

# *City of Port St. Lucie* *Annual Budget* *2013-2014*

*"The City for all Ages"*

*Adopted by the City Council*  
*September 23, 2013*

*Mayor*

JoAnn M. Faiella



*Vice Mayor*

Linda Bartz



*Councilwoman*

Michelle Lee Berger



*Councilwoman*

Shannon M. Martin



*Councilman*

Ron Bowen



*Interim City Manager*

*Jeffrey A. Bremer*

*Incorporated*

*April 27, 1961*

*Population*

*168,925*

*Prepared by:*

Office of Management and Budget

[www.cityofpsl.com](http://www.cityofpsl.com)

# *Listing of City Officials*

## ***ELECTED OFFICIALS***

JoAnn M. Faiella ..... Mayor  
Linda Bartz ..... Councilwoman, Vice Mayor  
Michelle Lee Berger ..... Councilwoman  
Shannon M. Martin..... Councilwoman  
Ron Bowen ..... Councilman

## ***APPOINTED OFFICIALS***

Jeffrey A. Bremer ..... Interim City Manager  
Roger G. Orr ..... City Attorney

## ***ADMINISTRATION***

Edwin M. Fry, Jr..... Finance Director/City Treasurer  
Jesus Merejo ..... Utility Systems Director  
Patricia Roebing ..... City Engineer  
Susan Williams ..... Director of Human Resources  
Renee' Major ..... Director of Risk Management  
Joel A. Dramis ..... Building Official  
Karen Phillips ..... City Clerk  
William Jones ..... Director of Management Information Systems  
David K. Pollard ..... Office of Management and Budget Director/Purchasing Agent  
Sherman Conrad ..... Parks and Recreation Director  
John Bolduc ..... Chief of Police  
Daniel Holbrook ..... Planning & Zoning Director  
Patricia Selmer..... Community Services Director  
Edward Cunningham ..... Communications Director



# CITY OF PORT ST. LUCIE



"A CITY FOR ALL AGES"

September 23, 2013

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

Pursuant to Section 4.04(g) of the City Charter, you are herewith submitted the adopted budget for the Fiscal Year (FY) 2013-2014. This submittal provides the administration's recommendations for the continuation of our current operations and level of services that our residents have, and will continue, to enjoy.

Before providing a brief overview of the particulars found within this submittal, I would like to take this opportunity to express my deepest appreciation to the staff for their exceptionally hard work, dedication and knowledge in crafting this document. I have been, and continue to be, impressed with their commitment towards excellence.

The adopted budget is recommended at \$548,215,846 and includes all operating and Capital Improvement Funds. The adopted budget does not call for a millage increase and is predicated on maintaining the current millage rate. As you will note on page one of Mr. Pollard's memorandum, the adopted budget represents an increase of \$69,913,894 over the approved budget for 2012-2013 and is mostly attributable to the Crosstown Parkway CIP Fund. This budget also maintains the current millage rate of 5.6289 and is more specifically detailed on page three of this submittal and on page 19 of Mr. Pollard's memo. From a staffing perspective, this budget submittal provides for a total of 972.48 full-time equivalent employees (FTE's), which is a .65 decrease from FY 2102-2013.

The upcoming FY 2013-2014 budget contains an element of optimism that has not been felt for the past five (5) years. This optimism, while guarded and fragile, is based on a number of positives. These positives are as follows:

- The first increase in taxable value (1.71%) since 2007.
- Increase in new single family housing permits as well as other general improvement permits.
- New businesses filling otherwise vacant facilities; (Bass Pro, Burlington Coat Factory, LA Fitness).
- A 33% increase in the median home price (\$90,000 last year - \$120,000 this year). Home prices are up, days on the market are down, and inventory is falling.
- 17 months of year over year median home price increases.
- Leadership and Strategic Planning, assisting in solidifying working relationships and the future direction for the City.
- The sale of the Rosser Police Sub-station to St. Lucie County for reuse as a library.

- The sale of Tradition Studio (Digital Domain).
- The purchase of the McCarty Ranch, over 3,000 acres for future water needs and recreational opportunities.
- Several viable large scale development projects on the march.
- The City continues to remain one of the safest cities in America.
- A knowledgeable, skilled and dedicated staff that continues to drive this City towards greatness.
- A true sense that we are on a path to better days!

While the above provides a true sense that we are emerging from the Great Recession, we should not assume that everything is great and wonderful. We should embrace the emerging trends with guarded optimism, as we believe we are still in a very fragile state of recovery that will likely see upward and downward swings over the next several years. For the City of Port St. Lucie there are several threats which, when combined, will cause us to deficit spend in our General Fund for the next several years. These threats are as follows:

- City Center Special Assessment District (SAD): The majority property owner has defaulted on paying their *annual* assessments which makes the City ultimately responsible. The annual amount of this assessment is approximately \$1.9 million. We consider this to be a high risk.
- Civic Center Community Redevelopment Agency (CRA): Currently, the City is utilizing MSTU Funds to cover the annual debt service. This will carry us forward until FY 2015-2016, at which time, the General Fund will need to provide \$1,089,850 and will increase to \$2,441,251 in FY 2016-2017. We consider this to be a high risk.
- Tradition Studio: While the sale of the facility has basically divested ourselves of this asset, the purchase price did not cover the total amount of debt that was issued for the design, construction, bonding costs, interest and equipment. The legacy costs for this investment will be approximately \$1.4 million for decades. Taking into consideration with the other items contained in this section, we consider this item to be contributory to the deficit spending trend for the next several years. The debt is known and consistent until 2041.
- Torrey Pines: While the Torrey Pines Institute for Molecular Studies is a shining crown in the City's focus on research, the City invested approximately \$40 million in construction and equipment for the facility. The repayment of the debt incurred was to be funded through Impact Fees. As we all know, the economy foiled this plan and the General Fund is currently providing \$2.1 million annually to cover the debt. We consider this to be a high risk.
- VGTI: The Vaccine & Gene Therapy Institute is another shining crown in our research arsenal. This facility was financed with conduit debt, with conduit essentially meaning "in partnership with the City". Any shortfall on debt service by VGTI would fall on the City. We consider this to be a low risk at this time as VGTI is meeting its obligation
- Southwest Annexation Special Assessment District (SAD): The SAD for this area funded roads, water and sewer infrastructure with annual assessment of

approximately \$11.3 million. We consider this to be a medium risk as property owners have paid these assessments and there are strong indications that development is on the horizon.

The above represents the majority of financial threats to the City of Port St. Lucie. All of the above threats, except Tradition Studios, became threats due to the effects of the Great Recession. All of them, except Tradition Studios, were, and are, great ideas and investments in the City. As the City moves forward with the next phase of development the envisioned funding mechanisms will become reality and lessen the negative impact on our financial picture. Until then, however, we will see a trend of deficit spending specifically associated with the above. It should be noted and stressed that without the above threats the City would be in an enviable position of financial security! This too shall come as the recovery continues!

#### Millage, Rate and Fees:

The millage rate for FY 2013-2014 is 5.6289, which is the same rate as FY 2012-2013. Of this amount, 3.4897 is applied to the General Fund; .3616 to the Road and Bridge Operating Fund; .5583 to the Road and Bridge Capital Improvement Fund, and; 1.2193 to the General Obligation Debt Service Fund which includes the Crosstown Parkway project.

The following fees are recommended for increase/decrease. Utility rates by 3% to compensate for increased debt service obligations; and a \$1 decrease in the annual street lighting assessment.

#### Staffing and Personnel:

The budget for FY 2013-2014 is set at 972.48 FTE's which is a .65 decrease from FY 2012-2013. This budget does contain assumptions for employee advancements in pay as well as increases in their contribution towards their health insurance. Overall, however, the employees will see a small net increase in their overall compensation. Given the fragile nature of our financial picture, it is my hope that the employees will realize this and on an interest based basis agree to two year contracts within the assumptions contained in this budget. This will allow all of us to see where we will be in 2015 and can with greater certainty gauge our growth factors. The assumed net increase in pay for the employees is a contributing factor to our deficit spending trends which should not go unnoticed by the employees and is not considered sustainable without continued growth in our taxable values.

