City of Port St. Lucie
Annual Budget
2011-2012

"The City for all Ages"

Adopted by the City Council
September 26, 2011

Mayor
JoAnn Faiella

Vice Mayor
Linda Bartz

Councilwoman
Michelle Lee Berger

Councilwoman
Shannon M. Martin

Councilman
Jack Kelly

City Manager
Jerry A. Bentrott

Assistant City Manager
Gregory J. Oravec

Incorporated
April 27, 1961

Population
164,603

Prepared by:
Office of Management and Budget
www.cityofpsl.com

Listing of City Officials

ELECTED OFFICIALS

JoAnn Faiella.....Mayor

Linda Bartz.....Councilwoman, Vice Mayor

Michelle Lee Berger.....Councilwoman

Shannon M. Martin.....Councilwoman

Jack Kelly.....Councilman

APPOINTED OFFICIALS

Jerry A. Bentrott.....City Manager

Roger G. Orr.....City Attorney

ADMINISTRATION

Gregory J. Oravec.....Assistant City Manager

Marcia Dedert.....Finance Director/City Treasurer

Jesus Merejo.....Utility Systems Director

Patricia Roebling.....City Engineer

Susan Williams.....Director of Human Resources

Renee' Major.....Director of Risk Management

Joel A. Dramis.....Building Official

Karen Phillips.....City Clerk

Daniel Hakim.....Director of Management Information Systems

David K. Pollard.....Office of Management and Budget Director/Purchasing Agent

Sherman Conrad.....Parks and Recreation Director

Brian Reuther.....Chief of Police

Daniel Holbrook.....Planning & Zoning Director

Tricia Swift-Pollard.....Community Services Director

Edward Cunningham.....Communications Director

Jim (James) Arnold.....Neighborhood Services Director

CITY OF PORT ST. LUCIE

A CITY FOR ALL AGES

September 26, 2011

Honorable Mayor, Vice-Mayor, and Members of the City Council:

I am pleased to submit to you the adopted budget of $425,715,591 for all funds for Fiscal Year 2011-12. This is an increase of $4,737,887 from the initial 2010-2011 fiscal year budget, but a decrease of $42,030,772 from the 2010-2011 fiscal year budget as currently amended. The budget decreases staffing by 18.39 FTEs (full-time equivalents) for an authorized staffing level of 964.50 FTEs. The budget meets the policy directives of the City Council whenever possible and complies with state law.

The budget meets all requirements of the City's various bond issues, including maintenance of coverage factors as required by various bond covenants. The budget also funds all union contracts at their current levels and complies with state law requirements for funding those contracts. Reserve funds are maintained per City Council policy. The City Council policy of staffing the Police Department at 1.60 sworn officers per one thousand population is not in compliance, but was held in abeyance for the 2011-2012 budget year by City Council at the February retreat. The contingency funds are set at 4% for all funds, except the Building Department fund, which is required to be at 50%. While the 4% meets the City Council policy, that amount of funds would only pay the City's expenses for about two weeks. Additions to the City's contingency and reserve funds should be a high priority.

The assessed value for all properties in the City of Port St. Lucie is $6,458,614,299 for the 2011-2012 fiscal year, which is a decrease of 4.43% from the 2010-2011 assessed value of $6,758,070,253. Since 2007, when the assessed value of the City of Port St. Lucie was $13,091,352,883, the City's assessed value has decreased $6,632,738,584 or 50.67%. The assessed value for the 2012-2013 fiscal year is anticipated to remain static at this time. Other revenues of the City, such as the franchise fees, utility taxes and communication taxes, also did not meet expectations during the present fiscal year and have reduced estimates for the 2011-2012 budget. Revenue from growth related fees such as the impact fees and development related permits have remained at the low levels of the past couple of years, leading to reduced funds available for capital projects and capital maintenance.

Millage, Rates and Fees

The millage rate for fiscal year 2011-2012 has been set at 5.7289 mills per $1000 of valuation. This millage would allocate 3.5688 mills for general operations and debt service, .3698 mills for Road and Bridge Operations, .5710 mills for Road Capital Improvement work, and 1.2193 mills for Crosstown Parkway debt service. Ad valorem revenue for all funds for the 2011-2012 fiscal year will be $35,335,116, a decrease of $658 from the 2010-2011 fiscal year.

In 2007 when the assessed valuation was $13,091,352,883 and the millage rate was 4.2172, the City received $55,208,853 in ad valorem revenue. For the 2011-2012 fiscal year; if the City had kept the static millage rate of 5.4723, the City would receive $21,455,843 less in ad valorem revenue than in the 2007-2008 fiscal year, a decrease of 38.86%.

By deciding to go to the Rolled Back Rate (equal revenue), the new millage rate is 5.7289, or an increase in the millage rate of .2566 of a mill. This level of revenue is still a decline of $17.2 million from the peak year. These additional funds being generated by the Rolled Back Rate will be used to

strengthen the various funds' reserves to meet bond issue reserve requirements, to help meet revenue requirements for the 2012-2013 fiscal year budget, and to give the City additional contingency margins if a natural disaster should strike.

Fees and charges for other funds are proposed as follows:	
• **Stormwater Fee**	**No Change**
• **Refuse Fee**	**No Change**
• **Street Lighting Fee**	**No Change**
• **Water and Wastewater Rates**	**3% increase to meet bond covenants**
• **Building Permit Fees**	**No Change---Some may decrease**
• **Parks & Rec Fees**	**CPI increase (minimal, if any)**
• **Planning Fees**	**No Change---Some may decrease**
• **Engineering Fees**	**No Change---Some may decrease**

Staffing and Personnel

The budget for the 2011-2012 fiscal year reduces the total number of employees by 18.39 FTEs. During the previous budget years, staffing was reduced by 255.85 FTEs. With the proposed staffing reduction, staffing would be reduced by 272.99 FTEs over the three year period (a reduction in the work force of 22.06%). It should be noted that the area of the City has remained relatively stable, but the recent census population lists the City at 164,603 persons.

Staff reductions were achieved through attrition, a voluntary separation program, and a few layoffs. Notable reductions included the Assistant Human Resources Director, the Assistant Parks & Recreation Director, the Assistant MIS/GIS Director, the Public Works Director, the Assistant Public Works Director, a Code Enforcement Officer, an Animal Control Officer, several Golf Course workers, and several School Crossing Guard FTEs. The Golf Course workers' positions were eliminated and the work previously performed by them will be contracted out. The Crossing Guard FTE savings were achieved by reducing the shift for each employee, both morning and afternoon, by a half hour. The Public Works positions were eliminated by consolidating the Public Works Department with the Engineering Department.

It should be noted that a new position of Assistant Finance Director was added for the 2011-2012 fiscal year. The current Finance Director has notified the City that she will retire during the next budget year. The Assistant Director position will be added to hire a replacement to work with the current Finance Director until her retirement and then the position will be eliminated for the 2012-2013 fiscal year.

Goals and Objectives

The goals of the 2011-2012 fiscal year budget are to maintain the best levels of services to the public that our resources allow. As noted last year, many departments are down to staffing levels that last occurred in the 1990's, but we will continue to maintain our infrastructure and serve the public to the best of our ability.

Several efficiency and cost savings steps were implemented during the current fiscal year and will be continued in the 2011-2012 fiscal year. Contracts were finalized with all six of the City's unions that included wage freezes for the 2010-2011 and the 2011-2012 fiscal years, additional employee

contributions for medical insurance, changes to the City's medical insurance plan that increase co-payments and deductible amounts, and the elimination of vehicle allowances for all employees.

As noted above, the Engineering and Public Works Departments were consolidated to achieve cost savings from reduced management positions, to eliminate some redundancies, and to achieve improved coordination and efficiencies in work effort. Staff members will continue to review operations to identify other such possibilities throughout the City organization.

The changes at the golf course to privatize some of the maintenance operations will allow the golf course to function without any subsidy from the General Fund.

The City's medical plan was rebid and it is anticipated that cost reductions will be achieved. One of the Stormwater revenue bonds was refinanced in 2011 to reduce overall payments during the remaining life of the bonds. Two special assessment bond issues are also being refinanced to achieve additional cost savings for them. Other issues will continue to be reviewed to determine if savings can be achieved while the bond market rates are favorable.

In the 10-11 fiscal year several projects were completed, including the many components of the SW SAD district, the repairs to Port St. Lucie Boulevard between Del Rio and the C-24 canal, the Dunbrooke drainage improvements, the solar and energy enhancements for the Civic Center, and the Patio Circle retention pond as part of the Eastern Watershed Improvement Project (EWIP). Street overlay, sidewalk construction, drainage maintenance, and ADA upgrades and curb ramps also occurred and will continue in the future.

Other significant projects were also started and are scheduled for completion in fiscal year 11-12. Projects that are scheduled for work and/or completion during the 2011-2012 fiscal year include: Becker Road segment 3 (the final segment), the Digital Domain studio facility, several components of the EWIP project, capital maintenance on the north drainage canals (the 104, 105, 106, 107, and 108), capital maintenance on the D-9 drainage canal, capital maintenance on the Hog Pen Slough drainage system, capital maintenance on the E-8 drainage system, construction of the Ravenswood Community Center facility, construction of the Canal Park boat ramps, construction of the water connection for the Martin Correctional facility, installation of pedestrian lighting on Port St. Lucie Boulevard from Veteran's Memorial Parkway to U.S. 1, and installation of the median landscaping improvements on Port St. Lucie Boulevard between the Turnpike and Rivergate Plaza, plus overlay, sidewalk, ADA improvements, and normal drainage system maintenance and improvements.

Work will also continue on the Crosstown Parkway Extension to construct the remaining roadway and bridge to connect the existing roadway to U.S. 1. The draft Environmental Impact Statement has been signed by the Federal Highway Administration and the public hearing is scheduled for September. After the hearing, comments will be compiled and reviewed in support of selecting a preferred route for the bridge and roadway. Once the preferred route has been selected and approved, the final Environmental Impact Statement will be prepared and a Record of Decision will be issued. Additional work that will occur during the next fiscal year includes remediation of lots purchased without using the required federal process and final design of the proprietary and regulatory mitigation projects. Once the Record of Decision has been issued construction work on the mitigation projects, acquisition of additional required right-of-way, and design of the roadway and bridge can begin.

Areas of Concern

As it was last year, the biggest concern facing the City is its ability (or inability) to sustain itself during the current economic recession. Revenues, including ad valorem taxes, franchise fees, utility taxes, communications taxes, and impact fees are all dropping or performing worse than forecasts in the current budget. While the budgets for the 2011-2012 and 2012-2013 fiscal years are projected to be

balanced, the major funds also show that expenditures continue to exceed revenues causing a reduction of reserves. The City must reverse that trend. While the City had set aside reserves in anticipation of the recession, they have now been depleted to a point that they should not be reduced further. A reserve or year-end balance for the General Fund should be at least 20% of the budget or about 2 ½ months of expenditures for a sound fiscal condition.

Operating and personnel expenditures have been reduced over the past few years and are now at a level where it will be difficult to maintain service levels with any further reductions. Operating capital, such as vehicles, computers, and infrastructure maintenance, can only be delayed for so long before the consequential results will cost significantly more. The solution will be the reduction of service levels or the elimination of services altogether (personnel costs), the addition of new or increased revenues, or a combination of the two.

Other areas of concern include the CRA and the impacts of devaluation. The valuation of the CRA has fallen significantly during the past couple of years and no new development has taken place. With the reduced valuation, tax increments used to finance the CRA have fallen and are presently not sufficient to fund debt payments in future years. Staff members are researching options to address the issue.

In addition, the City will continue to work with the Economic Development Council (EDC) to develop new businesses and growth of existing businesses. Creation of local jobs will allow residents to reduce their commutes and the associated costs, plus help reduce home vacancies and stabilize the City's valuation. Staff members are reviewing City regulations and policies to determine if fees can be reduced, and if processing timing can be improved. They are also providing classes to help the public know the City's systems and are looking for other ways to make the systems more efficient.

A potential issue that could affect the City and other governments in the state is the imposition of new water quality standards by the Federal government. While the City has made considerable efforts to improve water quality through its drainage system, i.e. swale liners, retention and detention ponds, water storage treatment areas, and the sanitary sewer system installation, the impacts of the standards could impose additional costs on the City.

I would like to commend the Office of Budget and Management staff for compiling this year's proposed budget. The department heads and their staffs have also worked hard to reduce current year expenditures, which will contribute to year-end carryover funds, and to prepare their budget requests to provide sustained levels of service and meet the goals of the City Council. The efforts of all will allow the City to continue to maintain services during these difficult economic times.

Respectfully submitted,

Jerry A. Bentrott

Jerry A. Bentrott

City Manager

THE BUDGET DOCUMENT

The City of Port St. Lucie's Budget Document for 2011-12 is organized into twenty-five sections. They are introduction, General Fund, Road and Bridge Fund, Stormwater Fund, Building Fund, Utility Funds, Governmental Finance Fund, Police Impact Fee Fund, Police Forfeiture Fund, Street Lighting Fund, N.P.D.E.S. Fund, N.S.P. Fund, C.D.B.G. Fund, S.H.I.P. Fund, CRA Fund, General Obligation Debt Service Fund, Golf Course Fund, Medical Trust Fund, Conservation Trust Fund, O.P.E.B. Fund, S.A.D. Funds, Solid Waste Collection Fund, Capital Funds, Glossary and Abbreviations & Acronyms, each section has a d esignated tab. All funds with financial activity have an adopted budget and will be reported in the CAFR.

Introduction – The Introduction section includes a letter from the City Manager to the Elected Officials. Also included are the Listing of City Officials, The Budget Document, Distinguished Budget Presentation Award, City Organizational Chart, City Information & History, Budget Development, Budget Structure, Budget Calendar, Millage Rates, Tax Bill Valuation Chart, Population Chart, Property Valuation Chart, The Ten Largest Taxpayers in Port St. Lucie, Budget Summary, Budget Trends, Summary of Revenues & Expenditures and Trends, Revenue Description & Overview, Staff Additions, Listing of Approved Positions, Summary of Budgeted Positions, Long Term Debt Summary, Unaudited General & Enterprise Fund Long Term Debt Schedule and a Summary of all debt.

General Fund, **Road and Bridge Fund, Stormwater Fund, Building Fund, Utility Funds, Golf Course Fund** – These sections present the operating budget for each function and department. Included is a graph depicting revenues and uses and a summary briefly describing any significant changes along with a long range model forecasting future deficits and surpluses. Each Fund has a section which includes summaries and details of the operations of the City. Individual cost centers are presented at a function level, summary level and detail level. A department function chart is included in the front of each department.

Governmental Finance Fund, Police Impact Fund, Police Forfeiture Fund, Street Lighting Fund, N.P.D.E.S. Fund, N.S.P. Fund, C.D.B.G. Fund, S.H.I.P. Fund, CRA Fund, General Obligation Debt Service Fund, Medical Fund, Conservation Trust Fund, O.P.E.B. Fund, S.A.D Funds and Solid Waste Collection Fund – These sections include a graph of sources and uses, a summary and trial balance of each fund. Some funds such as C.D.B.G Fund, S.H.I.P Fund and the CRA Fund are presented at a function level, summary level, detail level and include a fund function chart.

