Stabilization Fund #3	\$903,239	\$834,500	(68,739)
Neighborhood Stabilization Fund	\$1,925,921	\$1,348,680	(577,241)
C.D.B.G. Fund	\$1,847,952	\$1,376,550	(471,402)
S.H.I.P. Fund	\$1,128,339	\$1,613,826	485,487
CRA Fund #175	\$4,994,488	\$4,452,727	(541,762)
CRA Fund #178 Southern Grove	\$417	\$53,900	53,483
Police Forfeiture Fund	\$121,144	\$311,950	190,806
Medical Insurance Fund	\$19,344,755	\$22,678,890	3,334,135
Conservation Trust Fund	\$873,547	\$333,934	(539,613)
OPEB Trust Fund - #609	\$10,138,164	\$12,674,848	2,536,684
Solid Waste Non - Ad Valorem Assessment	\$17,615,000	\$17,630,000	15,000
General CIP Fund #301	\$86,668	\$3,395,397	3,308,729
Road & Bridge CIP Fund #304	\$8,655,452	\$10,057,858	1,402,406
Parks Impact Fee Fund #305	\$346,133	\$2,105,000	1,758,867
Parks MSTU CIP Fund #307	\$3,015,000	\$1,862,000	(1,153,000)
Neighborhood Improvement Fund #309	\$1,287,894	\$1,985,356	697,462
Crosstown Parkway CIP Fund #314	\$128,637,014	\$26,473,572	(102,163,442)
Utility CIP Fund - Renewal/Replacement #438	\$6,426,304	\$9,620,544	3,194,240
Utility CIP Fund - Connection Fees #439	\$14,490,480	\$14,376,105	(114,375)
Eastern Watershed CIP Fund #403	\$1,055,000	\$0	(1,055,000)
Utility Contingency Fund #440	\$30,375,463	\$13,692,407	(16,683,056)
Water & Sewer Capital Facility Fund #441	\$0	\$7,692,085	7,692,085
S.W. Annexation Collection Fund #115	\$11,366,000	\$12,043,712	677,712
SAD I Phase I - #120	\$2,210,730	\$2,358,105	147,375
SAD I Phase II - #121	\$3,706,846	\$236,513	(3,470,333)
USA 3 & 4 - #122	\$8,786,185	\$12,483,646	3,697,461
USA 5,6,7A - #124	\$2,917,178	\$3,761,627	844,449
USA #9, SAD #125	\$310,155	\$449,638	139,483
Wyndcrest-DD #142	\$3,826,410	\$222,895	(3,603,515)
South Lennard SAD #150	\$513,847	\$491,927	(21,920)
River Point SAD #151	\$1,426,272	\$1,651,655	225,383
Tesoro SAD #152	\$3,841,186	\$3,495,109	(346,077)
Glassman SAD #153	\$1,939,520	\$2,005,450	65,930
East Lake Village SAD #154	\$760,661	\$820,655	59,994
St. Lucie Land Holding #155	\$1,806,785	\$2,442,618	635,833
City Center SAD #156	\$2,568,672	\$2,510,167	(58,505)
Combined SAD #158	\$648,394	\$648,394	0
Torrey Pines Collection Fund #159	\$4,151,662	\$4,118,313	(33,349)
General Obligation Debt Fund #214	\$15,680,297	\$10,297,726	(5,382,572)
Totals	<u>\$559,369,153</u>	<u>\$482,576,753</u>	<u>(\$76,792,400)</u>

BUDGET USERS GUIDE

The Annual Budget for the City of Port St. Lucie consists of thousands of numbers arranged into dozens of separate funds. Each of these funds exists for the purpose of tracking the financial activity of money that is for a designated purpose. Each fund can be thought of as a separate subsidiary company with its own revenues and expenses.

The working copy of the proposed budget that is used during the budget workshops is presented in a summary format. For example, a cost center typically has just three numbers presented, (1) the sub-total for personal services (salaries & benefits), (2) the sub-total for operating expenses, and (3) the sub-total for capital outlay (equipment valued between \$1,000 & \$35,000). This format is used instead of presenting the cost center “by individual line item” which could be 2 to 3 dozen numbers. An even further detailed level of information would be to provide the backup discussion of all the individual line items, such as all the contracts listed under the “contractual services” line item. The summary format allows Management, City Council and interested citizens to read the budget without dealing with thousands of detailed numbers. This format allows for trend analysis and grasping of the big picture. If a question is raised on a certain figure, the detail supporting it can be reviewed for an explanation.

BUDGET ORGANIZATION

MANAGER’S BUDGET MESSAGE

As required by City charter, each year the City Manager prepares a Budget Message that serves as an overall guide that is intended to give the general flavor of the proposed budget. This is the manager’s narrative that allows discussion on important issues.