So that we can begin to prepare for the next phase of the City's growth, each department has prepared a succession and growth plan. We are currently reviewing each plan and will incorporate it into our long term strategies. We are using the phrase "smart growth" in our personnel strategies to emphasize that growth in our employee family must be done carefully so as to not outstrip our resources. Also implied within our personnel strategies is the employment of technical enhancements that lessen the need for large increases in personnel as we face the next wave of growth. Technical enhancements are directly tied to on-line submittals of

applications, forms, permits, plans, etc. We are kicking these aspects into high gear and expect them to be in use by the end of the 2013-2014 fiscal year.

### Unmet Needs:

As we prepare for the next phase of growth it is important for us as a team to think about the needs of the community that are not being met. It is one thing to provide for a sustainable community within the parameters of budgetary reality, but looking forward we need to understand the needs that must be addressed that cannot be accomplished within the current budgetary scheme. We have termed these needs as "unmet needs". These needs will likely require "new money" to accomplish. They will also lend themselves for a discussion as a part of developing a new Strategic Plan for the City.

Each of the departments were asked to provide their top two (2) unmet needs. Listed below you will find a summary of their responses.

- Additional personnel as the City and the need for services grows.
- A more aggressive road resurfacing program.
- A more aggressive sidewalk installation program.
- Expanded recycling and litter program, single stream recycling.
- Funding for the development of additional parks and amenities.
- Additional security for the first floor of Building A, (staffing issue).
- Training funds as part of the succession plan.
- Larger facilities to accommodate additional staffing.
- Discussion as to the feasibility of having all Utility divisions fall under one leadership.
- Electronic plan/application/permit submittals, (e-business)
- Records storage facilities.
- Accepting credit cards on-line for all business transactions.

This list, of course, probably is not all encompassing but it does represent the initial thoughts of staff as to what they do see for their future and correspondingly for the residents of the City of Port St. Lucie. At a minimum it does provide the springboard for further discussion of the future development for the City. We are committed to continuing discussions of these and any additional unmet needs as they surface.

### Goals and Objectives:

To be sure, one of the primary goals of any community, including the City of Port St. Lucie, during the Great Recession was sustainability. Sustainability was defined as the continuation of the provision of existing services amidst falling property values and corresponding revenues. This coupled with increasing costs pushed many communities to the brink. For this City, we were able to scale back and sustain a level of service that is enviable. Therefore, while sustainability issues should always be on our radar, a greater degree of focus should be on what we want to look like in the future. Enter a newly crafted Strategic

Plan.

We are currently on track towards the development of a new Strategic Plan for the City. We have conducted the first phase of this plan through the Leadership, Governance and Teamwork Workshop facilitation that was lead by Mr. Lyle Sumek. The next phase is the development of the Strategic Plan. We have received information from Mr. Sumek on the development of the Strategic Plan and would anticipate this process commencing once the budgetary process for FY 2013-2014 has concluded. A solid plan for the future, as you are well aware of, will provide the focus and energy to bring this City to the greatness that it is on the verge of achieving. The future awaits!

As a final note to our goals, I would submit the following as accomplishments for the 2012-2013 fiscal year.

- The City maintained its status as one of the safest cities in America and reduced crime by 19.6%.
- Continue our award winning excellence receiving the Certificate of Excellence in Financial Reporting in the Financial Reporting category from the GFOA, 2013 Florida Recreation and Parks Association's Media Excellence Award in the Audio Visual Category, Readers Choice Award for the Saints Golf Course from Hometown News as the Best Public Golf Course, the Budget Award from GFOA for the 24th consecutive year and, two (2) National level and one (1) State level Procurement Awards from the National Institute of Governmental Purchasing, the National Procurement Institute and the Florida Association of Public Procurement Officials.
- The completion of the final 40,000 water meters to radio read technology and the change out orders for 40,000.
- Purchase of a new utility billing system software with a “go live” date of 2014, which will facilitate user friendly advantages.
- Improvement in our Worker’s Compensation rating, saving \$40,000 in contribution costs.
- Surpassed 100,000 total views on the City’s YouTube channel; surpassed 1,000,000 annual website site hits; recruitment of the Nickelodeon channel shoot at the Botanical Gardens that was presented to President Obama in the White House.
- Completed 1,779 written, verbal and e-mail requests for records; processed 87,320 outgoing mail and 174,640 incoming mail pieces. Completed the Eastern Watershed Improvement Project (EWIP). Increased code compliance caseload by 65% with a 25% reduction in staffing, increased nuisance abatement cases by 700%, increased code lien collections by 100%, reduced the number of e-mail complaints and telephone complaints to code compliance by 35%.
- Completed using CDBG funds, the SP-24 Liftstation, ADA compliance citywide, Civic Center electrical enhancements, and Rainer Lakes Drainage Improvements.
- Expanded the City Volunteer Program to more than 300 volunteers logging more

- than 57,000 hours with a savings of more than \$1,100,000 to the City.
- Partnered with Humana at the Civic Center which includes an annual \$25,000 donation, increased memberships by more than 175 through the Silver Sneakers program.
  - Added a fourth Parks Police Officer position.
  - Hired 10 new police officers, appointed two new Assistant Chiefs, promoted seven (7) sergeants and four lieutenants.
  - Offered on-line registration for the 2013 Summer Camp, expanded the Junior Basketball program to 100 teams with 900 participants, increased the Adult Softball League to 127 teams with 1,900 participants.
  - The City's VISA procurement card program achieved an annual rebate of \$275,543.
  - Planning and Zoning reviewed 385 business tax applications for zoning compliance, 212 sign applications, processed 156 land development applications, and 54 zoning compliance applications.
  - The Police Department received over \$483,000 in grant funding, \$239,226 in forfeiture funds, \$825,266 from the Department of Management Services as our share of casualty insurance premiums and \$50,711 for Merrill Lynch Consulting Services.
  - Completed the Westport Wastewater Treatment Facility expansion to 6 MGD capacity, replaced the SP-04 & SP42 Liftstations, resolved decades of long issues with the FPUA over service district issues and over 40 miles of water main replacements using in-house staff.
  - Human Resources created a "Pilot Wellness Program", a paperless application process with two lap-tops at City Hall for completing applications, assisted with contract negotiations, assisted with the implementation of an Employee Self Serve portal, provided a multitude of training programs for employees throughout the year and a first time Employee E-Newsletter.
  - Increased lien revenue collections by over 60%.
  - Processed 3,763 code & contractor liens & releases.
  - Creation of "The Business Buzz", a monthly newsletter to current and former businesses, created several new business training and workshop programs for new and existing business ventures.
  - Created an abandoned property registration program.
  - Built 5 new homes under the NSP program; purchased 5 foreclosed homes from lenders; rehabbed 4 houses with 4 underway, and sold 19 homes to new homeowners.
  - Provided for the maintenance and beautification of city owned medians and rights-of-way, sidewalks and stormwater ponds.
  - Began physical construction of the dog park at Lyngate Park.
  - Enhanced security system for Sportsman's Park.
  - Completed the Impact Fee study.
  - Installed SCADA systems on 4 stormwater structures.
  - Have brought the Crosstown Parkway project close to construction.
  - Completed the Fairgreen Road Extension project, widened Port St. Lucie

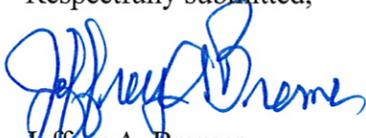
Boulevard, St. Lucie West resurfacing, multiple intersection signal and lighting improvements, paved 10 miles of two-lane roadway.

- Completed a multitude of sidewalk installation projects, installed 112,635 linear feet of swale liner.

The above does not provide a complete listing of the accomplishments provided by your staff, but it clearly shows that we continue to dedicate ourselves to maintaining, enhancing, improving and beautifying this awesome City. They should all be commended for their efforts.

Therefore, based on the above, the proposed budget for FY 2013-2014 is submitted for your review and consideration.

Respectfully submitted,



Jeffrey A. Bremer

## ***THE BUDGET DOCUMENT***

The City of Port St. Lucie's Budget Document for 2013-14 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 Insurance 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 designated 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.