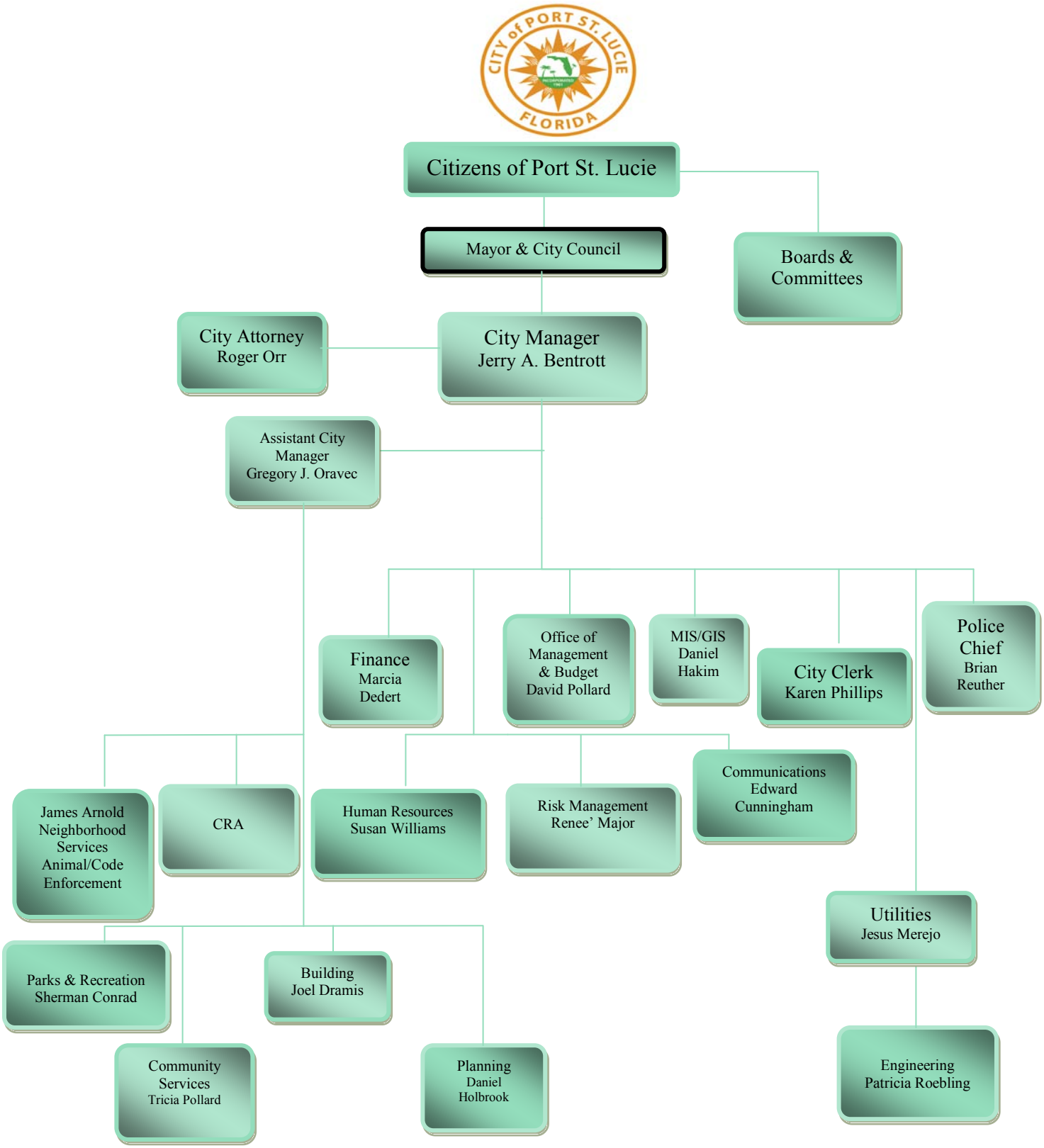
Capital Funds – This section includes a graph of sources and uses, a summary of the fund, a five-year expenditure summary of all funds, a five-year revenue summary, a five-year project detail summary and five-year projects of each fund.

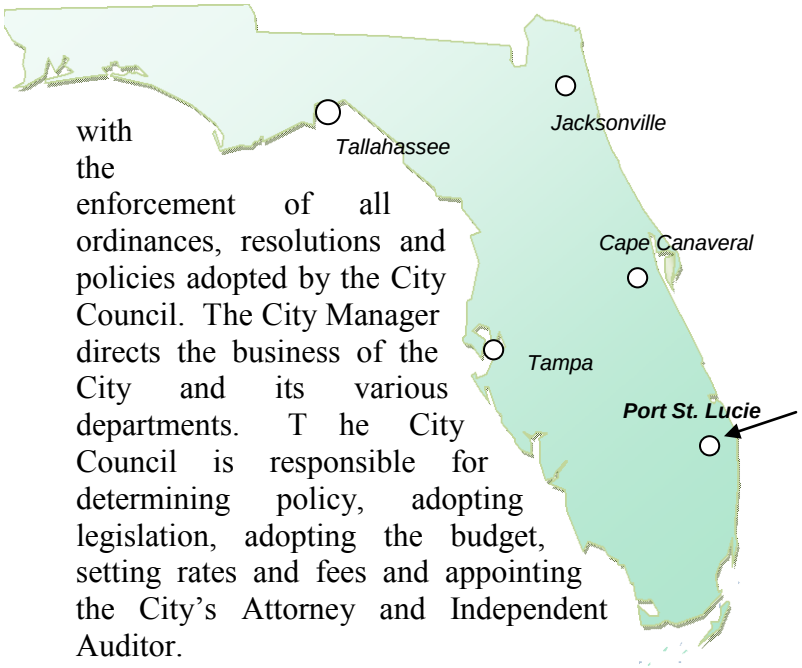
Glossary - This section includes a list of terms used throughout the budget book and its definition.

Abbreviations & Acronyms – This section lists abbreviations and acronyms used throughout the budget book and the related word.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Port St. Lucie, Florida for its annual budget for the fiscal year beginning October 1, 2010. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.


Citizens of Port St. Lucie
Mayor & City Council
Boards & Committees
City Attorney Roger Orr
City Manager Jerry A. Bentrott
Assistant City Manager Gregory J. Oravec
Finance Marcia Dedert
Office of Management & Budget David Pollard
MIS/GIS Daniel Hakim
City Clerk Karen Phillips
Police Chief Brian Reuther
James Arnold Neighborhood Services Animal/Code Enforcement
CRA
Human Resources Susan Williams
Risk Management Renee' Major
Communications Edward Cunningham
Utilities Jesus Merejo
Parks & Recreation Sherman Conrad
Building Joel Dramis
Community Services Tricia Pollard
Planning Daniel Holbrook
Engineering Patricia Roebling



History

The City of Port St. Lucie was incorporated in 1961 by the original developer, General Development Corporation, who was responsible for starting several communities throughout the state. Prior to the Incorporation of the City of Port St. Lucie, the earliest known settlers of the area were the Ais Indians. Evidence of their presence at Spruce Bluff is still visible and is called the "Spruce Bluff Mound". The mound is 18 feet tall and 190 feet in diameter and dates back between 100 and 300 B.C. This mound was investigated and recorded in 1978, by the state of Florida. Spruce Bluff's (now called Port St. Lucie), original non-Indian settlement started in the 1890's. Spruce Bluff was settled by a widower John Enos Fultz. Mr. Fultz petitioned for a Post Office and the name Spruce Bluff was adopted. Mail was carried by a twenty foot schooner-rigged boat and sawmills were operated to clear the pine and cypress from the land. Settlers planted pineapples and citrus, but by 1894 a severe freeze discouraged the early settlers and they left. All that remains of this community is a small stone obelisk on Lookout Boulevard with some broken gravestones. The monument is inscribed "Spruce Bluff Early Pioneer Settlement 1892." On the north and south faces are the names or descriptions of the seven that are buried there. Spruce Bluff is now a recreation area comprised of 97 acres and is owned and managed by St. Lucie County.

City Government

The City of Port St. Lucie was created under the Laws of Florida Act 61-2721 and has operated under a council/city manager form of government since 1976. The City Council appoints the City Manager who is the chief administrative officer of the City responsible to the City Council and charged with the enforcement of all ordinances, resolutions and policies adopted by the City Council. The City Manager directs the business of the City and its various departments. The City Council is responsible for determining policy, adopting legislation, adopting the budget, setting rates and fees and appointing the City's Attorney and Independent Auditor.

The City provides a range of municipal services including police protection, code inspection and enforcement, planning and zoning, community and economic development, construction and maintenance of transportation facilities, recreational and cultural activities, emergency preparedness management, water and wastewater utilities, stormwater management and general administrative support. Independent taxing agencies provide fire protection and education services.

General

Located 35 miles north of Palm Beach along the East Coast of Florida in the center of a three county area known as the Treasure Coast for its history of Spanish treasure ships that sunk along our coast during early settlement of the new world. Port St. Lucie is part of St. Lucie County with Ft. Pierce serving as the county seat. The city is bordered on the east by the Indian River and split in half by the North Fork of the St. Lucie River. The boating residents of the City can access the Atlantic Ocean using the St. Lucie River via Stuart to the St. Lucie inlet. With its Tropical South Florida environment, Port St. Lucie's average

Sources: Finance Department CAFR.
The New Pioneers Historical Society
Economic Development Council of St. Lucie County (http://www.youredc.com/html/major_employers.asp

annual temperatures range from a high of 82 to a low of 66. Normal annual rainfall is 50 inches.

Month	Monthly Normal	Mean Max.	Mean Min.	Rainfall (Inches)
Jan.	65.1	73.2	57.0	**2.88**
Feb.	65.6	74.5	56.7	**2.12**
March	68.8	77.5	60.1	**2.66**
April	72.7	81.1	64.3	**2.86**
May	76.5	84.5	68.5	**4.23**
June	79.8	87.4	72.2	**5.47**
July	81.5	89.4	73.6	**5.5**
Aug.	81.8	89.6	74.0	**5.16**
Sept.	80.6	87.3	73.9	**7.25**
Oct.	70.0	83.4	70.0	**6.90**
Nov.	70.0	77.3	62.7	**2.77**
Dec.	65.5	73.8	57.2	**1.97**
Average	**73.2**	**81.6**	**65.9**	**49.77**

With one hundred and fifteen square miles and a current population of 164,603 thousand in October 2011, only 72% of our single-family lots are developed. The City has tremendous future growth potential, which is reflected by its early growth pattern. Its 1970 population was only 330 residents. Today, Port St. Lucie is the largest city along the Treasure Coast. The City was primarily a residential community but is now increasing the number of commercial sites to support its citizens' needs. Although originally designed as a retirement community, today Port St. Lucie's average age has dropped to 38.3 as the City has become known for affordable homes and is attracting younger families.

Recreational opportunities are various due to the climate and location. In addition to boating on the St. Lucie River, beaches are only a short drive away. The City's extensive number of Parks and Recreation programs offer numerous sporting opportunities for all age groups.

Quality of Life:

Recreation, Golf Courses and Points of Interest:

- ✓ Eight Golf Courses within the City
  - The Saints (Municipal Golf Course)

  - The Sinners at Club Med
  - Ballantrae Country Club
  - Tesoro Country Club (two courses)
  - St. James Country Club
  - Spanish Lakes Golf Village
  - St. Lucie West Country Club (Legacy)

- ✓ New York Mets Spring Training Facility (Digital Domain Field)
- ✓ Port St. Lucie Mets (Single A) participates in the Florida State League

- ✓ 40 Unique Parks and Recreational Facilities

Port St. Lucie is served by three major north-south highways: Interstate 95, the Florida Turnpike and U.S. Highway 1. The Ft. Pierce inlet, 20 miles to the North, serves the local commercial markets such as the transportation of citrus grown in the unincorporated areas of the county. The

Sources: Finance Department CAFR.
The New Pioneers Historical Society
Economic Development Council of St. Lucie County (http://www.youredc.com/html/major_employers.asp

nearby Cities of Stuart and Ft. Pierce each have a small general aviation airport while Melbourne and West Palm Beach are the nearest airports offering scheduled commercial flights. The public school system is countywide and is governed by the School Board consisting of five members each elected for a four-year term. St. Lucie County School District has six high schools (grades 9-12), eleven schools that combine grades K-8, and twenty elementary schools, five middle (grades 6-8) schools, four alternative education schools and over 40,000 students, with each school accredited by the Southern Association of Colleges and Schools. The public school system allows parents to select a school of their choice from a number of schools in residential choice zones. The City also has three Charter Schools; Palm Pointe Educational Research School at Tradition, Nau Charter School K-8 (Imagine schools near Becker Road), and (Renaissance Charter K-8 in St. Lucie West). Indian River State College, Florida Atlantic University, University of Florida, Barry University, Nova Southeastern University, and Keiser Career College have facilities located within Port St. Lucie providing excellent higher education opportunities.

As of 2004 the City has a new cemetery, Rolling Oaks, which is privately owned.

The City's construction activity has dropped substantially from the record levels of 2004 and 2005. The housing demand is estimated to be 325 units for fiscal year 2009-10 down from 4,713 units in 2005-06. Additionally, the City's economy is stimulated by the demand for construction of office, retail commercial and institutional space along with construction of roads, bridges, sidewalks, utilities and recreational facilities. The services sector is also a major influence on the local economy providing jobs in support of retail trade, health, food services and education.

Principal Employers in St. Lucie County

2010-11 Principal Employers (St. Lucie County)	
	# of Employees
St. Lucie County School Board	4,000
Wal-Mart Retail and Distribution	2,105
Lawnwood/HCA Medical	1,940
Liberty Healthcare Group, Inc.	1,670
QVC	1,200
Publix	1,154
Indian River State College	1,093
City of Port St. Lucie	982
Florida Power and Light	1,038
St. Lucie County Commissioners	733

Due to the down turn in the housing market, the City is looking at other industry to stimulate the City's economy. Torrey Pines Institute of Molecular Studies relocated from Southern California to Port St. Lucie.

The City built a 100,000 square foot laboratory and office space and Torrey Pines Institute moved into the new research facility headquarters in January, 2009. They now employ approximately 95 Scientists and support staff at the facility. The goal is to have approximately 190 employees at their final build out phase.

The Oregon Health and Science University's Vaccine and Gene Therapy Institute (VGTI) are occupying the third floor of the Torrey Pines facility while their 100,000 square foot laboratory and office space is under construction. Construction on the VGTI

Sources: Finance Department CAFR.
The New Pioneers Historical Society
Economic Development Council of St. Lucie County (http://www.youredc.com/html/major_employers.asp

facility began in October 2010, and is anticipated to be completed by January 2012. VGTI's research facility has 15 employees now and plans to hire an additional 60 for the opening in 2012. The ultimate goal is to employ 220 Scientists and support staff. The Mann Research Center has also made a commitment to locate in Port St. Lucie.

Martin Memorial Health Systems received state approval for construction of an 80-bed hospital in Western Port St. Lucie and plans for construction are underway. This hospital will be located close to the biotechnology research corridor. Once construction begins, Martin Memorial will use as many qualified local resources as possible on the construction project. Once the hospital opens, it will employ over 400. The hospital is expected to open in 2014.

Other industries locating within the City are Wyndcrest Digital Domain Media Group, Inc. of Florida (DDMG) and the Treasure Coast Intermodal Campus. DDMG is building a digital production studio in Port St. Lucie that will create up to 500 new jobs and expand film and computer studies at area state colleges. Construction is underway for a 150,000 square foot building for the operation of a digital studio for technology and entertainment focused on animated films, video games and visual effects. Construction has started with an expected completion in December 2011. The company has commenced operations in temporary quarters and hired approximately 150 employees toward their goal of 500 new jobs within the City. Developer Kennedy Grove, Bay Hill Holdings and Penloch Management/Corus are proposing to annex 7,000 acres in western St. Lucie County into the City of Port St. Lucie to build a 40 million square foot cargo distribution center. It is estimated that the project dubbed the Treasure Coast Intermodal Campus would create 20,000 new jobs for the community. This location has access to I-95, the Florida Turnpike and a rail system. The project is expected to be operational by 2014.