Budget Overview

A brief summary of each fund is offered by the Director of OMB. This is meant to be more detailed than the Manager’s Message yet still in a narrative format. Schedules and graphs are also included covering such topics as millage rates, taxable valuation and staffing proposals. Staffing is accounted for using F.T.E.’s (Full Time Equivalent) as a unit of measure.

TRIAL BALANCE - PER FUND

The first schedule exhibited for each fund is a single page trial balance. This is the most summarized format showing the Revenues and other Sources of Funds matched against the Expenditures. Both revenues and expenditures are lumped into major categories in order to produce a single page budget schedule for that particular fund. The Trial Balance schedule for each operating fund, like other supporting schedules, lists a total of five years. The suggested format of the Government Finance Officers Association is that budgets should show the actual results of two prior years, the estimated results of the current year and then the proposed budget; four years in total. Additionally, OMB includes the current year adopted budget, and projection for the second year into the future. Two year operating budgets are helpful for being “on guard” against future financial problems. Future deficits can be overcome easier with greater lead-time.

REVENUE SCHEDULE - PER FUND

The revenue schedule for each fund offers the detailed, line item by line item information that makes up the total budgeted revenues and sources. This schedule identifies each individual revenue. It also is presented in a five-year format; two prior years actual results, the current year adopted budget, estimated results of the current year, the proposed budget of the next year and then a projection of the second year into the future. This schedule is helpful when trying to understand when one revenue may have caused a drop in a major category of revenue. In the General Fund, the seven revenues listed on the trial balance take three pages when listed individually.

EXPENDITURE SCHEDULE - PER FUND

The expenditure schedule is a presentation of the requested expenditures, listed by cost center. A cost center can be a department or a division of a department. The proposed expenditure budget is presented in two levels or portions. Each department requests a level of funding that will allow the same number of employees to perform the same tasks and programs in the upcoming year, known as the current level budget request. And then additionally, where a department has a need to add employees and/or programs, a budget request is submitted known as an expanded services budget request. The budget request is presented in this manner so that a reader can identify the cost of maintaining an equal level of service and can also see separately the cost of enhancing the level of service. Showing the cost of expanded service can be helpful when trying to determine if the request should be funded, especially when a rate increase is needed.

The expenditure schedule is also presented showing five years of data. The first two columns give the most recent historical years. This is actual, audited results, not the budgeted figures for those years. The third column is the current year adopted budget, and the fourth column is the estimated results for the current year. Again, actual not budgeted data is presented as the projected actual number is more helpful for trend analysis. The next six columns (#3 → #8) deal with the proposed budget for the next year.

Current Level -- The fourth column lists the request for the current level of service; those dollars needed to perform the same program with the same number of employees. The adjacent column shows the percent increase for the current level request over the current year estimated actual use. The increase (or possible decrease) is an indication of the inflation rate.

Expanded Services -- The sixth column identifies the funds needed to expand the level of service in any particular cost center. The funds requested as expanded services for the cost of new employees and other operational expenses such as their uniforms, tools, equipment, vehicle costs, etc. Also, any necessary capital outlay requests are listed, possibly covering items such as vehicles, radios or other items costing \$1,000 or more with a useful life of at least one year. Often the expanded services requests draw the most attention during budget workshops. These figures represent growth in the organization that is in response to growth in the community and a corresponding need for a new program and/or an increased level of service for an existing program. Very often, such as in the City's Stormwater Fund, expanded services requests require an increase in the annual fee.

Total Budget Request -- The seventh column lists the total budget request for next year for each cost center, combining the current level request (column 4) with any expanded services funding request (column 6). This total request is compared against the third column (estimated current year) to then list the total increase and/or decrease between the two years. This difference is shown in dollars in column eight. Column nine then shows the percent increase, the increase or decrease amount (column eight) divided by the current year estimate (column 3).

Second Year Projection -- The final column (#10) lists a projected request for the second year into the future. These figures are based on trends and are for planning purposes. Taking a look two years into the future has proven to be very helpful for financial planning of the City's operating budgets.

PROPOSED CAPITAL OUTLAY

The final schedule for each operating budget request is a listing of the proposed capital outlay. Capital Outlay is any purchase of \$1,000 or more that has a useful life of at least one year. The listing identifies the individual items that make up the funding request in the expenditure summary, current and expanded, columns 4 and 6. This listing allows the reader to review the necessary equipment needs of the staff, such as buying patrol vehicles when additional officers are added and also replacing the vehicles to be retired.

CAPITAL IMPROVEMENT FUNDS

There are several funds that are for major capital improvements and equipment costing in excess of \$35,000. These funds are known collectively as the City's Capital Improvement Program or C.I.P. These funds are shown using a different format. Five future years are listed with no historical data. Due to the nature of these projects, large one-time expenditures, trend analysis using past years is not helpful. The City has a General CIP Fund, a Road and Bridge CIP Fund and several CIP funds under the Utility Department's group of funds.

I trust that this explanation is helpful to the readers of the proposed budget. As always, the OMB staff encourages anyone with questions or suggestions to please call.