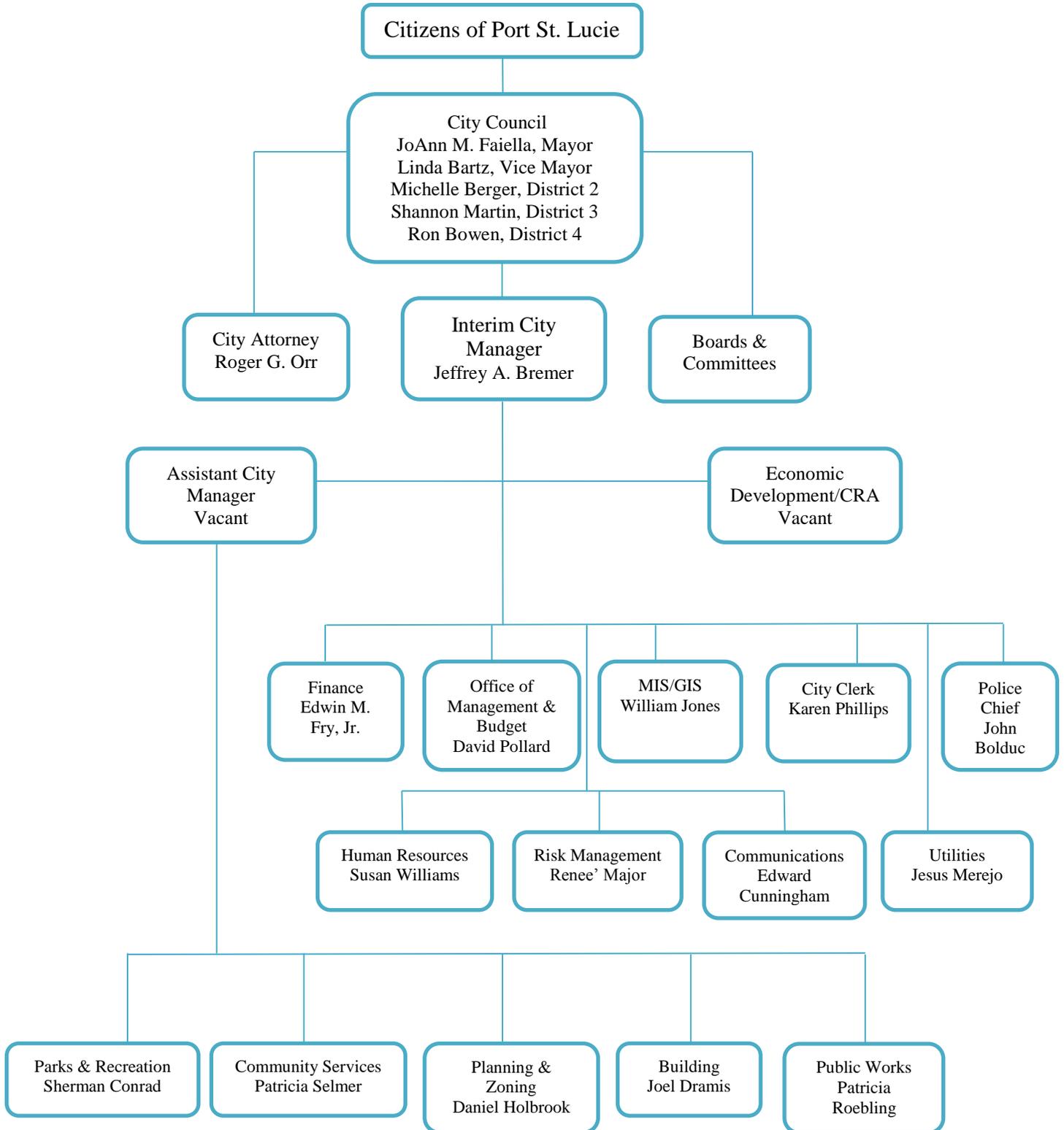
**Abbreviations & Acronyms** – This section lists abbreviations and acronyms used throughout the budget book and the related word.



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, 2012. 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.



## 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

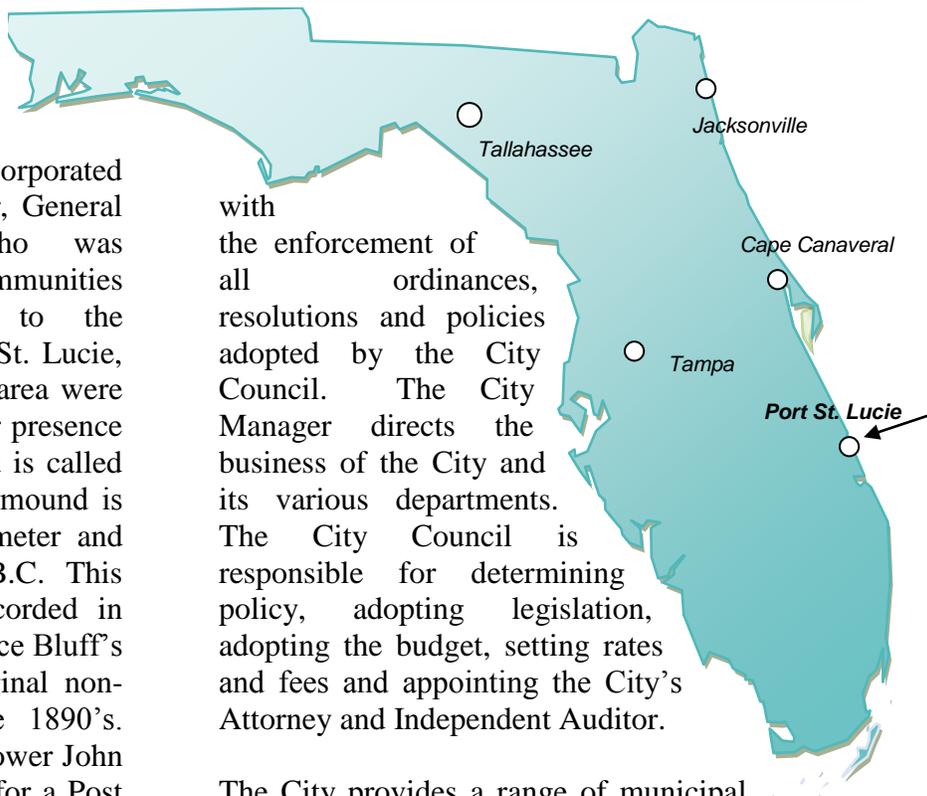
The City of Port St. Lucie was created under the Laws of Florida Act 61-2721 and has operated under a council/city manager form of government since 1976. The City Council appoints the City Manager who is the chief administrative officer of the City responsible to the City Council and charged

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 compliance, 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 50 miles north of the City of West 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



Sources: Finance Department CAFR.

The New Pioneers Historical Society

Economic Development Council of St. Lucie County ([http://www.youredc.com/html/major\\_employers.asp](http://www.youredc.com/html/major_employers.asp))

the St. Lucie inlet. With its Tropical South Florida environment, Port St. Lucie's average annual temperatures range from a high of 82 to a low of 65. Normal annual rainfall is 54 inches.

Month	Monthly Average Low	Monthly Average High	Rainfall (Inches)
<b>Jan.</b>	52	72	<b>2.35</b>
<b>Feb.</b>	54	74	<b>3.21</b>
<b>March</b>	58	77	<b>3.68</b>
<b>April</b>	62	80	<b>2.87</b>
<b>May</b>	69	85	<b>3.78</b>
<b>June</b>	73	88	<b>5.72</b>
<b>July</b>	74	90	<b>6.04</b>
<b>Aug.</b>	74	90	<b>7.49</b>
<b>Sept.</b>	74	88	<b>7.69</b>
<b>Oct.</b>	69	84	<b>5.42</b>
<b>Nov.</b>	62	79	<b>3.58</b>
<b>Dec.</b>	55	74	<b>2.13</b>
<b>Average</b>	<b>64.67</b>	<b>81.75</b>	<b>53.96</b>

With one hundred and fifteen square miles and a current population of 164,603 thousand in October 2013, only 72.5% 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 increased to 42.4 as the City has become known for affordable homes.