Sources: Finance Department CAFR.
The New Pioneers Historical Society
Economic Development Council of St. Lucie County (http://www.youredc.com/html/major_employers.asp

City Council Affiliations

The City Council will work to ensure that the City of Port St. Lucie will continue its position in all activities including commerce, culture, growth and leisure. They will:

- ✓ Continue participation in management of the Fire Department. The District is its own self-taxing fire district and the only one in the county.
- ✓ Continue to seek, develop, and administer home and community based programs and services for senior persons of St. Lucie County and surrounding areas.
- ✓ Continue working hand-in-hand with St. Lucie Transportation Planning Commission to develop long range planning for the roadways in the region.
- ✓ Continue to develop and promote tourism in St. Lucie County.
- ✓ Continue to work with Treasure Coast Council of Local Governments to encourage and enable local units of government to assemble and cooperate with one another to promote the health, safety and general welfare of the citizenry.
- ✓ Continue to work with Treasure Coast Regional Planning Council. The regional planning council is recognized as Florida's only multipurpose regional entity that plans for and coordinates intergovernmental solutions to growth-related problems on greater-than-local issues. Provides technical assistance to local governments, and to meet other needs of the communities in each entity.
- ✓ Continue to work with the Treasure Coast Regional League of Cities to promote communication among the municipalities and the municipal leaders of the Treasure Coast Region.
- ✓ Continue to work with the Roundtable of St. Lucie County to improve the quality of life for our youth in various ways; Academic Success, Delinquency Prevention, Substance Abuse, Teen Health, the Gang Plan and Kids at Hope.
- ✓ Continue to work with the St. Lucie County Chamber of Commerce in an effort to expand the economy of the area

Budget Planning

- ➢ Goals and Objectives

In the second quarter of each fiscal year the City Council meets for their semi-annual council retreat. This informal two day retreat focuses on achieving short term and long term goals and updates the City's strategic plan. Council also meets in July to review the preliminary budget. Council makes decisions at this time to increase or decrease fees or costs in various programs if needed. They also set the date for the two budget hearings held in September of each year. One of the most important decisions Council will make is setting the millage rate.

In fiscal year 2010-11 the majority of the city's short term and long term goals were completed or started. Each of the following goals will expand or improve existing City Road Systems, Utilities, and Parks and develop a viable downtown. It is important for the City to continue to meet all of the following goals for the future of the City's growth and provide for other public needs long into the future. It is important the City continue development of capital infrastructure needed to support the population and to correct deficiencies.

Annually, each department updates their department's performance indicators that directly support the successful achievement of the City Council overall goals and objectives. The measures are a mix of different types,

including efficiency, workload, effectiveness and demand.

Workload - Measures the quantity of activity for department (such as number of calls responded to or number of sealed bids).

Demand – Measures the amount of service opportunities (such as the total number of calls).

Efficiency – Measures the relationship between output and service cost (such as the average cost).

Effectiveness – Measures the impact of an activity (Improve overall satisfaction with the quality of service).

Departments shall establish performance measures/indicators for each department or program within their department to monitor and project department performance. These measures must be linked to the overall objectives of City Council and the department objectives they support.

The performance measures are listed after each department's organizational chart and departmental goals in fund and department order.

Example of Performance Measures

Workload	*City Council Council Goals*	*Performance Indicators Police Department*	
	1	*Employment Background Investigations*	*40*
	1	*Miles Patrolled*	*1,968*
Efficiency	*1*	*Average Call Duration(min.)*	*31.00*
	1	*Emergency Response Time*	*6.00*
Effectiveness	*1*	*Administrative Complaints Received and Processed*	*75*

Goals	Objectives
1. Maintain a safe city status	1.1 Preventing crime is the Police Departments primary responsibility 1.2 Aggressively pursues those who commit serious crime 1.3 Effectively manage resources for optimal service delivery 1.4 Provide a safe community 1.5 Provide and achieve its greatest potential through the active participation of its employees in the development and implementation of policies and programs
2. Create and facilitate broad transportation options	2.1 Improve and expand the City's transportation systems in order to provide a network of streets and roads which are safe and sufficiently meet the needs of the present and future residents in the community
3. Adopt a financial plan to guide the City's financial activities, adopt the budget and determine the level of service to be provided to the residents and approve contracts and agreements	3.1 Accurately maintain the financial records of the City pursuant to all legal requirements 3.2 Procure goods and services for the City of Port St. Lucie 3.3 Assist City Council in the budgetary process and meet all TRIM requirements
4. Promote, encourage and/or create diverse quality educational, cultural and recreational opportunities	4.1 Identify and present any potential unmet needs through contact with citizens, community leaders and city staff 4.2 Regulate and guide all city boards and authorities 4.3 Provide information on city services and programs that promote educational, cultural, recreational and economic opportunities, and nurture a sense of pride in the community 4.4 Encourage quality community development in accordance with adopted policies, codes, and laws which enhances the City, protects the environment and makes the City a better place to live 4.5 Enhance the Quality of Life in Port St. Lucie by providing the programs and facilities that will facilitate the residents' pursuit of culture and recreation in a safe and enjoyable setting
5. Encourage affordable life cycle housing	5.1 Provide affordable housing opportunities and social service referrals and increase economic and community development services for the residents of Port St. Lucie
6. Enhance and maintain the community's appearance	6.1 Enforce the codes of the City in order to protect the health, safety and welfare of the community 6.2 Contribute to the attractiveness of the community, conservation of the environment and the social and economic health of the City 6.3 Citywide Beautification, Volunteerism, and litter control
7. Nurture a sense of pride in the community	7.1 Adopt policies that determine the level of service throughout the city 7.2 Enact necessary amendments to the Comprehensive Plan 7.3 Provide an acceptable quality of life for the Community
8. Balance our natural resource preservation with the community's needs	8.1 Protecting our environment and natural water resources while building long-term relationships with customers 8.2 Comprehensive updates of the Environmental Services

BUDGET DEVELOPMENT AND OVERVIEW

The Fiscal Year 2011-2012 Budget for the City of Port St. Lucie totaling $425,715,591 was adopted on September 26, 2011. Each year the annual budget establishes the level of funding for each of the City's various funds. The goals and objectives, activities and service levels for the City's departments are dictated by the level of funding and thus ultimately controlled by the approved budget.

2011-12 Adopted Budget	
General Fund	$68,953,683
Road & Bridge Fund	$14,474,810
Stormwater Fund	$26,231,803
Eastern Watershed CIP Fund	$6,899,627
Building Fund	$6,325,292
Utility Funds	$128,875,062
Golf Course Fund	$1,995,967
Special Revenue Funds	$126,210,483
Capital Improvement Funds	$45,748,864

The published, approved budget serves as an operational guideline for the city staff. Through the adoption of the budget, the departments are instructed as to level of staff, amounts for operating expenses and capital purchases allowed.

The first step in the annual budgeting process is to establish goals by working with the City Council at a Budget Planning Workshop held early each year. A long-range model is used to study property valuation, millage rate and their effect on funding. The largest single revenue in the General Fund which is Ad Valorem Property Tax is set at 3.5688 mills which will generate $22,012,042. The Road & Bridge fund and Stormwater fund are both tied to a revenue that has very limited growth. The Stormwater Fund will remain at $153.00. In FY 2009-10, the rate was increased by $20.00 to cover the Eastern Watershed Improvement Project (EWIP). This will cover the annual debt on the project. The City's Utility Operating Fund is an area of growth that was projected and planned for with increased staff and contractors crews to keep up the demand for connection to the system. Along with the slowdown in construction, the requests for new connections have slowed down too. As these requests have slowed, staff has been shifting from the Connection Fee Fund over to the Maintenance Operating Fund. With the recent market trend, the department has stabilized and is trying to keep their cost level. Budget guidelines such as no adjustments to pay rate increases were then developed to achieve the overall goals of the Council.

Final approval of the annual budget by the City Council follows several levels of review. The original budget requests of the departments are first reviewed by the City's Director of the Office of Management and Budget and later the City Manager. Revenue projections are made by studying multiple year trends for each revenue line item, taking into account population growth and the housing industry for revenues such as impact fees, building permits and inspection fees. As the updated property valuation is made available from the St. Lucie County property appraiser's office, the effect to the City's Ad Valorem Tax Revenues is reviewed. Through meetings with the department head, all departmental budgets are adjusted accordingly, so that a balanced budget, which meets the desired goals of the City Council, can be submitted for their review. The council conducts final review with any directed changes being made by city staff.

City Council Budgetary Guidelines

1) Operating Expenses - hold to 3% inflationary increase

2) Golf Course Fund - Subsidize Golf from General Fund – discontinue annual subsidy.

3) Millage Rate – General Fund millage is set at 3.5688.

4) Millage Rate – Crosstown Parkway CIP Voted Debt – 1.2193 Mill.

5) Millage Rate – CIP Projects millage is set at 0.5710.

6) Millage Rate – Road and Bridge Operating millage is set at 0.3698.

7) Stormwater Fee – No Increase

8) Police Department Staffing - 1.60 officers per thousand of population – this component of Council policy is suspended.

9) Financial Contingency is set at the minimum of four percent

The City's Council Budgetary Policy calls for 1.6 sworn officers per 1,000 of population. The City's population is estimated at 164,603 as of October 2011. However, the sworn staffing for the Police Department is currently 206, which equates to 1.33 officers per thousand. However, with the recent budget struggles, the City Council suspended this component of their policy.

Budgetary Structure

The City's approved budget is accounted for through individual funds with various departments, which are further broken down into divisions. T he level of budgetary control is the department, thus allowing the City Manager, or his designee, to transfer budgeted amounts within a department. Appropriations are used as a m eans of budgetary control. A ny change to a department budget total or a CIP project budget requires Council action in the form of a budget amendment.

Basis of Budgeting

The City of Port St. Lucie develops its budget using the same basis as it is required to use for financial reporting, the modified accrual basis of accounting. Revenues are budgeted and will be recognized when they become measurable and available. Expenditures are budgeted and recognized when the liability is incurred. T his accounting and budgeting basis applies to all of the City's governmental type funds, i.e. the General Fund and Special Revenue Funds. The City's Stormwater Fund and Water and Sewer Utility Funds are exceptions to this, as they are proprietary funds and must be accounted for using the full accrual basis of accounting. Under this format, the two enterprise funds recognize revenues when earned and expenses are recognized when incurred regardless of when the actual cash flows occur.

Budget Amendments

Any requests for a budget amendment to provide for unbudgeted expenditures, must be funded by additional revenues or unspent appropriations and must be approved by the City Council. S uch requests are handled much like original budget requests in that they must be submitted to the Office of Management and Budget for consideration. If a funding source can be identified, the balanced budget amendment schedule is then presented to the City Manager for his/her review and approval. The amendment is then brought before the City Council at two regular meetings so that an appropriate ordinance is passed which requires two readings.

Administrative Financial Policies

Operating Budget Policies

1. The City will pay for all current expenditures with current revenues. It will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' revenues, or rolling over short-term debt. T he City Charter authorizes the carrying forward of current year general fund balances into the following fiscal years' general fund budget.

2. The budget will provide for adequate maintenance of capital plant and equipment and for its orderly replacement.

3. The budget will provide for the appropriate contributions to the pension plans as prescribed by City Ordinance.

4. The City will use the most current information available (i.e., Bureau of Labor data, I.C.M.A. and National League of Cities statistics) for projecting expenditures.

Capital Improvement Budget Policies

1. The City will make all capital improvements in accordance with an adopted capital improvement program.

2. The City will develop a multi-year budget for capital improvements and update it annually.

3. The City will maintain all assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.

4. The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to council for approval.

5. The City will determine the least costly financing method for all new projects.

Debt Policies

1. The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.

2. When the City finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the project.

3. The City will try to keep the average maturity of general obligation bonds at or below 15 years.

4. On all debt-financed projects, the City will attempt to make a down payment of at least 10 percent of total projects costs from current revenues.

5. Total debt service for general obligation debt will not exceed 15 percent of total annual locally generated operating revenue.

6. When possible, the City will use special assessment, revenue, or other self-supporting bonds instead of general obligation bonds.

7. The City will not use long-term debt for current operations.

8. The City will retire tax anticipation debt annually and will retire bond anticipations debt within six months after completion of the project.

9. The City will maintain good communications with bond rating agencies regarding its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus.

Revenue Policies

1. The City will try to maintain a diversified and stable revenue system.

2. The City will estimate its annual revenues by an objective, analytical process.

3. The City will project revenues for the next three years and will update this projection annually. Each existing and potential revenue source will be re-examined annually.

4. The City will establish all user charges and fees at a level related to the cost of providing the services.

5. Each year, the City will recalculate the full costs of activities supported by user fees to identify the impact of inflation and other cost increases.

6. The City will set fees and user charges for each enterprise fund such as water, sewer, or drainage at a level that fully supports the total direct and indirect cost of the activity. Indirect costs include the cost of annual depreciation of capital assets.

Reserve Policies

1. The City will establish a contingency or emergency reserve to provide for unanticipated expenditures of a nonrecurring nature, or to meet unexpected small increases in service delivery costs. This reserve will be maintained at 4 percent of the general operating fund.

2. The City will establish an equipment reserve fund and will appropriate funds to it annually to provide for timely replacement of equipment. The amount in the reserve will be maintained at $100,000. The amount of $75,000 will be added annually until the reserve is fully funded.

Investment Policies

1. The City's adopted investment policy is established with the highest priority on the preservation of the portfolio principal. Treasury yields are considered benchmarks for riskless investments and are used as the City's minimum standard for the portfolio's rate of return.

2. The City's banking arrangement uses both a compensating balance checking account and a related money market account

3. The City's invested funds, excluding the pension trust funds and certain bond funds are diversified to control the risk in various instruments. These instruments include, but are not limited to Certificates of Deposit, Money Market Accounts, U.S. Treasury bills, U.S. Government Agencies and Local Government Investment Pools. Within these instruments, the City's goal is to maintain no more than 20 percent in any one institution.

Accounting, Auditing, and Financial Reporting Policies

1. The City will establish and maintain a high standard of accounting practices.

2. The accounting system will maintain records on a basis consistent with accepted standards for local government accounting.

3. Regular monthly and annual financial reports will present a summary of financial activity by major types of funds.

4. Where possible, the reporting system will also provide monthly information on the total cost of specific services by type of expenditure and if necessary, by fund.

BUDGET DOCUMENT STRUCTURE

The City's Budget is organized into sections by fund type, cost center, category of expense and individual line items. F und type is established by revenue and its purpose, such as Gas Tax for Road Programs. C ost centers are generally used to capture the cost of a program, such as the Drainage Division that performs drainage repairs. Categories of Expense group similar expenses such as salary and benefits into a category called Personal Expense. Line Items are the most basic tracking method, such as Office Supplies.

Fund Type (examples)
General Fund
Special Revenue Fund
Enterprise Fund
Capital Improvement Fund

This is the highest level of budget organization. There are forty-nine different funds organized into eight types of funds.

Enterprise Type Funds
Stormwater Fund
Water & Sewer Utility Fund
Golf Course Fund

The City has three Enterprise Funds. Each operation tracks its own revenues and expenses as a separate business.

Stormwater Fund
Engineering Operations
Inspections – Engineering
Survey – Engineering
Drainage Division – Engineering
Greenbelt Maintenance – Engineering
General Gov't. – Hurricanes
Emergency Relief – Hurricanes
Keep PSL Beautiful – Engineering
Non-Departmental

Within the Stormwater Fund, there are ten cost centers each representing a different program.