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 offers 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
- Santa Lucia River Club
- Tesoro Country Club (two courses)
- St. James Country Club
- Spanish Lakes Golf Village
- St. Lucie West Country Club

- ✓ New York Mets Spring Training Facility (Tradition 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

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

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 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. Indian River State College, Med Vance and Keiser Career College have facilities located within Port St. Lucie providing excellent higher education opportunities.



As of 2004 the City has a 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 was 188 units for fiscal year 2010-11 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

2012-13 Principal Employers (St. Lucie County)	
	# of Employees
St. Lucie County School Board	4,478
Lawnwood Regional Medical Center	1,350
Publix Supermarkets, Inc.	1,327
Florida Power and Light Co.	1,000
QVC St. Lucie, Inc.	994
City of Port St. Lucie	973
Liberty Healthcare Group, Inc.	920
St. Lucie Medical Center	850
Wal-Mart Distribution Center	667
St. Lucie County BOCC	669

As part of its long term economic development strategy, the City is engaged in diversifying and expanding its employment base. The City has had several early successes thanks to its partnerships with the State, SLC, the private sector and others, most notably the biotechnology cluster developing at the Tradition Center for Innovation (TCI). TCI features Torrey Pines, VGTI, Tradition Hospital and more.

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

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

and support staff at the facility. The goal is to have approximately 190 employees at their final build out phase.

The Vaccine and Gene Therapy Institute (VGTI Florida) opened its 100,000 square-foot research facility in Port St. Lucie on Feb. 29, 2012 in the Tradition Center for Innovation. The Institute works to develop vaccines and treatments for infectious diseases and cancer, and to boost immune response in aging populations. Situated next to the Torrey Pines Institute for Molecular Studies and a new Martin Health System hospital under construction, VGTI teams are searching for solutions to HIV and other

diseases, and work with partners such as the Moffitt Cancer Center and the University of Miami. VGTI Florida now has a team of research scientists from more than 20 nations who are working in Port St. Lucie to end some of the world's most serious illnesses.

Martin Memorial Health Systems received state approval for construction of an 80-bed hospital in Western Port St. Lucie and construction will be completed by early 2014. This hospital is located close to the biotechnology research corridor. Once the hospital opens, it will employ over 400. The hospital will be open in December 2013.

Sources: Finance Department CAFR.

The New Pioneers Historical Society

Economic Development Council of St. Lucie County ([http://www.youredc.com/html/major\\_employers.asp](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 SLC Fire District. 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 through the Council on Aging Agency.
- ✓ Continue working hand-in-hand with St. Lucie Transportation Planning Organization to develop long range planning for the roadways in the region.
- ✓ Continue to develop and promote tourism in St. Lucie County through the Tourist Development Council.
- ✓ 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 Board of Directors 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 2012-13 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*

<i>Workload</i>	<i>City Council Goals</i>	<i>Performance Indicators Police Department Employment Background Investigations</i>	<i>40</i>
	4.5	<i>Miles Patrolled</i>	1,968
	4.1, 4.4	<i>Average Call Duration(min.)</i>	31.00
<i>Efficiency</i>	4.1,4.2	<i>Emergency Response Time</i>	6.00
	4.1,4.2,4.4,4.5	<i>Administrative Complaints Received and Processed</i>	75
<i>Effectiveness</i>	4.5		

Goals	Objectives
1. Facilitate job creation, economic diversification and successful business opportunities	1.1 Obtain statistics from the EDC/Chamber on the creation of jobs and business recruitment on an annual basis. 1.2 Work with the EDC/Chamber to review and update the City's Economic Development element of the comprehensive plan. 1.3 Work with the EDC/Chamber to promote economic diversification of the City through advertisements and web media.
2. Promote, encourage and/or create diverse quality educational, cultural and recreational opportunities	2.1 Identify and present any potential unmet needs through contact with citizens, community leaders and city staff. 2.2 Regulate and guide all city guides and authorities. 2.3 Provide information on city services and programs that promote educational, cultural, recreational and economic opportunities, and nurture a sense of pride in the community. 2.4 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 2.5 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.
3. Create and facilitate broad transportation options	3.1 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 in the community.
4. Maintain a safe city status	4.1 Preventing crime is the Police Department's primary responsibility. 4.2 Aggressively pursues those who commit serious crime. 4.3 Effectively manage resources for optimal service delivery. 4.4 Provide a safe community. 4.5 Provide and achieve its greatest potential through the active participation of its employees in the development and implementation of policies and programs.
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 the customers. 8.2 Comprehensive updates of the Environmental Services.

## **BUDGET DEVELOPMENT AND OVERVIEW**

The Fiscal Year 2013-2014 Budget for the City of Port St. Lucie totaling \$548,215,846 was adopted on September 23, 2013. 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.

<b>2012-13 Adopted Budget</b>	
General Fund	\$82,726,024
Road & Bridge Fund	\$15,347,185
Stormwater Fund	\$34,899,117
Eastern Watershed CIP Fund	\$1,024,875
Building Fund	\$7,127,301
Utility Funds	\$137,440,456
Golf Course Fund	\$2,108,967
Special Revenue Funds	\$75,190,946
Capital Improvement Funds	\$148,234,485
Medical Insurance Fund	\$17,635,690
Trust Fund & Agency Fund	\$26,480,800
<b>Total Budget</b>	<b>\$548,215,846</b>

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 3.4897 mills which will generate \$21,414,448. The Road & Bridge fund and Stormwater fund are both tied to a revenue that has very limited growth. The Stormwater Fee will remain at \$153.00. In FY 2009-10, the rate was increased by \$20.00 to cover the annual debt on the Eastern Watershed Improvement Project (EWIP) plus a layer of inflation. The City's Utility Operating Fund was 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 and trying to stabilize their costs. The City is moving to radio read technology meters to keep operating costs down. Due to a jump in their annual debt service, the current rate study calls for 3% rate increase.

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. A Balanced Budget exists when available revenues and resources (fund balance) equals the budgeted appropriations and contingencies.

### ***City Council Budgetary Guidelines***

- 1) Operating Expenses - hold to 3% inflationary increase
- 2) Golf Course Fund - Subsidize Golf from General Fund – discontinued annual subsidy.
- 3) Millage Rate – General Fund millage is set at 3.4897.
- 4) Millage Rate – Crosstown Parkway CIP Voted Debt – 1.2193 Mill.
- 5) Millage Rate – CIP Projects millage is set at 0.5583.
- 6) Millage Rate – Road and Bridge Operating millage is set at 0.3616.
- 7) Stormwater Fee – No Increase (\$153.00)
- 8) Police Department Staffing - 1.60 officers per thousand of population – this component of Council policy is suspended.
- 9) Financial Contingency is set at fifteen percent – All Operating Funds, fifty percent for the Building Department Fund and seventeen percent is set for the Medical Insurance Fund

The City's Council Budgetary Policy calls for 1.6 sworn officers per 1,000 of population. However, with the recent budget struggles, the City Council suspended this component of their policy. And in FY 2009-10 and 2010-2011, Police Officer staffing was reduced by 50 positions to the FY 2011-12 level of 206 sworn

officers. This generated a staffing ratio of 1.25 officers per thousand of population. Following a significant reorganization of the Police Department in the spring of 2012 that allowed for an increase to the sworn staffing plus several additional officers funded by grants and the Parks & Recreation Department, the adopted sworn staffing level for FY 2013-14 is 224.50. This includes one additional officer for FY 2013-14 being funded by the savings in operating costs due

### ***Budgetary Structure***

The City's approved budget is accounted for through individual funds with various departments, which are further broken down into divisions. The 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 means of budgetary control. Any 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. This 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. Such 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. The 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 15 percent of the operating funds of the city.

#### ***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.

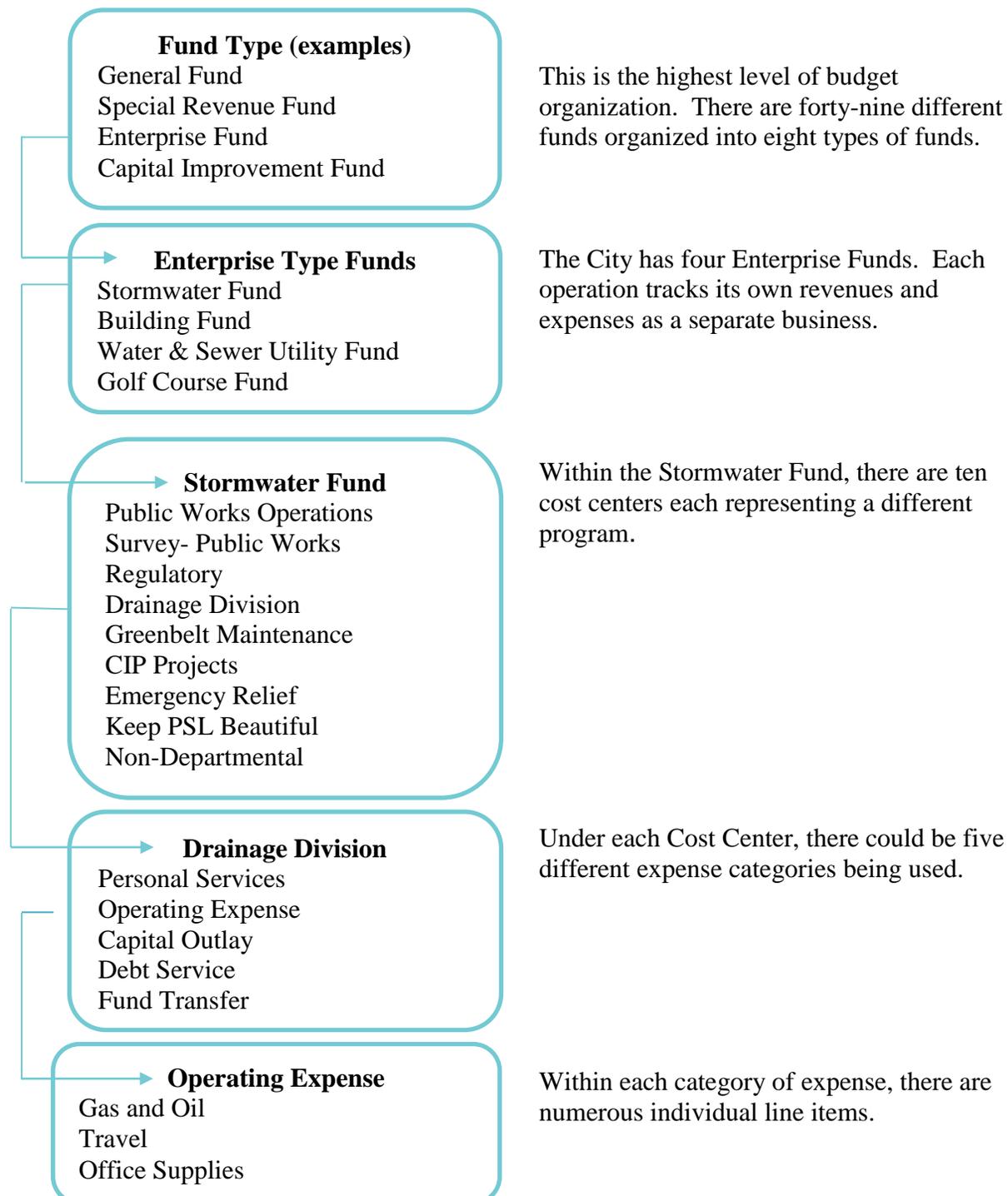
#### ***Accounting, Auditing, and Financial Reporting Policies***

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. Fund type is established by revenue and its purpose, such as Gas Tax for Road Programs. Cost centers are generally used to capture the cost of a program, such as the Drainage Division

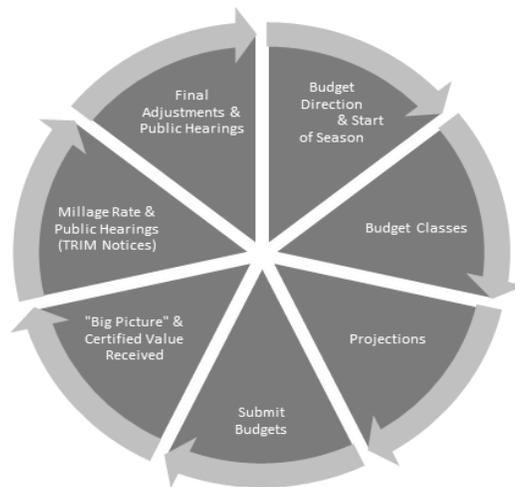
that performs drainage repairs. Categories of Expense group similar expenses such as salary and benefits into a category called Personal Expense. Line Items are the most basic tracking method, such as Office Supplies.



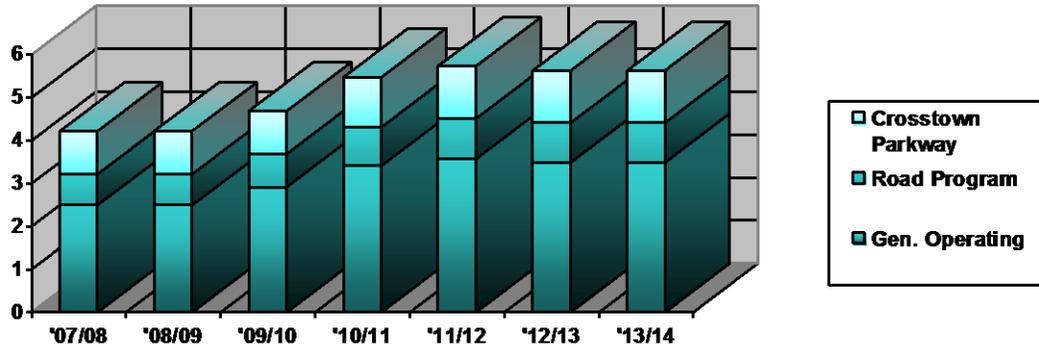
# CITY OF PORT ST. LUCIE BUDGET CALENDAR (2013)

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 2013-14 fiscal year development. Below represents the calendar of budget events for the City of Port St. Lucie:

- March 1 City Council Retreat (Budget Direction).**
- March 11 Start of Budget Season: Memo & forms to departments**
- March Conduct Budget Classes**
- April OMB prepares preliminary Revenue & Expenditure schedules.  
OMB prepares preliminary projections of Cash Carryforward.  
Departments prepare their Operating Budget Requests.  
Departments develop their CIP requests.**
- April 30 Departments submit operating Budget Requests to OMB.**
- May OMB loads budget requests for review.**
- May 15 Departments submit CIP budget requests to OMB.**
- June 1 Estimated Taxable Property Value is received from County Appraiser.**
- June OMB presents preliminary "Big Picture" of budget to Manager.  
OMB conducts budget reviews with departments for adjustment as needed.  
Revenue estimates are further updated.**
- July 1 Certified Taxable Value is received; budget and millage rate is updated.  
Final budget adjustments are made per City Manager direction.  
Notices are mailed for annual Street Lighting & Stormwater Fees (if needed).  
City Manager Budget Message is prepared.**
- July 19 & 20 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 26 Public Hearing (Council Mtg.) for Rates and Fees other than Millage Rate.**
- September 9 First Public Hearing (Trim requirement) and Final Adoption of Budget.**
- September 23 Second Public Hearing (TRIM requirement) and Final Adoption of Budget.**