Drainage Division
Personal Services
Operating Expense
Capital Outlay
Debt Service
Fund Transfer

Under each Cost Center, there could be five different expense categories being used.

Operating Expense
Gas and Oil
Travel
Office Supplies

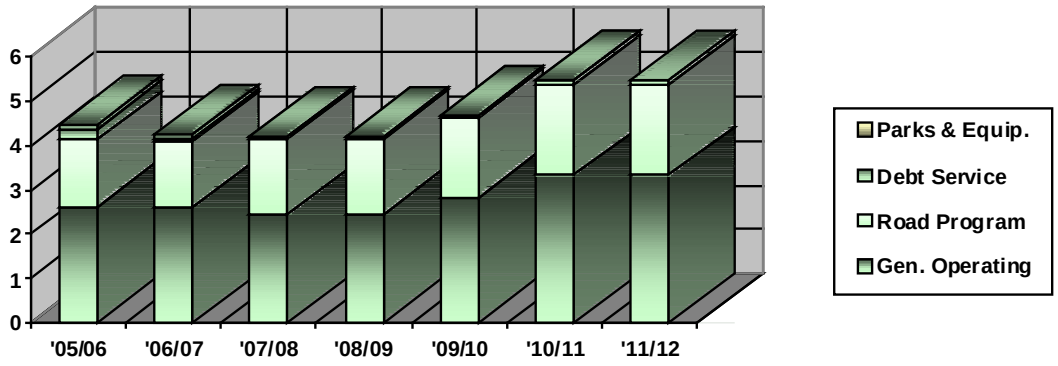
Within each category of expense, there are numerous individual line items.

CITY OF PORT ST. LUCIE BUDGET CALENDAR (2011)

Each year the Budget Director sends out a budget calendar to all department heads establishing a clear schedule of budget planning process events and important dates for the 2011-12 fiscal year development. Below represents the calendar of budget events for the City of Port St. Lucie:

Feb. 17 & 18	➢ City Council Retreat (Budget Direction).
March 12	➢ Start of Budget Season: memo & forms to departments.
March	➢ Conduct Budget Classes as needed.
April	➢ OMB prepares preliminary Revenue & Expenditure schedules. ➢ OMB prepares preliminary projections of Cash Carryforward. ➢ Department prepare their Operating Budget Requests. ➢ Departments develop their CIP requests.
April 30	➢ Departments submit operating Budget Requests to OMB.
May 14	➢ Departments submit CIP budget requests to OMB.
June 1	➢ OMB presents preliminary "Big Picture" of budget to Manager.
June	➢ Estimated Taxable Property Value is received from County Appraiser. ➢ OMB conducts budget reviews for adjustment as needed. ➢ Revenue estimates are further updated.
July	➢ Certified Taxable Value is received; budget and millage rate is updated. ➢ Notices are mailed for annual Street Lighting & Stormwater Fees (if needed).
July 21 & 22	➢ Council Workshops are held on City Manager Proposed Budget. ➢ Millage Rate and Public Hearings (date, time, location) are set for TRIM notices to citizens.
August	➢ Final adjustments and further workshops with the City Council needed.
August 8	➢ Public Hearing for Street Lighting & Stormwater Fee.
Sept. 20	➢ First Public Hearing (TRIM requirement) on Proposed Budget.
Sept. 26	➢ Second Public Hearing (TRIM requirement) and Final Adoption of Budget.

City of Port St. Lucie
Millage Rates



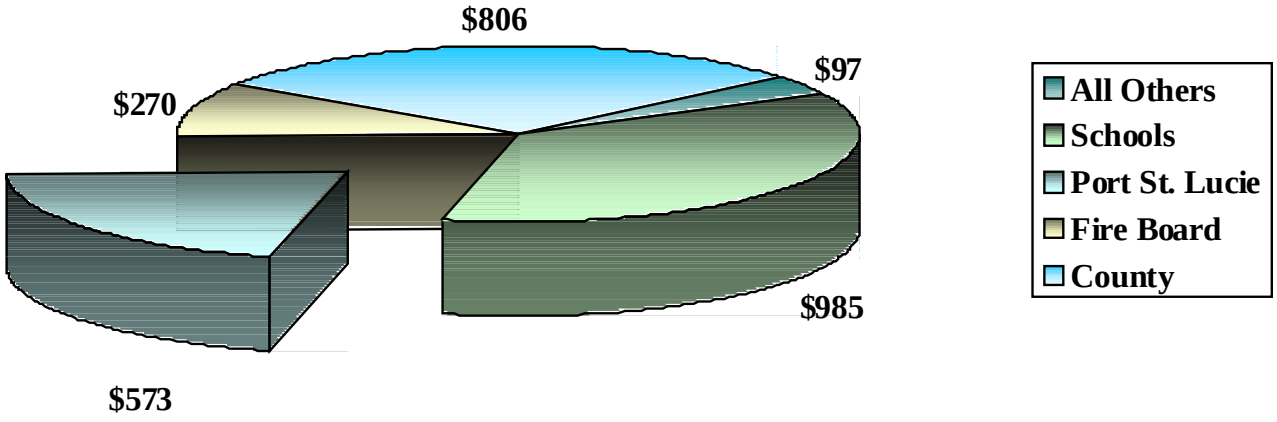
Fiscal Year	05-06	06-07	07-08	08-09	09-10	10-11	11-12
General Operating	2.6206	2.5978	2.4297	2.4297	2.8428	3.3233	3.4769
Road & Bridge Operating	0.2333	0.1833	0.2565	0.2565	0.3016	0.3526	0.3698
Road CIP Program	0.5000	0.5000	0.4676	0.4676	0.4676	0.5466	0.5710
Crosstown Parkway Debt Service Fund	1.0000	1.0000	1.0000	1.0000	1.0000	1.1625	1.2193
Debt Service	0.2450	0.0678	0.0634	0.0634	0.0746	0.0873	0.0919
General CIP	0.0910	0.0910	0.0000	0.0000	0.0000	0.0000	0.0000
Total Millage Rates	4.6899	4.4399	4.2172	4.2172	4.6866	5.4723	5.7289

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 Tax 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 of the early years in this chart, the tax rate was decreased due to the strong increase in taxable value which raised the level of revenue. Now in recent years, the opposite is happening. Taxable value is falling so in order to offset that downward force on the revenue, the Council has raised the tax rate three times.

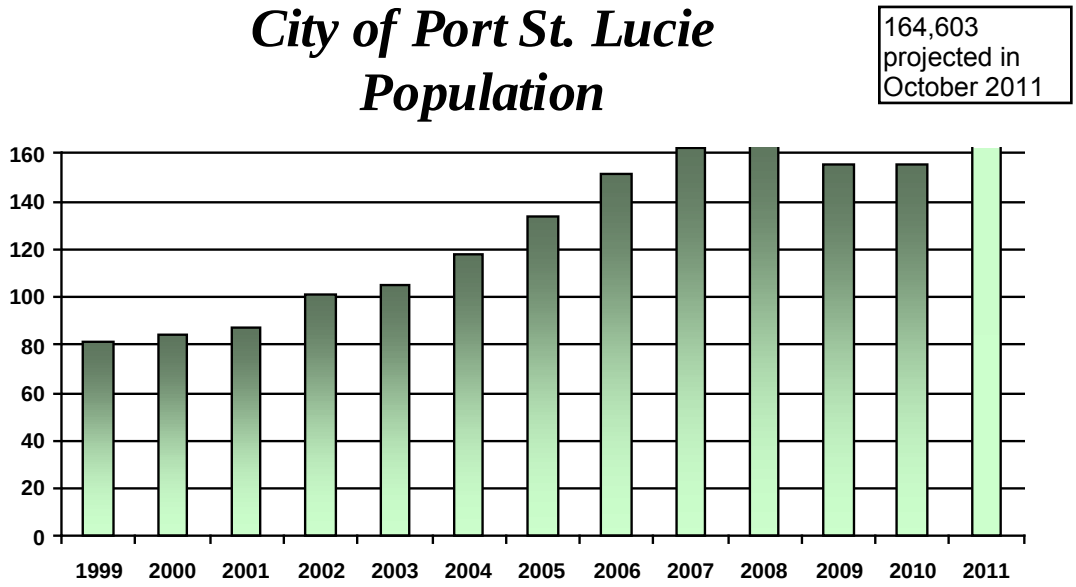
The total recommended millage rate is 5.7289 which is .2566 greater than 10-11 millage rate. This is the "True" Rolled Back Rate, which is the rate that will achieve the equal level of revenue as the prior year.

City of Port St. Lucie Breakdown of Tax Bill based on $150,000 Valuation



With the $50,000 Homestead exemption, the Total Tax Bill=$2,731

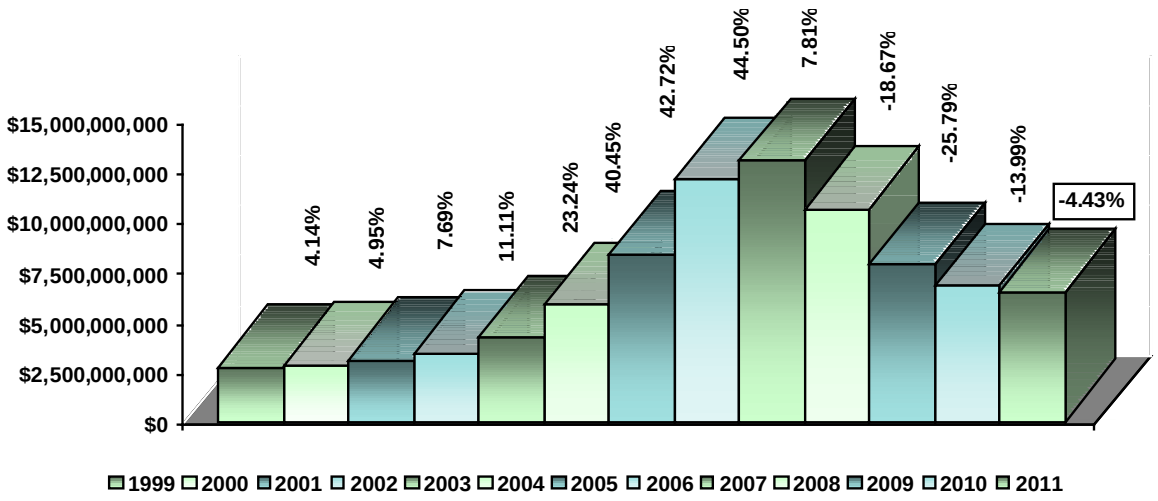
This graph is helpful in understanding the breakdown and distribution of a typical Ad Valorem Property Tax bill in the City of Port St. Lucie. In this example, a home with a taxable value of $150,000 that qualifies for the $50,000 homestead exemption as a primary residence will pay a total property tax bill of $2,731. This chart is used as an example to show the distribution of where the tax dollars are used. The sometimes surprising point of interest for the local citizens is that only 21% of their tax bill, $573 in this example, remains in their local municipal budget. The largest portion of a tax bill goes to the School Board ($985, 36%) and the County Government ($806, 30%).



This population chart again shows the strong growth pattern experienced by the City of Port St. Lucie. Having been incorporated in 1961, our population was only 330 in 1970. However, our population was estimated to be 101 thousand in June 2002 and is now estimated at 164,603 thousand as of October of 2011. A nnual increases had been averaging approximately 3,000. However, the growth pattern exceeded that trend between 2003 a nd 2007 as tremendous numbers of new homes were constructed. Port St. Lucie often was listed as one of the fastest growing cities in the nation. This level of growth in past years is 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.

Since 2007, the number of new home permits has dropped which has caused a slower growth rate for the City. And along with the slower growth rate, the number of homes for sale climbed due to foreclosures. This activity lead to a slight decline in the population estimate. This real estate activity has then driven down the taxable value in the City which greatly impacts the City's budget. The general economy has suffered during this same time periods which has negatively impacted other revenues of the City.

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. B eginning in 2002, the rate of growth began climbing and then for three years, the increase exceeded 40%. 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. T he majority of the valuation increase in those three years was due to the strong real estate market. This serves to increase the Ad Valorem Tax Revenues of the City in direct proportion.

The budget is based on the certified taxable value of $6,458,614,299 which is 4.43% less than the prior year. This value is almost down to the same level the City experienced in 2004.

Amendment One, which passed in January 2008, allows for an additional $25,000 i n Homestead Exemption ($50,000 total) and contributing toward this trend in taxable value. Combined with the real estate market suffering a huge drop in market value in recent years, the taxable value has taken a real dive.

There is indication that perhaps the real estate market has bottomed out. F or the purpose of future financial projections, the City is projecting flat taxable value. Perhaps at some point, a slight upward trend will show up.

City of Port St. Lucie
Schedule of Ten Largest Taxpayers
2010 Tax Roll

	Taxpayer	Type of Business	Total Valuation	%
1	Florida Power and Light Co.	Electric Utility	$ 83,674,514	1.24
2	Wal-Mart & Sam's Stores East Inc.	Retail Merchandising	73,084,392	1.08
3	AT&T Communications	Communications	38,060,129	0.56
4	HCA Health Services of FL., Inc	Medical	37,594,525	0.56
5	St. Lucie Land LTD	Land Development	34,553,600	0.51
6	Sandpipers Resort Prop. Inc.	Resort Hotel	30,678,475	0.45
7	Inland Diversified PSL Landing	Land Development	29,231,340	.043
8	Liberty Medical Supply Inc.	Medical	26,792,798	0.40
9	Floridian Golf Resort LLC.	Land Development	22,215,711	0.33
10	Benderson Development Co. Inc.	Land Development	19,569,800	0.29

Total Taxable Assessed Value of 10 Largest Taxpayers	$395,455,284	5.85
Total Taxable Assessed Value of Other Taxpayers	6,348,045,793	94.15
Total Taxable Assessed Value of All Taxpayers	$ 6,743,501,077	100.00

Source: St. Lucie County Property Appraiser, St. Lucie Tax Collector, City of Port St. Lucie Finance Department and GIS Department
Note: Tax Roll Year is January 1 to December 31.

The above table lists the ten largest taxpayers in Port St. Lucie taken from the 2010 tax roll. Four of these taxpayers are real estate development firms in the City, which is further indication of the growth potential of the City. Not that many years ago, the largest property owner was General Development Corp. at over six percent of the City total. T his was the original developer of the City and tended to give the appearance of a "co mpany town". A s this company reduced their inventory of land through sales, property ownership became more diversified.

This trend of distributing property ownership is exhibited as the top ten taxpayers represent less of the total assessed value each year. The top ten taxpayers from the 1993 tax roll held over ten percent of the total while the latest listing has only 5.85% represented by the top ten taxpayers.

BUDGET SUMMARY

FUND BALANCE SUMMARY

The following spreadsheet summarizes the budgeted revenues, expenditures and fund balances for the City of Port St. Lucie, grouped by fund type. Audited ending fund balances at September 30, 2010 are combined with the estimated revenues and expenditures for FY 2010-11 to arrive at expected opening fund balances for October 1, 2011, the first day of the new budget year. Where a confident projection is available, it is the policy of the City to use this as a funding source, called budgeted cash carryforward.

A policy of full disclosure of all funds requires inclusion of the total projected fund balance. This revenue source first funds the four percent contingency in each operating fund, which is allowed by the City Council Financial Policy. Any fund balance above the allowed contingency will fund operations in the new budget year. Having a fund balance to use as cash carryforward to start a new budget year has proven extremely helpful financially. The City's largest revenues, Ad Valorem Taxes and Stormwater Fees, do not start strong collections until the third or fourth month of the budget year.