## *City of Port St. Lucie Millage Rates*



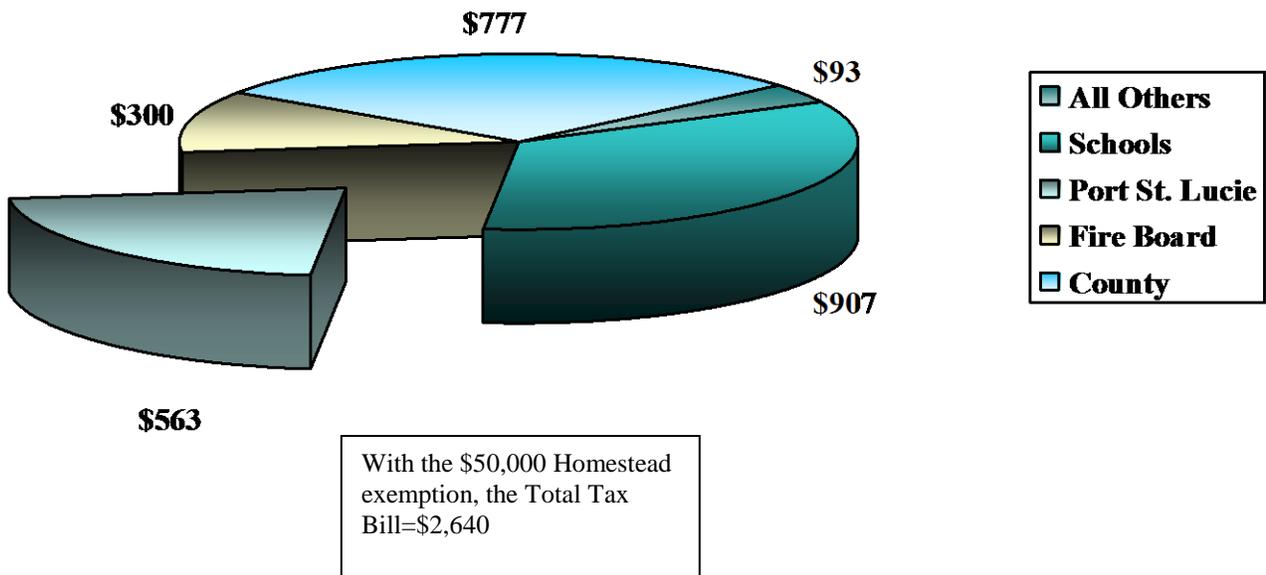
Fiscal Year	07-08	08-09	09-10	10-11	11-12	12-13	13-14
General Operating	2.4931	2.4931	2.9174	3.4106	3.5688	3.4897	3.4897
Road & Bridge Operating	0.2565	0.2565	0.3016	0.3526	0.3698	0.3616	0.3616
Road CIP Program	0.4676	0.4676	0.4676	0.5466	0.5710	0.5583	0.5583
Crosstown Parkway Debt Service Fund	1.0000	1.0000	1.0000	1.1625	1.2193	1.2193	1.2193
General CIP	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
<b>Total Millage Rates</b>	<b>4.2172</b>	<b>4.2172</b>	<b>4.6866</b>	<b>5.4723</b>	<b>5.7289</b>	<b>5.6289</b>	<b>5.6289</b>

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

For several 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. Then for three years, the opposite has happened. Taxable value was falling, so in order to offset that downward force on the revenue, the Council raised the tax rate three times. A small decrease of 0.1000 was adopted for FY 2012-13.

The total recommended millage rate for FY 2013-14 is 5.6289. It is important to note that even with the millage rate being higher than earlier years, the total revenue generated is reduced because of the impact of reduced taxable value.

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

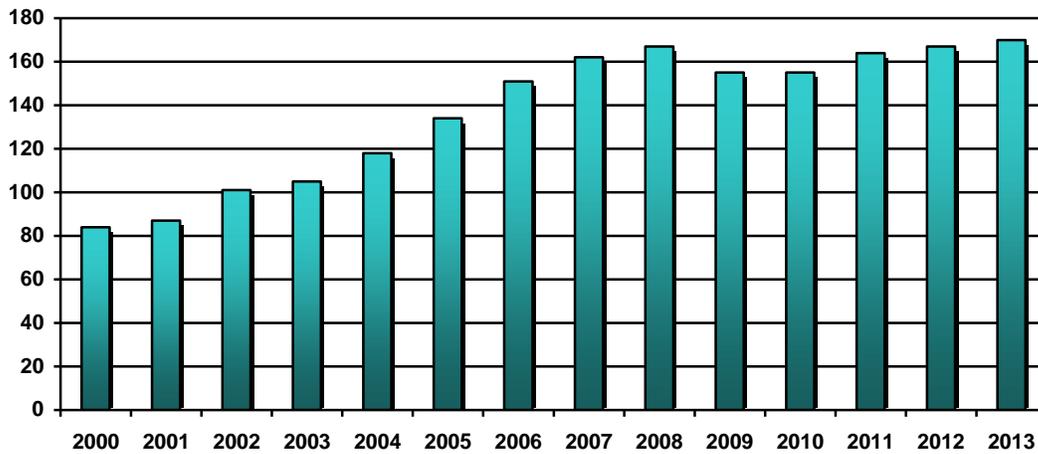


This graph is helpful in understanding the breakdown and distribution of a typical Ad Valorem Property Tax bill in the City of Port St. Lucie. In this example, a home with a taxable value of \$150,000 that qualifies for the \$50,000 homestead exemption as a primary residence will pay a total property tax bill of \$2,640. 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, \$563 in this example, remains in their local municipal budget. The largest portion of a tax bill goes to the School Board (\$907, 34%) and the County Government (\$777, 29%).

## *City of Port St. Lucie Population*

168,925  
 projected in  
 October 2013

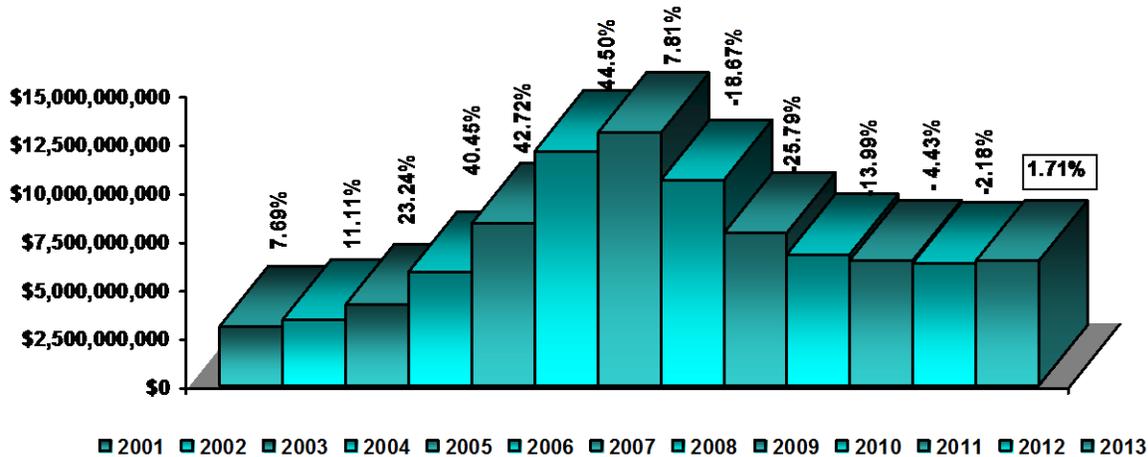


This population chart again shows the strong growth pattern experienced by the City of Port St. Lucie. Having been incorporated in 1961, our population was only 330 in 1970. However, our population is estimated to be at 168,925 thousand in October 2013. Annual increases had been averaging approximately 3,000. However, the growth pattern exceeded that trend between 2003 and 2007 as tremendous numbers of new homes were constructed. Port St. Lucie often was listed as one of the fastest growing cities in the nation. This level of growth in past years was the driving force behind the infrastructure needs of the city and also increasing levels of service. Over the years, the Parks and Recreation, Police and Utility Departments have grown to reflect the growth of the community.

Since 2007, the number of new home permits dropped substantially which has caused a slower growth rate for the City. And along with the slower growth rate, the inventory of homes on the market climbed. Those conditions lead to a slight decline in the population estimate. That real estate activity drove down the taxable value in the City which greatly impacted the City's budget. The general economy also suffered during this same time periods which negatively impacted other revenues of the City. The population was estimated to have grown slightly in recent years to the new level of 168,925.

The City is currently experiencing signs of the economy recovering. Real estate activity is getting stronger and the home values are climbing. Several revenues of the City are showing better trends and the new construction of residential homes is pushing the estimated population upward.

## City of Port St. Lucie - Property Valuation



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

The adopted FY 2013-14 budget is based on the certified taxable value of \$6,425,625,585

which is 1.71% greater than the prior year. This new taxable value is still only at 49.7% of the peak value established in 2007.

Amendment One, which passed in January 2008, allows for an additional \$25,000 in Homestead Exemption (\$50,000 total) and is contributing toward this trend in taxable value. Due to the real estate market suffering a huge drop in market value in recent years, the taxable value for the City has suffered greatly.

It appears that the real estate market (and local economy) has begun to rebound from the recession. Of note also is the fact that the 2013 DR-420 tax form reports a larger gain due to new construction. 2012 reported \$29 million in new construction value with 2013 showing \$436 million. This gain in value will generate \$580 thousand in additional revenue using the existing millage rate.

## *City of Port St. Lucie*

### *Schedule of Ten Largest Taxpayers*

### *2012 Tax Roll*

	<u>Taxpayer</u>	<u>Type of Business</u>	<u>Total Valuation</u>	<u>%</u>
1	Florida Power and Light Co.	Electric Utility	\$ 85,152,788	1.35
2	Wal-Mart & Sam's Stores East Inc.	Retail Merchandising	75,100,396	1.19
3	Inland Diversified PSL Landing	Land Development	43,133,300	0.68
4	AT & T Communications	Communications	41,509,730	0.66
5	HCA Health Services of FL., Inc.	Medical	37,413,901	0.59
6	Sandpipers Resort Prop. Inc.	Resort Hotel	35,675,706	0.56
7	St. Lucie Land Ltd	Land Development	32,737,800	0.52
8	Liberty Medical Supply Inc.	Medical	24,043,203	0.38
9	Floridian National Golf Resort LLC.	Land Development	19,640,158	0.31
10	Benderson Development Co. Inc.	Land Development	17,499,200	0.28

Total Taxable Assessed Value of 10 Largest Taxpayers	\$411,906,182	6.52
Total Taxable Assessed Value of Other Taxpayers	5,914,753,919	93.48
Total Taxable Assessed Value of All Taxpayers	\$ 6,326,660,101	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 2012 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. This was the original developer of the City and tended to give the appearance of a "company town". As 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 6.52% 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, 2012 are combined with the estimated revenues and expenditures for FY 2012-13 to arrive at expected opening fund balances for October 1, 2013, 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 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 \$35 million contingency fund for the Utility Operations that was set aside for rate stabilization.

The projected ending Fund Balances are budgeted to be \$48.7 million (39.9%) less than the prior year. The largest reasons for the decrease 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 debt. The beginning balances are \$9.4 million less than the prior year. The City Council approved a 15% Financial Contingency in the General Fund, Road & Bridge, Stormwater Utility and Golf Course Funds. Any additional operational savings will always generate a yearend balance plus the sizable Utility contingency previously noted.

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## ***TOTAL BUDGET TRENDS***

### ***REVENUE SUMMARY***

The consolidated total of all budgeted Revenues and Balances Carried Forward is \$69.9 million greater than the previous year. The increase is primarily in Taxes and Utility Service Fees and User Fees/Miscellaneous Revenues. Special Revenue primarily increased due to budgeting the Special Assessment revenue to payoff the debt of the SADs. Cash Carryforward decreased due to 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 a 1.71% increase in value. Utility Customers will receive a 3% rate increase.

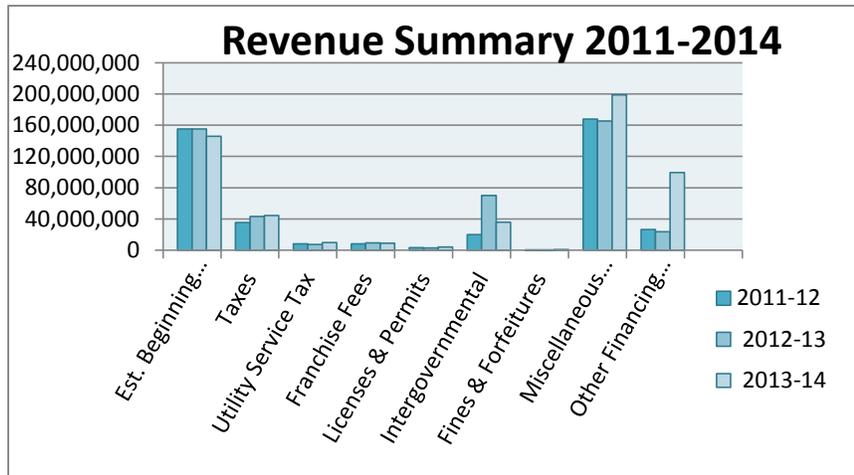
### ***EXPENDITURE SUMMARY***

Total budgeted expenditures are budgeted to increase by \$118 million (27.8%) when compared to the previous year. The increase in expenditures is for the most part are the result of the capital projects, specifically the Crosstown Parkway Project, increases to personal services and debt service for Digital Domain and the annual SAD payment for property surrounding the Civic Center.

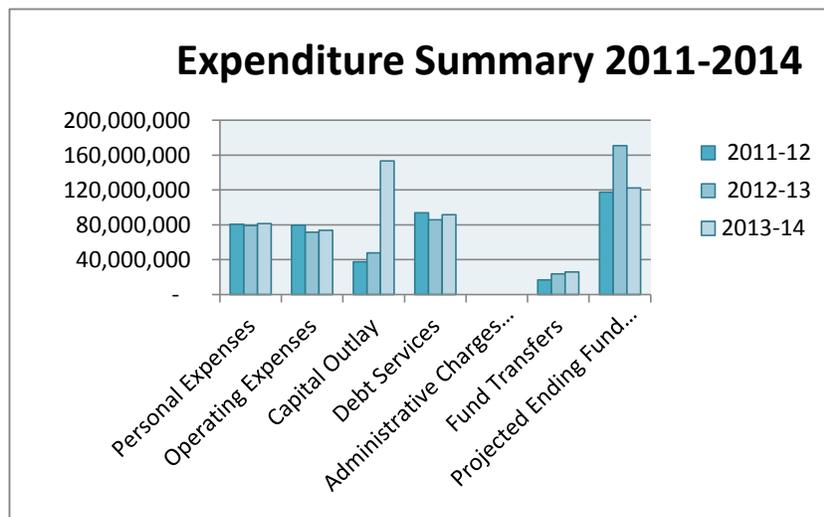
**CITY OF PORT ST. LUCIE**  
**SUMMARY OF REVENUES, EXPENDITURES & FUND BALANCES**  
**FY 2013-14**