Fund balances exist as a result of cost containment efforts on behalf of the City staff and/or revenues collected greater than budgeted. Savings on large capital projects as well as incomplete capital projects can occasionally generate significant fund balances to be used as cash carryforward. When the annual audit confirms any additional available fund balances, the approved budgets and their programs can be adjusted if required or the City Council may choose to address an unbudgeted project. A portion of the carryforward figure is the $37 million contingency fund for the Utility Operations that was set aside for rate stabilization.

The projected ending Fund Balances are budgeted to be $17 million (17%) greater than the prior year. The largest reasons for the increase in fund balance is in the CIP funds where the City had reserved funds for future projects such as the different road segments in the Crosstown Parkway CIP Fund and reserving funds for future debt. The beginning balances are $10 million less than the prior year. The City Council approved a 4% Financial Contingency in the numerous operating funds plus any operational savings will always generate a yearend balance plus the sizable Utility contingency previously noted.

TOTAL BUDGET TRENDS

REVENUE SUMMARY

The consolidated total of all budgeted Revenues and Balances Carried Forward is $4.7 million greater than the previous year. The increase is primarily in Taxes, Miscellaneous Revenue and Other Financing Sources. Special Revenue primarily increased due to budgeting the Special Assessment revenue to payoff the debt of the SADs. Cash Carryforward decreased due to bond revenues that had been set aside for projects completed in different segments in future years, which are now done. There is normal growth in the revenue base, such as the number of utility customers. Ad Valorem tax revenues increased due to the City Council adopting the "True" Rolled Back Rate of 5.7289. Utility Customers will receive a 3% rate increase.

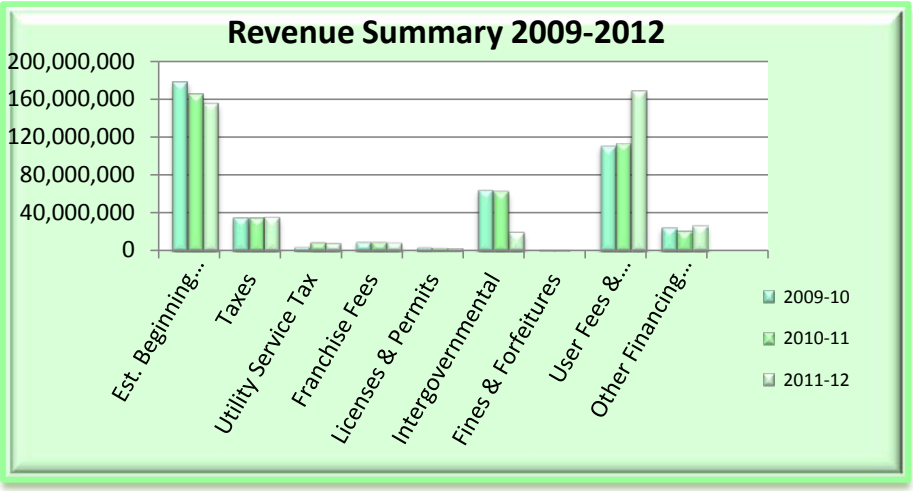
EXPENDITURE SUMMARY

Total budgeted expenditures are budgeted to decrease by $12.3 million (3.8%) when compared to the previous year. The decrease in expenditures is for the most part the result of the capital projects, specifically the EWIP Drainage project, staff reductions and cost containment. Personal Services decreased due to a reduction in staffing (18.39 FTE's) and Debt Service increased by $6.8 million because of increases in debt schedules and the 10-11 new debt for EWIP.

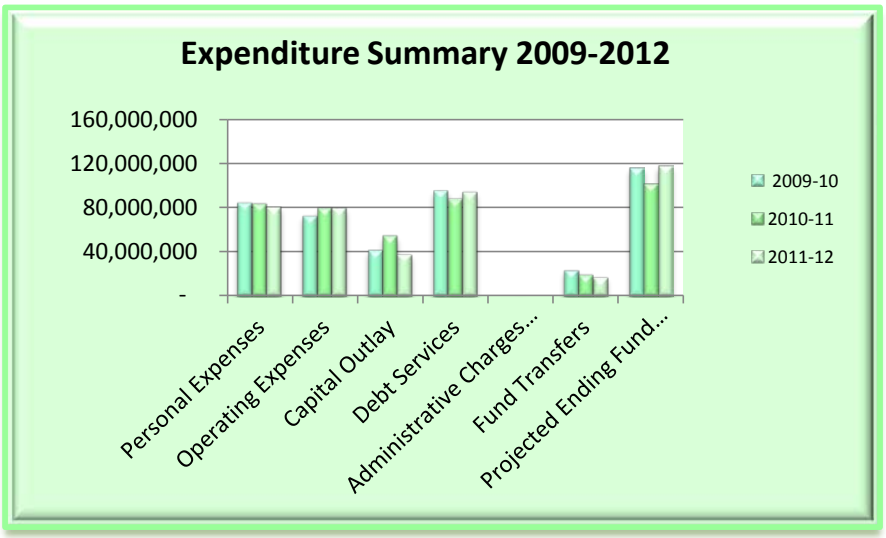
CITY OF PORT ST. LUCIE
SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES
FY 2011-12

	****** GOVERNMENTAL FUNDS ******			** PROPRIETY **						
		Special	Capital	** FUNDS **	Internal					
	General Fund	Revenue Funds	Project Funds	Enterprise Funds	Service Funds	Trust Funds	Totals 2011-12	Totals 2010-11	Increase <Decrease>	Percent Change
CASH BALANCES CARRYFORWARD:	$11,120,370	$35,708,351	$29,397,806	$70,926,243	$3,233,004	$4,756,951	$155,142,725	$165,485,864	($10,343,139)	-6.3%
(Projected Beginning Fund Balances - 10-1-11)										
REVENUES & SOURCES:										
Taxes	22,212,042	9,801,160	3,521,915	0	0	0	35,535,117	35,410,774	124,343	0.4%
Utility Service Tax	8,185,500	0	0	0	0	0	8,185,500	8,925,000	(739,500)	-8.3%
Franchise Fees	8,431,500	0	0	0	0	0	8,431,500	9,337,000	(905,500)	-9.7%
Licenses and Permits	707,181	2,508,400	0	0	0	0	3,215,581	3,312,033	(96,452)	-2.9%
Intergovernmental	6,898,592	8,209,039	4,833,688	0	0	0	19,941,319	62,863,533	(42,922,214)	-68.3%
Fines and Forfeitures	650,230	0	0	0	0	0	650,230	768,400	(118,170)	-15.4%
User Fees and Miscellaneous Revenues	10,748,268	36,594,594	0	85,404,072	16,503,478	18,660,665	167,911,077	113,662,493	54,248,584	47.7%
Other Financing Sources	0	11,034,945	7,995,455	7,672,142	0	0	26,702,542	21,212,607	5,489,935	25.9%
TOTAL REVENUES AND SOURCES	57,833,313	68,148,137	16,351,058	93,076,214	16,503,478	18,660,665	270,572,866	255,491,840	15,081,025	5.9%
TOTAL REVENUES AND BALANCES:	$68,953,683	$103,856,488	$45,748,864	$164,002,457	$19,736,482	$23,417,616	$425,715,591	$420,977,704	$4,737,886	1.1%
EXPENDITURES:										
Personal Services	$48,016,020	$7,014,953	$289,665	$25,262,768	$0	$0	$80,583,406	$82,754,167	($2,170,761)	-2.6%
Operating Expenses	11,770,876	12,266,761	1,812,784	22,572,289	14,178,606	17,084,829	79,686,145	78,792,467	893,678	1.1%
Capital Outlay	994,531	71,063	22,798,912	13,626,156	0	0	37,490,662	53,760,287	(16,269,625)	-30.3%
Debt Services	868,238	50,612,333	957,259	41,324,270	0	0	93,762,100	86,905,885	6,856,215	7.9%
Administrative Charges & Credits	(3,932,707)	734,987	573,264	2,624,456	0	0	0	(347,896)	347,896	-100.0%
Fund Transfers	2,653,066	54,675	8,299,111	5,376,040	0	350,000	16,732,892	18,709,176	(1,976,284)	-10.6%
TOTAL EXPENDITURES	60,370,024	70,754,771	34,730,995	110,785,979	14,178,606	17,434,829	308,255,205	320,574,086	(12,318,882)	-3.8%
BUDGETED RESERVES\CONTINGENCIES	8,583,659	33,101,717	11,017,869	53,216,478	5,557,876	5,982,787	117,460,386	100,403,618	17,056,768	17.0%
(Projected Ending Fund Balances - 9-30-12)										
TOTAL APPROPRIATED EXPENDITURES AND RESERVES	$68,953,683	$103,856,488	$45,748,864	$164,002,457	$19,736,482	$23,417,616	$425,715,591	$420,977,704	$4,737,886	1.1%

Revenue & Expense Trends



Revenues & Balances	Actual 2009-10	Budget 2010-11	Budget 2011-12
Est. Beginning Balances	178,521,489	165,485,864	155,142,725
Taxes	35,226,816	35,410,774	35,535,117
Utility Service Tax	3,901,500	8,925,000	8,185,500
Franchise Fees	9,324,500	9,337,000	8,431,500
Licenses & Permits	3,742,235	3,312,033	3,215,581
Intergovernmental	64,529,883	62,863,533	19,941,319
Fines & Forfeitures	768,500	768,400	650,230
User Fees & Miscellaneous Revenues	110,547,352	113,662,493	167,911,077
Other Financing Sources	24,513,398	21,212,607	26,702,542
Total Revenues & Balances	431,075,673	420,977,704	425,715,591



Est. Expenditures	Actual 2009-10	Budget 2010-11	Budget 2011-12
Personal Expenses	84,045,485	82,754,167	80,583,406
Operating Expenses	72,283,540	78,792,467	79,686,145
Capital Outlay	41,174,351	53,760,287	37,490,662
Debt Services	95,076,073	86,905,885	93,762,100
Administrative Charges & Credits	(179,540)	(347,896)	-
Fund Transfers	23,265,810	18,709,176	16,732,892
Projected Ending Fund Balances	115,409,954	100,403,618	117,460,386
Total Expenditures	431,075,673	420,977,704	425,715,591

The revenue budgeted for all funds for FY 2011-12 is $425,715,591. This figure includes interfund transfers and beginning balances. The approved budget is $4,737,887 greater than the actual revenue received during fiscal year 2010-11. The majority of this increase is due to fund balance, bond revenue, developer contributions and licenses and permit revenue received in prior years.

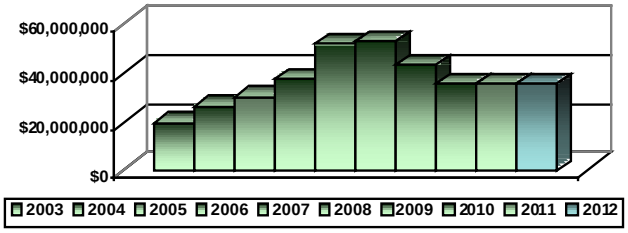
The following revenue categories represent over 75% of the City of Port St. Lucie's revenue sources. The City shall estimate its annual revenues by objective and analytical processes. The City shall maintain a diversified and stable revenue system to the extent provided by law to insulate it from short-run fluctuations in any one revenue source.

Revenues

Ad Valorem Taxes:

Description: Ad Valorem Taxes are taxes levied in proportion to the value of the property which it is levied. The City's millage rate is the tax rate charged against both residential and commercial properties within the City limits. All properties are assessed a tax bill by the County Tax Appraiser.

Ad Valorem Taxes Revenue Trends
10 Year Actual and Budgeted



Overview: The City's combined Millage rate is set at 5.7289 for fiscal year 2011-12, which is the "True" Rolled Back Rate, which is the rate that will achieve the equal level of revenue as the prior year**.** This is well below the state-imposed ten mill cap. The funds currently benefiting from Ad Valorem Tax Revenues are the General Fund (3.4769), Road and Bridge Operating Fund (0.3698), Road and Bridge Capital Improvement Fund (0.5710), Debt Service (0.0919) and the voter-approved debt service millage rate is (1.2193) for Crosstown Parkway Fund . Taxable Value decreased nearly $299 million. This represents a 4.43% decrease in Taxable Property Value over last year. This value is approximately the same level the City experienced in 2004.

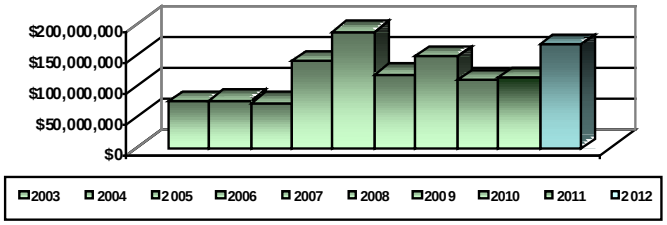
Outlook: In the past few years actual Ad Valorem results have met any preliminary budget projections made in the beginning of our budget cycle. For the purpose of future financial projections, the City is anticipating a stable taxable value figure.

Taxable Value increases were so strong in past years that it was not sustainable as there were concerns that the housing market was over valued. In 2006, 2007, 2008, 2009 and 2010 the real estate market changed greatly with the rate of sales slowing and the price level having leveled off.

Miscellaneous Revenues:

Description: Those revenues that are small in value and not individually categorized such as charges for services, interest, Special Assessment payment and contributions.

Miscellaneous Revenue Trends
10 Year Actual and Budgeted

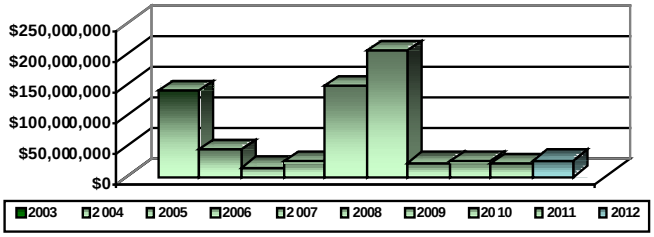


Outlook: Miscellaneous revenue varies from year to year thus making it difficult to depend on miscellaneous revenues to increase at the same growth rate as other revenues. An example of the fluctuation in revenue would be a one-time developer contribution toward a capital project that would not occur in future years.

Other Financing Sources:

Bonds: Bonds are a written promise, generally under seal, to pay a specified sum of money called the face value, at a fixed time in the future called the date of maturity and carrying interest at a fixed rate, usually payable periodically. The most common type of bonds is general obligation and revenue bonds which are most frequently used for construction of large capital projects. Throughout the years the City has obtained these two types of bonds to expand water and sewer, roads and to build new City buildings due to the record breaking growth.

Other Financing Sources Revenue Trends
10 Year Actual and Budgeted



Interfund Transfers: Legally authorized transfer from a fund receiving revenue to the fund through which the resources are to be expended.

Overview: Other Financing sources comprises of two areas, which are Bond Proceeds and Interfund Transfers. Most of the CIP funds budgeted interfund transfers into operating funds or the Governmental Finance Fund to pay debt on past or current CIP projects.

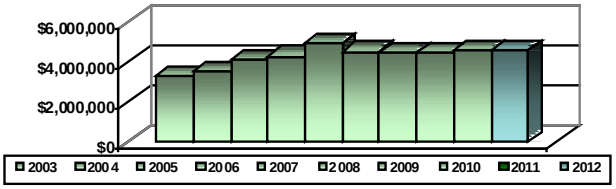
Outlook: There is no additional debt scheduled for FY 2011-12 fiscal year. Interfund transfers out of the Capital Improvement Funds into the Operating Funds will continue until debt is paid in full.

Local Option Gas Tax Revenue:

Description: Local Option Revenues resulting from an additional six cents local tax on gasoline sales in St. Lucie County. These collected revenues are shared with the County and the Cities of Fort Pierce and St. Lucie Village.

Overview: The largest single revenue for the Road and Bridge Operating Fund is the Local Option Gasoline Tax and is projected to be $4.6 million for next year. This single revenue has very little growth over four years and the projection for next year is projected to grow by 2%. The level of tax revenue is tied to the number of gallons sold.

Local Option Gas Tax Revenue Trends
10 Year Actual and Budgeted

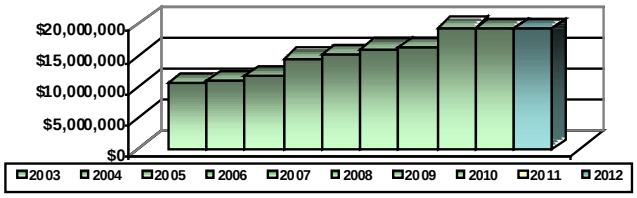


Outlook: For the 2011-12 fiscal year, Port St. Lucie will be allocated 62.1% of the total gas tax collected in the county as compared to 60.1% in 2010-11. The increase in percentage is based on the increase in the City's road projects in the CIP Funds. Between maintenance and road expansions, the City's percentage may be greater in future years based on our growth.

Stormwater Fee:

Description: The Stormwater Fee is an annual fee charged to all property owners for the purpose of constructing and maintaining the City's stormwater system.

Stormwater Fee Revenue Trends
10 Year Actual and Budgeted



Overview: The annual stormwater fee assessed to a residence will be $153.00 per residential unit in 2011-12. The annual stormwater fee is expected to generate $19.4 million. The only normal growth in the Stormwater Fee revenue occurs when a vacant lot is built on providing ±$38.00 per unit in additional revenue.

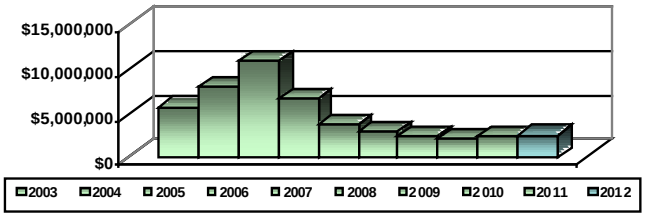
Outlook: City Council voted to increase the Stormwater Fee in Fiscal Year 2009-10 by an additional $20.00 raising the fee to $153.00; $5.00 for rising operational cost and $15.00 for the EWIP Project. The current revenue methodology produces very little growth without a rate increase. With the increasing costs for items such as the maintenance of the road right of way and the additional landscaping, this rate is required unless the level of service is allowed to drop. As the City expands its major roads to a four lane design with a median, the volume of landscaping to be maintained increases and the funding must be considered.

Building Permits:

Description: The Building Permit Fees are revenues derived from issuance of building permits prior to construction in the City of Port St. Lucie.

Overview: Building Permits Fees is directly driven by construction activity. New construction had been at record levels several years ago; however, with the recent slow down in construction revenue projections are down a great deal from previous years.

Building Permit Fee Revenue Trends
10 Year Actual and Budgeted



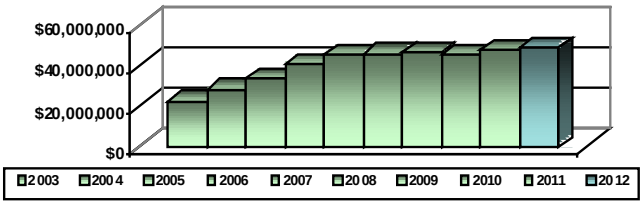
Outlook: With this revenue running at a relatively low level, this situation will be monitored in the future. The level of construction activity may have hit bottom and the hope is that the future will grow stronger as this industry is a major component to the local economy.

Utility Operating Revenues:

Description: Utility Operating Revenues are monthly revenues collected from users of the system.

Overview: The number of connections for both water and sewer had been exceeding the projections used in the Bond Official Statements in past years. Currently the number of connections is low as the housing industry is in a slump.

Utility Operating Revenue Trends
10 Year Actual and Budgeted



Outlook: This revenue will continue to grow based on the growth of the City (although slower than in the past) and a rate increase of 3% in FY2011-12. The new Connections Operating Revenues are budgeted to reach $1.3 million for FY2011-12. There is a projected cash carryforward source of funds next year of over $22.3 million between the two operating funds.

STAFF CHANGES

Staffing levels are set by the approved budget, which provides the funding for the approved listing of positions. Most operating budgets are a large percentage of salaries and benefits. Thus, the staffing level is a critical component of the budget. With the current financial issues, the City is taking steps to control costs which lead to reducing the staffing costs. The City is reducing these costs by freezing payrates and increasing the employee health insurance contribution. These items had to be negotiated with the six bargaining groups that represent the staff. In addition to these adjustments, the City has been reducing staffing.

The City of Port St. Lucie's adopted FY 2011-12 Budget allows for a staffing level of 964.50 FTE's (Full Time Equivalent). That is a net decrease of 18.39 FTE's.

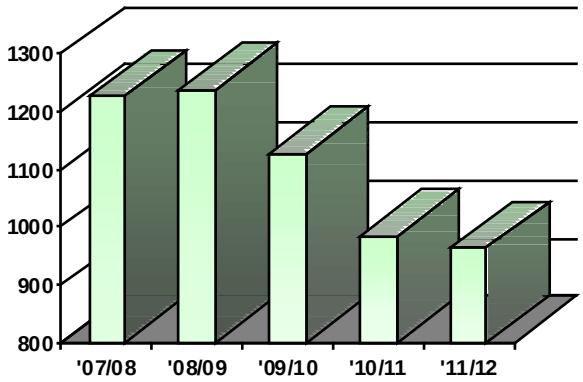
For budget purposes, staff positions are counted and measured using an FTE (Full Time Equivalent) basis. One FTE is a budgeted position that is scheduled for 80 work-hours in a two-week pay period. By gathering payroll data on the number of hours being paid during the year, the budgeted number of FTE's can be compared to the number of actual FTE's used. A monthly report tracks these variances and can identify vacancies, which represent savings, and also identify any over staffing that might accidentally occur.

There are two new positions being added in this budget. The two positions being added is an Assistant Finance Director which will eventually lead to replacing the Finance Director in the future and a permit specialist in the Building Department to help with the workload which is expected to increase over the next few years. Due to falling revenues in many areas of the City's budget, there have been many staff reductions over the past several years. In many cases, the departments were able to drop vacant positions and minimize actual layoffs. With the difficult financial position of the City, the Council suspended the Police Sworn staffing policy of 1.6 officers per thousand of population. Due to financial hardship, the police staffing was reduced by 34 to a new level of 206 officers in FY 2010-11. This will generate a staffing ratio of 1.25 officers per thousand of population for FY 2011-12.

The Utility Fund's Staff has been shifting from the Connection Fee Fund over to the Maintenance Operating Fund, thus no new positions are being added in 2011-12.

The following pages represent a listing of the total number of full-time and part-time positions approved along with the position title. Included is a summary listing of proposed FTE increases by fund and department. Positions are converted to full time equivalent with 80 hours per two week pay period equaling 1.0 FTE. This allows tracking of man-hours which controls salaries being paid.

City of Port St. Lucie Staff Changes



CITY OF PORT ST. LUCIE
SUMMARY OF BUDGETED POSITIONS
FY 2011-12

(FULL TIME EQUIVALENT)	PRIOR FY 2009-10	CURRENT FY 2010-11	PROPOSED FY 2011-12	INCREASE (DECREASE)
GENERAL FUND DEPARTMENTS	**********	**********	**********	**********
1100 CITY COUNCIL	2.25	1.75	1.75	0.00
1200 CITY MANAGER OFFICE	4.20	4.00	4.00	0.00
1210 CITY CLERK	11.00	9.00	9.00	0.00
1300 FINANCE	16.00	14.00	16.00	2.00
1310 HUMAN RESOURCES	11.63	9.00	8.00	-1.00
1311 COMMUNICATIONS	7.00	7.00	7.00	0.00
1312 COMMUNITY SERVICES	1.50	1.06	1.04	-0.02
1313 RISK MANAGEMENT	3.00	3.00	3.00	0.00
1320 INFORMATION SERVICES	20.00	17.00	16.00	-1.00
1330 OFFICE OF MANAGEMENT & BUDGET	12.13	11.00	11.00	0.00
1400 LEGAL COUNSEL	10.00	8.00	8.78	0.78
1500 PLANNING	10.00	9.00	8.80	-0.20
2105 PD-SERVICES BUREAU	37.50	34.00	34.00	0.00
2110 PD-ADMINISTRATIVE	11.00	9.00	9.00	0.00
2112 PD-SPECIAL INVESTIGATION UNIT	13.00	12.00	12.00	0.00
2115 PD-DETECTIVE	39.50	27.00	27.00	0.00
2123 PD-DOMESTIC VIOLENCE	1.00	1.00	1.00	0.00
2130 PD-OPERATIONS/PATROL	188.50	166.00	166.00	0.00
2134 PD-SCHOOL CROSSING GUARDS	24.30	22.88	15.47	-7.41
2135 CODE ENFORCEMENT	23.00	19.00	18.00	-1.00
2136 OCCUPATIONAL LICENSES	6.75	5.75	5.75	0.00
2140 PD-SERVICE AID	20.00	12.00	12.00	0.00
4135 BUILDING MAINTENANCE	12.00	11.00	11.00	0.00
4136 A/C MAINTENANCE - BLDG.	4.00	3.00	3.00	0.00
5100 SUMMER YOUTH PROGRAM	1.08	1.08	1.08	0.00
6200 ANIMAL CONTROL	16.00	14.00	13.00	-1.00
7200 RECREATION	13.69	12.27	12.27	0.00
7201 AIROSO COMMUNITY CENTER	6.50	6.00	8.00	2.00
7202 GYMNASIUM	4.63	4.13	4.13	0.00
7203 RAVENSWOOD	1.50	0.00	0.00	0.00
7205 PARKS & REC. ADMINISTRATION	10.13	9.63	6.63	-3.00
7210 PARKS	49.25	35.00	36.00	1.00
7215 BOTANICAL GARDENS	1.00	1.00	1.00	0.00
7235 TURF MAINTENANCE	7.30	7.30	7.30	0.00
7500 CIVIC CENTER - ADMINISTRATION	37.25	30.44	3.00	-27.44
7501 CIVIC CENTER - MAINTENANCE	0.00	0.00	13.13	13.13
7502 CIVIC CENTER - FITNESS CENTER	0.00	5.00	5.25	0.25
7503 CIVIC CENTER - RECREATION	0.00	0.00	8.88	8.88
7504 CIVIC CENTER - HOSPITALITY	5.00	0.00	5.75	5.75
FUND TOTAL	642.58	542.28	534.01	-8.27
BUILDING DEPARTMENT				
2405 ADMINISTRATION	4.80	4.11	4.11	0.00
2410 LICENSING	5.00	5.00	5.00	0.00
2415 PERMITTING	3.00	3.80	4.80	1.00
2420 INSPECTIONS	15.00	12.69	12.69	0.00
2425 PLANS REVIEW	5.00	5.00	4.00	-1.00
FUND TOTAL	32.80	30.60	30.60	0.00

CITY OF PORT ST. LUCIE
SUMMARY OF BUDGETED POSITIONS
FY 2011-12

(FULL TIME EQUIVALENT)	PRIOR FY 2009-10	CURRENT FY 2010-11	PROPOSED FY 2011-12	INCREASE (DECREASE)
C.B.D.G. FUND -118				
5910	2.52	1.10	1.20	0.10
5911	0.00	0.00	0.00	0.00
FUND TOTAL	2.52	1.10	1.20	0.10
S.H.I.P. FUND -119				
5510	1.85	0.30	0.31	0.01
5540	0.00	0.26	0.00	-0.26
FUND TOTAL	1.85	0.56	0.31	-0.25
NSP FUND -116				
5500	0.00	0.98	0.98	0.00
5510	3.13	4.70	4.92	0.22
FUND TOTAL	3.13	5.68	5.90	0.22
NSP 3 -114	0.00	1.60	1.55	-0.05
FUND TOTAL	0.00	1.60	1.55	-0.05
ENGINEERING DEPARTMENT				
3900 KPSLB	2.75	2.75	2.75	0.00
4105 OPERATIONS-ENG.	3.00	3.50	3.00	-0.50
4106 OPERATIONS-ENG.	16.00	13.00	12.00	-1.00
4116 MAPPING & SURVEYING	7.00	7.00	7.00	0.00
4118 REGULATORY	6.00	5.00	5.00	0.00
4120 TRAFFIC SAFETY	9.00	6.00	0.00	-6.00
4121 TRAFFIC CONTROL/IMPRV.	12.50	11.50	16.50	5.00
4125 STREETS	13.00	11.00	11.00	0.00
4126 DRAINAGE	54.00	51.00	52.00	1.00
4127 GREENBELT/WATERWAY MAINT.	11.00	9.00	9.00	0.00
4129 CIP PROJECTS	12.50	10.50	10.50	0.00
DEPT. TOTAL	146.75	130.25	128.75	-1.50
ENGINEERING DEPARTMENT- NPDES				
4105 OPERATIONS-ENG.	1.00	0.50	0.00	-0.50
DEPT. TOTAL	1.00	0.50	0.00	-0.50
CROSSTOWN PARKWAY				
4105 OPERATIONS-ENG.	0.50	0.50	0.50	0.00
DEPT. TOTAL	0.50	0.50	0.50	0.00
BECKER ROAD WIDENING PROJECT				
4105 OPERATIONS-ENG.	0.50	0.50	0.00	-0.50
DEPT. TOTAL	0.50	0.50	0.00	-0.50
EWIP PROJECT				
4105 OPERATIONS-ENG.	0.00	0.00	0.25	0.25
DEPT. TOTAL	0.00	0.00	0.25	0.25
UTILITY DEPARTMENT				
1340 ADMINISTRATION	18.00	17.00	17.10	0.10
1345 ADMIN./FINANCE	9.00	9.00	9.00	0.00
1346 CUSTOMER SERVICE	24.00	27.00	27.00	0.00
1347 BILLING	7.00	7.00	7.00	0.00

CITY OF PORT ST. LUCIE
SUMMARY OF BUDGETED POSITIONS
FY 2011-12

(FULL TIME EQUIVALENT)		PRIOR FY 2009-10	CURRENT FY 2010-11	PROPOSED FY 2011-12	INCREASE (DECREASE)
1348	METER READERS	18.00	18.00	18.00	0.00
1349	CUSTOMER SERV./NEW CONNECTIONS	6.00	0.00	0.00	0.00
1350	TECH. SERVICES	8.50	6.50	6.50	0.00
1360	MAPPING	10.00	8.00	9.00	1.00
1370	LOCATES	6.00	0.00	0.00	0.00
1375	INSPECTORS	6.00	6.00	6.00	0.00
1380	LAB	7.00	7.00	7.00	0.00
3310	WATER SVS. - PLANT	13.00	13.00	13.00	0.00
3311	WATER SVS. - CROSS CONNECTION	6.00	5.00	5.00	0.00
3312	JEA WATER FACILITIES	6.00	6.00	6.00	0.00
3316	WATER DISTRIBUTION/PREVENTIVE MAIN	16.00	17.00	17.00	0.00
3345	WAREHOUSE	7.00	7.00	7.00	0.00
3360	MAINTENANCE	7.00	7.00	7.00	0.00
3370	INFLOW & INFILTRATION	9.00	8.00	8.00	0.00
3380	LIFTSTATIONS	13.00	11.00	11.00	0.00
3390	TELEMETRY & INSTRUMENTATION	13.00	13.00	13.00	0.00
3510	SP WASTEWATER PLANT	4.00	0.00	0.00	0.00
3512	WP WASTEWATER PLANT	7.00	9.00	8.00	-1.00
3513	GLADES WWTP	10.00	10.00	10.00	0.00
3516	WASTEWATER COLLECTIONS/PRE. MAINT.	20.00	21.00	21.00	0.00
3560	WASTEWATER MAINTENANCE	5.00	5.00	5.00	0.00
	FUND TOTAL	255.50	237.50	237.60	0.10
UTILITIES /CONNECTIONS					
1355	UTILITY ENGINEERING	5.50	4.50	4.50	0.00
3315	WATER DISTRIBUTION	5.00	3.00	3.00	0.00
3515	WASTEWATER COLLECTION	6.00	5.00	5.00	0.00
	FUND TOTAL	16.50	12.50	12.50	0.00
RAVENSWOOD					
307	CONSTRUCTION DIVISION	2.00	2.00	2.00	0.00
	FUND TOTAL	2.00	2.00	2.00	0.00
GOLF COURSE					
7250	MAINTENANCE DIVISION	11.45	10.45	3.70	-6.75
7251	OPERATIONS DIVISION	8.88	6.88	5.63	-1.25
	FUND TOTAL	20.33	17.33	9.33	-8.00
COMMUNITY REDEVELOPMENT AGENCY					
5210	DOWNTOWN DEVELOPMENT	0.80	0.00	0.00	0.00
	FUND TOTAL	0.80	0.00	0.00	0.00
	CITY TOTAL	1,126.76	982.89	964.50	(18.39)

*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.

Long Term Debt

The following schedule's lists all long-term debt for the City of Port St. Lucie as of September 30, 2011. The City shall review its outstanding debt annually for the purpose of determining if the financial marketplace will afford the City the opportunity to refund an issue and lessen its debt service costs.

As the reader can see in the schedule, one of the largest portions of the City's long-term debt is associated with the Water & Sewer Utility. The City issued the 1997A series bonds to fund the original acquisition of the Utility plus improvements to the system such as a new Water Treatment plant and since then has refinanced to take advantage of the better market rates. There have been numerous additional bond issues to provide funding for expanding of the water and sewer facilities that were issued under Special Assessment Districts.

The total debt balance for the City decreased by $27.5 million during FY 2010-11. The decrease in debt is due to the payoff of several Water and Sewer Assessment bonds.

Budgeted, Proposed New Debt – There are no budgeted debt issues for FY 2011-12. The only capital facility that is budgeted (replacement Ravenswood recreation facility) is being cash funded.

Possible Future Debt Issues – The only forecasted future debt is the next series of debt for the overall Crosstown Parkway road project. The massive project was broken into segments and debt is being issued as needed. In FY 2014-15 and 2015-16, $71 million in new bond proceeds is shown in the CIP schedule.

Debt Limits - The City of Port St. Lucie is not under any legal limitation for the issuance of debt. The City Council did adopt the Debt policy that is part of the overall Administrative Financial Policy (see debt policy, administrative financial policies), which does give guidelines as to length of term and limit of general obligation debt.

Debt Policies

The city will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.

When the City finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the project.

The City will try to keep the average maturity of general obligation bonds at or below 15 years.

On all debt-financed projects, the City will attempt to make a down payment of at least 10 percent of total projects costs from current revenues.

Total debt service for general obligation debt will not exceed 15 percent of total annual locally generated operating revenue.

When possible, the City will use special assessment, revenue, or other self-support bonds instead of general obligation bonds.

The City will not use long-term debt for current operations.

The City will retire tax anticipation debt annually and will retire bond anticipations debt within six months after completion of the project.

The City will maintain good communications with bond rating agencies regarding its financial condition. The City

will follow a policy of full disclosure on every financial report and bond prospectus.

Long Term Debt Schedules

The Following schedules lists all the City's Long Term Debt along with a brief description of revenues pledged, annual installments, interest rates and the year the final debt payment will be made. The table is updated thru September 30, 2011 where as the narrative description of the various issues was only available thru September 30, 2010.

CITY OF PORT ST LUCIE, FLORIDA

UNAUDITED GENERAL & ENTERPRISE FUND LONG TERM DEBT AS OF SEPTEMBER 30, 2011

	DEBT	FUND	DEBT HOLDER	BALANCE 9/302010	NEW DEBT FY 2010/2011	PRINCIPAL PAYMENTS FY 10/11	INTEREST PAYMENTS FY 10/11	BALANCE 9/30/2011
11	USA 3&4 Assessm bnds,1998A	122/322	US BANK	14,245,000.00		14,245,000.00	385,291.67	-
1	LOGT Bonds, series 2000	104/304	BANK OF NEW YORK	1,520,000.00		1,520,000.00	74,480.00	-
12	S. Lennard Road SAD	150/350	US BANK	1,160,000.00		150,000.00	77,306.25	1,010,000.00
13	USA 5-6-7A SAD Bonds,series 2001D	124/324	US BANK	21,860,000.00		21,860,000.00	1,046,400.00	-
14	Riverpoint Dev.SAD Bonds,2002A & B	151/351	US BANK	4,225,000.00		540,000.00	189,595.83	3,685,000.00
15	Tesoro SAD BONDS, Series 2003 A & B	152/352	US BANK	18,615,000.00		1,500,000.00	851,550.00	17,115,000.00
3	Sales Tax Improvement Revenue Bonds 2003	104/314	WACHOVIA/FIRST UNION	15,635,000.00		620,000.00	735,037.50	15,015,000.00
16	Glassman SAD, Series 2003C	153/353	US BANK	5,920,000.00		570,000.00	389,137.50	5,350,000.00
17	East Lake Village Bonds, Series 2003D	154/354	US BANK	7,590,000.00		635,000.00	324,710.01	6,955,000.00
4	Certificate of Participation, 2004	108/308	US BANK	3,465,000.00		-	139,018.76	3,465,000.00
6	CRA Tax Increment Bonds 2004	175/375	US BANK	9,395,000.00		570,000.00	373,000.00	8,825,000.00
2	LOGT Bonds, series 2004	104/314	BANK OF NEW YORK	13,850,000.00		1,445,000.00	692,500.00	12,405,000.00
8	GO Bonds-1st installment, series 2005	214/314	US BANK	44,125,000.00	-	480,000.00	2,061,845.00	43,645,000.00
19	USA #9 SAD, series 2005B	125/325	US BANK	2,610,000.00	-	240,000.00	111,468.76	2,370,000.00
18	St Lucie Land Holding SAD, series 2005A	155/355	US BANK	15,905,000.00	-	950,000.00	663,959.61	14,955,000.00
9	GO Bonds-2nd installment-series 2006	214/314	US BANK	43,900,000.00	-	470,000.00	2,111,662.50	43,430,000.00
7	CRA Tax Increment Bonds 2006B	175/377	US BANK	45,750,000.00	-	750,000.00	2,132,718.75	45,000,000.00
20	Combined SADs (Lowry/Peacock) 2007A	158/358	US BANK	4,070,000.00	-	1,445,000.00	201,739.58	2,625,000.00
21	SW Annexation District 1 SAD Bonds,2007B	115/315	US BANK	155,840,000.00		5,000,000.00	7,594,425.00	150,840,000.00
10	2008 Sales Tax Rfnding Bonds	001	US BANK	4,915,000.00		30,000.00	184,212.50	4,885,000.00
22	2008 COP Refunding	159/359	US BANK	43,715,000.00	-	1,705,000.00	2,517,926.97	42,010,000.00
5	2008A City Center SAD Rfnding Bonds	156/356	US BANK	31,360,000.00		610,000.00	1,879,287.50	30,750,000.00
	2010 A&B Lease rev bonds-wyndcrest	142/342	TD BANK	39,900,000.00	-		1,979,380.42	39,900,000.00
	2011A USA3&4 Refunding SAD Bonds	122	US BANK		10,910,000.00			10,910,000.00
	2011B USA 5-6-7A Refunding SAD Bonds	124	US BANK		20,665,000.00			20,665,000.00
				$ 549,570,000.00	$ 31,575,000.00	$ 55,335,000.00	$ 26,716,654.11	$ 525,810,000.00
	Compensated Absences		Compensated Absences	6,937,189.06	-	-	-	6,937,189.06
	TOTAL GLTD			**$ 556,507,189.06**	**$ 31,575,000.00**	**$ 55,335,000.00**	**$ 26,716,654.11**	**$ 532,747,189.06**
23	Revenue Bonds, 2002 series	401	TD BANK	11,875,000.00	-	11,875,000.00	347,039.60	-
24	Revenue Bonds, 2010 A&B	401	TD BANK	36,000,000.00	-		2,610,024.00	36,000,000.00
	Refunding Revenue Bonds, 2011 series	401	TD BANK	-	11,325,000.00	-	-	11,325,000.00
				$ 47,875,000.00	$ 11,325,000.00	$ 11,875,000.00	$ 2,957,063.60	$ 47,325,000.00
	Compensated Absences	401	Compensated Absences	752,709.97	-			752,709.97
	TOTAL STORMWATER LTD			**$ 48,627,709.97**	**$ 11,325,000.00**	**$ 11,875,000.00**	**$ 2,957,063.60**	**$ 48,077,709.97**
	Compensated Absences		Compensated Absences	104,206.08	-			104,206.08
	TOTAL GOLF COURSE FUND LTD	421		**$ 104,206.08**	**$ -**	**$ -**	**$ -**	**$ 104,206.08**
25	Utility Revenue Bonds, series 2001	431	US BANK	6,848,965.70	-	1,330,689.60	829,310.40	5,518,276.10
26	Utility Revenue Bonds, series 2003	431/442	US BANK	19,160,000.00		745,000.00	841,087.50	18,415,000.00
27	Utility Revenue Bonds, series 2004	431/443	US BANK	27,615,000.00		670,000.00	1,312,665.00	26,945,000.00
28	Utility Rfunding Revenue Bonds, series 2004A	431	US BANK	51,645,000.00			2,561,593.75	51,645,000.00
29	Utility Revenue Bonds, Series 2006	431/445	US BANK	78,435,000.00			3,914,225.01	78,435,000.00
30	Utility Rfnding Revenue Bonds, Series 2006A	431	US BANK	34,967,229.70	-		1,220,475.00	34,967,229.70
31	Utility Rfnding Revenue Bonds, Series 2007	431/445	US BANK	116,000,000.00	-	480,000.00	5,968,487.50	115,520,000.00
32	Utility Rfnding Revenue Bonds, Series 2009			110,200,000.00	-		5,438,775.01	110,200,000.00
				$ 444,871,195.40	$ -	$ 3,225,689.60	$ 22,086,619.17	$ 441,645,505.80
	Compensated Absences		Compensated Absences	1,794,570.63	-			1,794,570.63
	TOTAL UTILITY LTD			**$ 446,665,766.03**	**$ -**	**$ 3,225,689.60**	**$ 22,086,619.17**	**$ 443,440,076.43**
	TOTAL LONG TERM DEBT			**$ 1,051,904,871.14**	**$ 42,900,000.00**	**$ 70,435,689.60**	**$ 51,760,336.88**	**$ 1,024,369,181.54**

Note: compensated absences have not yet been adjusted.

Governmental Activities Debt:

(1) $24,020,000 Local Option Gas Tax Improvement Revenue Bonds, Series 2000 – payable from and collateralized by a lien upon and pledge of the Local Option Gas Tax Revenues, due in annual principal installments currently outstanding of $1,520,000 plus interest semiannually of 4.90% through September 2011. Proceeds used for roadway widening, drainage improvements and street signals for various City streets.

(2) $19,100,000 Local Option Gas Tax Refunding and Improvement Revenue Bonds, Series 2004 –payable from and collateralized by a lien upon and pledge of the Local Option Gas Tax Revenues, on a parity with the Series 1996 bonds and the Series 2000 bonds, due in annual principal installments ranging from $1,445,000 to $3,430,000 plus interest semiannually at a rate of 5.0% through March 2015. Proceeds for the construction of a six-lane highway and bridge overpass plus refund outstanding bonds.

(3) $20,000,000 Sales Tax Improvement Revenue Bonds, Series 2003 – payable from and collateralized by a lien upon and pledge of the state shared Sales Tax Revenues, due in annual principal installments ranging from $620,000 to $2,115,000 plus interest ranging from 3.75% to 5.0% through September 2023. Proceeds used for roadway improvements.

(4) $5,860,000 Certificate of Participation, Florida Master Lease Project, Series 2004 (Public Buildings Project) – payable from the limited and special obligation of the City to make rent payments on the multiple public building subject to annual appropriation, due in annual principal installments ranging from $135,000 to $395,000 plus interest semiannually at a rate ranging from 3.375% to 4.25% through September 2023. Due to the early call of certain bonds, no principal is due until September 2013. Proceeds to finance construction of a police building, animal shelter, and administration complex.

(5) $45,600,000 Refunding Certificates of Participation, Series 2008) – payable from the limited and special obligation of the City to make rent payments on the multiple public building subject to annual appropriation, due in annual principal installments ranging from $1,705,000 to $3,865,000 plus interest semiannually at a rate ranging from 4.0% to 6.25% through September 2027. Proceeds were used to refund the $44,560,000 Certificates of Participation, Series 2007, which had to be issued for construction and improvements related to the medical research facility area of the City.

(6) $11,870,000 Redevelopment Trust Fund Revenue Bonds, Series 2004 – payable from and collateralized by a lien upon and pledge of the net tax increment revenues generated in the community Redevelopment Area, due in annual principal installments ranging from $570,000 to $915,000 plus interest semiannually at a rate ranging from 3.0% to 5.0% through January 2023. Proceeds to finance infrastructure improvements in the CRA.

(7) $46,450,000 Redevelopment Trust Fund Revenue Bonds, Series 2006 – payable from and collateralized by a lien upon and pledge of the net tax increment revenues generated in the Community Redevelopment Area, due in annual principal installments ranging from $750,000 to $6,285,000 plus interest semiannually at a rate ranging from 3.625% to 5.0% through January 2026. To finance property acquisition and construction related to the planned Civic Center to be located within the Community Redevelopment Area.

(8) $49,285,000 General Obligation Bonds, Series 2005 - due in annual principal installments ranging from $480,000 to $3,140,000 plus interest ranging from 3.4% to 5.0% through July 2035. To finance the construction of the Cross Town Parkway.

(9) $44,545,000 General Obligation Bonds, Series 2006 – due in annual principal installments ranging from $470,000 to $3,155,000 plus interest semiannually at a rate ranging from 4.0% to 5.0% through July 2035. To finance additional phase of Cross Town Parkway.

(10) $5,015,000 Sales Tax Refunding Bonds, Series 2008 – payable from and collateralized by a lien upon and a pledge of the state shared sales tax revenues, due in annual principal installments ranging from $30,000 to $955,000 plus interest ranging from 3.25% to 4.0% through September, 2017. Proceeds were used to refund the balance of the outstanding 1998 Sales Tax Refunding and Improvement Revenue Bonds.

Source: Finance Department's Annual 2010 CAFR

Special Assessment Debt with Government Commitment:

(11) 65,455,000 Special Assessment Bonds, Series 1998A (Utilities Service Area 3 & 4) - payable from assessments levied on subject properties within the service area, due in annual principal installments ranging from $190,000 to $4,915,000 plus at a rate of 5.0% through October 2018. Due to the early call of certain bonds, no principal payments are due until October 2015. The City has a secondary obligation to budget sufficient revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming payment.

(12) $3,545,000 Special Assessment Bonds, Series 2001A (South Lennard Road Special Assessment District) - payable from assessments levied on subject properties within the service area, due in annual principal installments ranging from $35,000 to $310,000 plus interest of 7.125% through September 2021. Due to the early call of certain bonds, no principal payments are due until September, 2017. The City has a secondary obligation to budget sufficient revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming payment.

(13) 54,390,000 Special Assessment Bonds, Series 2001D (Utilities Service Area 5,6 & 7A) – payable from assessments levied on subject properties within the service area, due in annual principal installments ranging from $815,000 to $3,945,000 plus interest ranging from 4.25% to 5.0% through September 2021. Due to the early call of certain bonds, no principal payments are due until September, 2015. The City has a secondary obligation to budget sufficient revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming payment.

(14) $15,600,000 Special Assessment District Bonds, Series 2002A – Tax Exempt; Series 2002B – Tax Exempt; Series 2002A – Taxable; Series 2002B – Taxable (River Point Special Assessment District) - payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from $125,000 to $595,000 plus interest ranging from 4.90% to 4.75% through January 2023. Due to the early call of certain bonds, no principal payments are due until January, 2015. The Series A – Tax Exempt and Taxable bonds carry a "due-on-sale" clause requiring the applicable amount of principal outstanding be paid when various encumbered properties are sold by the developer. The City has a secondary obligation to budget sufficient revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment. Proceeds are for infrastructure improvements.

(15) $49,355,000 Special Assessment Bonds, Series 2003A – Tax Exempt: Series 2003A – Taxable Series; Series 2003B – Tax Exempt (Tesoro Special Assessment District) - payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from $690,000 to $2,380,000 plus interest ranging from 4.50% to 4.75% through January 2023. Due to the early call of certain bonds, no principal payments are due until January, 2014. The Series A - Tax Exempt and Taxable bonds carry a "due-on-sale" clause requiring the applicable amount of principal outstanding is paid when various encumbered properties are sold by the developer. The City has a secondary obligation to budget sufficient revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment. Proceeds for infrastructure improvements in the SAD.

(16) $9,500,000 Special Assessment Bonds, Series 2003C (Glassman Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from $425,000 to $835,000 plus interest of 6.75% through July 2013. Due to the early call of certain bonds, no principal payments are due until July, 2013. The bonds carry a "due-on-sale" clause requiring the applicable amount of principal outstanding be paid when various encumbered properties are sold by the developer. The city has a secondary obligation to budget sufficient revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment.

(17) $10,350,000 Special Assessment Bonds, Series 2003D (East Lake Village Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from $465,000 to $775,000 plus interest ranging from 3.375% to 4.625% through July 2023. The bonds carry a "due-on-sale" clause requiring the applicable amount of principal outstanding be paid when various encumbered properties are sold by the developer. The city has a secondary obligation to budget sufficient revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment.

(18) $18,725,000 Special Assessment District Bonds, Series 2005A – (St. Lucie Land Holdings Special Assessment District) – payable from assessments levied on subject properties within the assessment area, due in annual principal installments ranging from $705,000 to $1,365,000 plus interest ranging from 3.25% to 4.625% through July 2027. Proceeds were used to finance a portion of the cost of acquisition and improvements of roadway and drainage system additions, improvements and extensions and the potable water distribution and wastewater collection system within the SAD.

(19) $4,765,000 Special Assessment District Bonds, Series 2005B – (Utility Service Area 9- Water and Wastewater Expansion Project) - payable fro assessments levied on subject properties within the service area, due in annual principal installments beginning in 2014, ranging from $240,000 to $345,000 plus interest ranging from 4.125% to 4.5% through July 2025. Due to

Source: Finance Department's Annual 2010 CAFR

the early call of certain bonds, no principal payments are due until July, 2015. Proceeds were used for water and wastewater system expansion within the SAD.

(20) $6,635,000 Combined Special Assessment District Bonds, Series 2007A – (Peacock and Lowry Special Assessment District – payable from and secured by a lien upon and pledge of the City's covenant to budget an appropriate non-ad valorem revenues sufficient to meet current debt service, due in annual principal installments ranging from $100,000 to $525,000 plus interest semiannually at a rate of 5.35% through July 2027. Due to the early call of certain bonds, no principal payments are due until July, 2014. Proceeds were used for the construction of roadway and drainage system additions, improvements and extensions and the potable water distribution and wastewater collection system within the SAD.

(21) $155,840,000 Combined Special Assessment District Bonds, Series 2007B – (Southwest Annexation Special Assessment District – payable from and secured by a lien upon Southwest pledged revenues, due in annual principal installments beginning in 2011, ranging from $2,450,000 to $9,735,000 plus interest semiannually ranging from 4.0% to 5.0% through July 2040. Proceeds used for the construction of roadway and drainage system additions, improvements and extensions and the potable water distribution and wastewater collection system within the SAD.

(22) $31,360,000 Special Assessment Refunding Bonds, Series 2008A – (City Center Special Assessment District – payable from and secured by a lien upon and pledge of the City's covenant to budget and appropriate non-ad valorem revenues sufficient to meet current debt service, due in annual principal installments beginning in 2011, ranging from $610,000 to $2,400,000 plus interest semiannually ranging from 3.5% to 6.5% through July 2035. Proceeds used to refund the $25,185,000 Special Assessment District Bonds, Series 2006A, which had been issued for the construction of roadway and drainage system additions, improvements and extensions and the potable water distribution and wastewater collection system within the city Center SAD.

Minimum payments of long-term debt service for each of the years subsequent to September 30, 2009 are:

September 30,	Total Principal	Total Interest	Total
2011	10,885,000	27,011,042	37,896,042
2012	14,870,000	26,551,577	41,421,577
2013	16,100,000	25,949,997	42,049,997
2014	17,960,000	25,244,680	43,204,680
2015	20,380,000	24,559,624	44,939,624
2016	25,745,000	23,506,628	49,251,628
2017	27,305,000	22,306,306	49,611,306
2018	29,210,000	20,970,021	50,180,021
2019	25,595,000	19,507,927	45,102,927
2020	27,145,000	18,197,508	45,342,508
2021	29,475,000	16,825,641	46,300,641
2022	25,825,000	15,328,524	41,153,524
2023	27,255,000	14,730,909	41,985,909
2024	22,150,000	12,724,979	34,874,979
2025	23,260,000	11,608,581	34,868,581
2026	24,070,000	10,442,690	34,512,690
2027	18,730,000	9,363,076	28,093,076
2028	13,650,000	8,363,612	22,013,612
2029	14,360,000	7,662,048	22,022,048
2030	15,110,000	6,919,676	22,029,676
2031	15,905,000	6,138,148	22,043,148
2032	13,965,000	5,315,152	19,280,152
2033	14,710,000	4,587,274	19,297,274
2034	15,475,000	3,834,526	19,309,526
2035	16,280,000	3,042,050	19,322,050
2036	7,970,000	2,207,750	10,177,750
2037	8,380,000	1,809,250	10,189,250
2038	8,810,000	1,390,250	10,200,250
2039	9,260,000	949,750	10,209,750
2040	9,735,000	486,750	10,221,750
	$549,570,000	$377,535,946	$927,105,946

Source: Finance Department's Annual 2010 CAFR

Business-Type Activity Debt:

The Stormwater Utility Revenue Bonds are collateralized by a lien upon and a pledge of the stormwater revenues derived from the operation of the stormwater utility system, the franchise revenues derived from the electric franchise fees collected from Florida Power & Light Company, and income earned on bond related investment accounts.

(23) $14,000,000 Stormwater Utility Revenue Bonds, Series 2002 – due in annual principal and sinking fund installments of $255,000 to $1,365,000, plus interest ranging from 3.75% - 5.25% through May 1, 2023.

(24) $36,000,000 Stormwater Utility Revenue Bonds, Taxable Series 2010 A & B – comprised of the Taxable Series 2010A (Build America Bonds – Direct Payment) for $26,895,000 and the Taxable Series 2010B (Recovery Zone Economic Development Bonds) – due in annual principal and sinking fund installments of $1,285,000 to $3,630,000, plus interest of 7.376% on Series A subject to a 35% subsidy and 6.516% and 7.176% on Series B subject to a 45% subsidy. Principal payments begin May, 2024.

Business-Type Activity Debt:

The Utility System Revenue Bonds are payable solely from and secured by a lien upon and pledge of the net revenues derived fro the operation of the water and sewer system and the Capital Facilities Charges (limited to the debt service component) of the Utility System.

(25) $52,654,418 Utility System Revenue Bonds, Series 2001 – due in annual principal installments of $970,704 to $1,330,689 plus interest semiannually ranging from 4.59% to 5.32% through September 2016; all remaining bonds are of the capital appreciation series.

(26) $61,431,495 Utility System Revenue Bonds, Series 2003 – due in annual principal installments of $745,000 to $3,675,000 plus interest semiannually ranging from 3.5% to 5.0% through September 2031.

(27) $29,165,000 Utility System Revenue Bonds, Series 2004 – due in annual principal installments of $670,000 to $1,890,000 plus interest semiannually ranging from 3.325% to 5.00% through September 2034.

(28) $51,645,000 Utility System Refunding Revenue Bonds, Series 2004A – due in annual principal installments of $495,000 to $12,155,000 plus interest semiannually ranging from 4.375% to 5.00% through September 2031. Principal payments begin September, 2017.

(29) $78,435,000 Utility System Revenue Bonds, Series 2006 – due in annual principal installments of $1,685,000 to $27,385,000 plus interest semiannually of ranging from 4.5% to 5.063% through September 2036. Principal payments begin September, 2012.

(30) $35,197,230 Utility System Refunding Revenue Bonds, Series 2006A – due in annual principal installments of $715,000 to $5,186,344 plus interest semiannually of ranging from 4.0% to 5.25% through September 2033. Principal payments begin September, 2017.

(31) $119,445,000 Utility System Refunding Revenue Bonds, Series 2007 – due in annual principal installments of $480,000 to $10,675,000 plus interest semiannually of ranging from 4.0% to 5.25% through September 2027.

(32) $110,200,000 Utility System Refunding Revenue Bonds, Series 2009 – due in annual principal installments beginning in 2013, ranging from $1,645,000 to $16,570,000 plus interest semiannually of ranging from 4.125% to 5.25% through September 2035.

Source: Finance Department's Annual 2010 CAFR

The annual requirements to amortize bonded debt and note payable as of September 30, 2010 follows:

September 30,	Total Principal	Total Interest	Total
2011	3,490,690	25,291,570	28,782,260
2012	5,338,458	25,294,453	30,632,911
2013	11,687,102	25,195,290	36,882,392
2014	12,515,671	24,814,058	37,329,729
2015	12,991,340	24,324,438	37,315,778
2016	13,430,703	23,792,274	37,222,977
2017	14,695,000	21,984,656	36,679,656
2018	15,415,000	21,247,833	36,662,833
2019	16,160,000	20,477,406	36,637,406
2020	16,905,000	19,666,796	36,571,796
2021	17,720,000	18,815,162	36,535,162
2022	18,580,000	17945,283	36,525,283
2023	19,450,000	17,043,111	36,493,111
2024	20,300,000	16,070,403	36,370,403
2025	21,305,000	15,028,302	36,333,302
2026	22,360,000	13,933,980	36,293,980
2027	25,105,000	12,775,161	37,880,161
2028	24,770,000	11,471,532	36,241,532
2029	25,885,000	10,216,440	36,101,440
2030	27,030,000	8,903,970	35,933,970
2031	28,405,000	7,522,163	35,927,163
2032	18,686,344	17,747,366	36,433,710
2033	14,050,887	17,255,352	31,306,239
2034	23,300,000	4,810,234	28,110,234
2035	22,700,000	3,563,371	26,263,371
2036	30,315,000	2,351,504	32,666,504
2037	3,145,000	749,032	3,894,032
2038	3,380,000	517,058	3,897,058
2039	3,630,000	267,748	3,897,748
	$492,746,195	$429,075,946	$921,822,141

Refunded Debt:

Refunding provides for an irrevocable deposit with an escrow agent of sufficient funds to pay principal, interest and, if applicable, call premiums, when due, on the refunded bonds to the earliest call date. Accordingly, these obligations are no longer considered a liability of the City. The city has the following debt issues which have been refunded.

Issue	S eries	Date Refunded	Outstanding as of Refund Date	9/30/2010
Stormwater Utility Bonds	1988	10/9/1990	13,770,000	3,000,000
Utility System Revenue Bonds	2001	9/29/2004	37,480,891	35,870,741
Utility System Revenue Bonds	2003	9/29/2004	7,355,000	5,140,000
Utility System Revenue Bonds	2003	12/14/2006	33,191,495	33,191,495
City Center Special Assessment District Bonds	2006A	12/3/2008	24,330,000	22,530,000
Utility System Revenue Bonds	1997A	5/22/2009	4,407,140	4,407,140

Derivative Disclosure – Interest Rate Swap:

Concurrently with the March 2007 issuance of Certificates of Participation ("COP"), the City entered into a Swap Agreement with Royal Bank of Canada ("Counterparty"). The notional amount of the 2007 COP Swap Agreement with the Counterparty originally was

Source: Finance Department's Annual 2010 CAFR

$44,560,000. Commencing on May 2, 2007, and monthly thereafter, the City pays a fixed rate of 3.678% and the Counterparty pays 80% LIBOR. The termination date is September 1, 2017, unless terminated earlier as provided in the Swap Agreement. Upon earlier termination, a payment may be owed by the City to the Counterparty, or the Counterparty may owe a payment to the City, depending upon the economic circumstances prevailing at the time of termination. As of September 30, 2010, the fair value of the 2007 Swap was $5,510,593 in favor of the Counterparty. This swap is classified as an investment derivative.
In fiscal year 2009, the City entered into another Swap Agreement with Royal Bank of Canada concurrently with the 2008 Refunding issue of the 2007 COP with a notional amount of $45,600,000. The 2007 Swap remained in effect, but its notional amount for both the 2007 and 2008 Refunding Swap. As of September 30, 2010, the notional amount for both the 2007 and 2008 Refunding Swaps was $43,715,000. For the 2008 Refunding Swap, the City pays the USD-SIFMA Municipal Swap Index (formerly the USD-BMA Municipal Swap Index), and the Counterparty pays a fixed rate of 3.527%. Previously, the City pay rate was based on USD-SIFMA Municipal Swap Index. The termination date is September 1, 2027, unless terminated earlier as provided in the Swap Agreement. Upon earlier termination, a payment may be owed by the City to the Counterparty, or the Counterparty to the City, depending on the economic circumstances prevailing at the time of the termination. As of September 30, 2010, the fair value of the 2008 Refunding Swap Agreement was $4,847,619 in favor of the City. The fair value was determined using a valuation model by an independent investment firm and used the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

Swap payments and associated debt – assuming interest rates remain the same at September 30, 2010 debt service requirements on the 2008 COP and interest rate swaps would be as follows:

	Fixed Rate		Interest Rate	Total
September 30,	Principal	Interest	Swaps, Net	Debt Service
2011	$1,705,000	$2,403,800	$ 325,587	$ 4,434,387
2012	1,770,000	2,335,600	337,999	4,443,599
2013	1,845,000	2,264,800	352,321	4,462,121
2014	1,935,000	2,172,550	369,508	4,477,058
2015	2,010,000	2,095,150	383,830	4,488,980
2016-2120	11,645,000	8,889,600	(23,132,756)	(2,598,156)
2021-2025	15,300,000	5,244,125	(49,717,962)	(29,173,837)
2026-2027	7,505,000	710,625	(24,387,798)	(16,172,173)

Source: Finance Department's Annual 2010 CAFR