	***** GOVERNMENTAL FUNDS *****			** PROPRIETY **						Increase	Percent
	General	Special	Capital	** FUNDS **	Internal	Trust	Totals	Totals	Totals	<Decrease>	Change
	Fund	Funds	Funds	Funds	Service	Funds	2013-14	2012-13	2011-12	FY 13-14/12-13	
<b>CASH BALANCES CARRYFORWARD:</b> (Projected Beginning Fund Balances - 10-1-13)	\$19,804,143	\$31,117,378	\$10,414,506	\$73,434,891	\$2,998,244	\$7,892,611	\$145,661,773	\$155,017,579	\$155,142,725	(\$9,355,806)	-6.4%
<b>REVENUES &amp; SOURCES:</b>											
Taxes	29,339,448	10,466,141	4,706,048	0	0	0	44,511,637	43,474,838	35,535,117	1,036,799	2.3%
Utility Service Tax	9,880,000	0	0	0	0	0	9,880,000	7,579,000	8,185,500	2,301,000	23.3%
Franchise Fees	9,257,100	0	0	0	0	0	9,257,100	9,349,500	8,431,500	(92,400)	-1.0%
Licenses and Permits	812,124	3,274,000	0	0	0	0	4,086,124	3,113,524	3,215,581	972,600	23.8%
Intergovernmental	8,672,316	5,458,625	3,390,000	0	0	18,444,664	35,965,605	70,240,753	19,941,319	(34,275,148)	-95.3%
Fines and Forfeitures	1,045,700	0	0	0	0	0	1,045,700	666,630	650,230	379,070	36.3%
User Fees and Miscellaneous Revenues	3,705,193	38,588,658	49,023,931	92,943,524	14,145,000	122,200	198,528,506	165,275,775	167,911,077	33,252,731	16.7%
Other Financing Sources	210,000	8,781,955	80,700,000	9,095,000	492,446	0	99,279,401	23,584,354	26,702,542	75,695,047	76.2%
<b>TOTAL REVENUES AND SOURCES</b>	<b>62,921,881</b>	<b>66,569,379</b>	<b>137,819,979</b>	<b>102,038,524</b>	<b>14,637,446</b>	<b>18,566,864</b>	<b>402,554,073</b>	<b>323,284,374</b>	<b>270,572,866</b>	<b>79,269,699</b>	<b>19.7%</b>
<b>TOTAL REVENUES AND BALANCES:</b>	<b>\$82,726,024</b>	<b>\$97,686,757</b>	<b>\$148,234,485</b>	<b>\$175,473,415</b>	<b>\$17,635,690</b>	<b>\$26,459,475</b>	<b>\$548,215,846</b>	<b>\$478,301,953</b>	<b>\$425,715,591</b>	<b>\$69,913,893</b>	<b>12.8%</b>
<b>EXPENDITURES:</b>											
Personal Services	\$49,198,296	\$7,206,509	\$66,969	\$24,931,398	\$0	\$0	\$81,403,172	\$79,102,144	\$80,583,406	\$2,301,028	2.8%
Operating Expenses	12,189,794	6,762,549	400,000	23,048,775	14,809,212	16,501,000	73,711,330	71,364,269	79,686,145	2,347,061	3.2%
Capital Outlay	2,878,053	6,685,500	130,207,446	13,776,286	0	0	153,547,285	47,596,463	37,490,662	105,950,822	69.0%
Debt Services	2,754,156	50,574,671	1,057,849	37,316,152	0	0	91,702,828	85,737,123	93,762,100	5,965,705	6.5%
Administrative Charges & Credits	(4,217,483)	747,249	367,310	3,020,711	82,213	0	0	0	0	0	#DIV/0!
Fund Transfers	4,341,130	1,437,184	11,115,462	8,095,000	0	702,446	25,691,222	23,610,076	16,732,892	2,081,146	8.1%
<b>TOTAL EXPENDITURES</b>	<b>67,143,946</b>	<b>73,413,662</b>	<b>143,215,036</b>	<b>110,188,322</b>	<b>14,891,425</b>	<b>17,203,446</b>	<b>426,055,837</b>	<b>307,410,075</b>	<b>308,255,205</b>	<b>118,645,763</b>	<b>27.8%</b>
<b>BUDGETED RESERVES\CONTINGENCIES</b> (Projected Ending Fund Balances - 9-30-14)	<b>15,582,078</b>	<b>24,273,095</b>	<b>5,019,449</b>	<b>65,285,093</b>	<b>2,744,265</b>	<b>9,256,029</b>	<b>122,160,009</b>	<b>170,891,879</b>	<b>117,460,386</b>	<b>(48,731,870)</b>	<b>-39.9%</b>
<b>TOTAL APPROPRIATED EXPENDITURES AND RESERVES</b>	<b>\$82,726,024</b>	<b>\$97,686,757</b>	<b>\$148,234,485</b>	<b>\$175,473,415</b>	<b>\$17,635,690</b>	<b>\$26,459,475</b>	<b>\$548,215,846</b>	<b>\$478,301,953</b>	<b>\$425,715,591</b>	<b>\$69,913,893</b>	<b>12.8%</b>

## Revenue & Expense Trends



Revenues & Balances	Actual 2011-12	Estimated 2012-13	Budget 2013-14
Est. Beginning Balances	155,142,725	155,017,579	145,661,773
Taxes	35,535,117	43,474,838	44,511,637
Utility Service Tax	8,185,500	7,579,000	9,880,000
Franchise Fees	8,431,500	9,349,500	9,257,100
Licenses & Permits	3,215,581	3,113,524	4,086,124
Intergovernmental	19,941,319	70,240,753	35,965,605
Fines & Forfeitures	650,230	666,630	1,045,700
Miscellaneous Revenues	167,911,077	165,275,775	198,528,506
Other Financing Sources	26,702,542	23,584,354	99,279,401
<b>Total Revenues &amp; Balances</b>	<b>425,715,591</b>	<b>478,301,953</b>	<b>548,215,846</b>



Est. Expenditures	Actual 2011-12	Estimated 2012-13	Budget 2013-14
Personal Expenses	80,583,406	79,102,144	81,403,172
Operating Expenses	79,686,145	71,364,269	73,711,330
Capital Outlay	37,490,662	47,596,463	153,547,285
Debt Services	93,762,100	85,737,123	91,702,828
Administrative Charges & Credits	-	-	-
Fund Transfers	16,732,892	23,610,076	25,691,222
Projected Ending Fund Balances	117,460,386	170,891,879	122,160,009
<b>Total Expenditures</b>	<b>425,715,591</b>	<b>478,301,953</b>	<b>548,215,846</b>

**CITY OF PORT ST. LUCIE**  
**REVENUE DESCRIPTION AND OVERVIEW**

The revenue and sources budgeted for all funds for FY 2013-14 is \$548,215,846. This figure includes interfund transfers and beginning balances. The approved budget is \$69,913,893 greater than the estimated revenue received during fiscal year 2012-13. The majority of this increase is due to fund balance, bond revenue, developer contributions and licenses and permit revenue received in prior years.

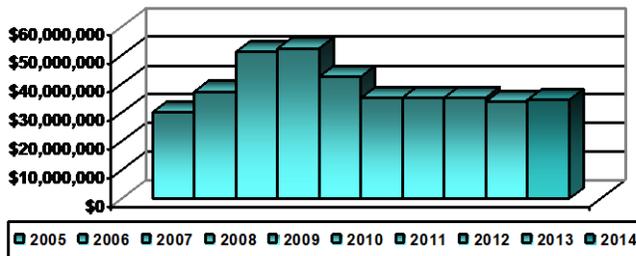
The following revenue categories represent over 75% of the City of Port St. Lucie’s revenue sources. The City shall estimate its annual revenues by objective and analytical processes. The City shall maintain a diversified and stable revenue system to the extent provided by law to insulate it from short-run 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 5.6289 for fiscal year 2013-14. The portion of the overall rate that is designed for retiring debt on the Crosstown Parkway road project will remain at 1.2193. When combined with the 1.71% gain in taxable value, the total increase to Property Tax Revenue will be \$579,987 allocated among the four funds that receive property tax revenue. This is well below the state-imposed ten mill cap. The funds currently benefiting from Ad Valorem Tax Revenues are the General Fund (3.4897), Road and Bridge Operating Fund (0.3616), Road and Bridge Capital Improvement Fund (0.5583) and the voter-approved

debt service millage rate is (1.2193) for Crosstown Parkway Fund .

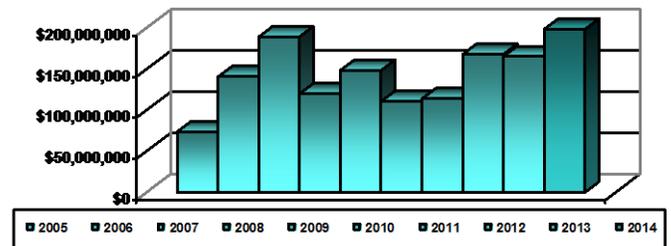
**Outlook:** In the past few years actual Ad Valorem results have met any preliminary budget projections made in the beginning of our budget cycle. For the purpose of future financial projections, the City is anticipating 3 and 4% growth to the taxable value figure.

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.

**CITY OF PORT ST. LUCIE**  
**REVENUE DESCRIPTION AND OVERVIEW (continued)**

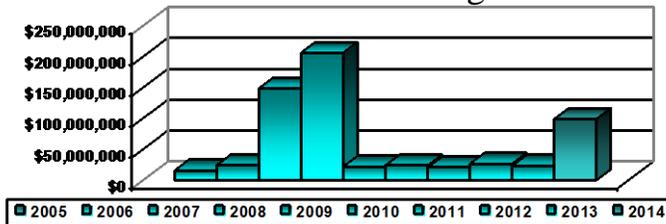
**Other Financing Sources:**

**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.

**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.

**Other Financing Sources Revenue Trends  
10 Year Actual and Budgeted**



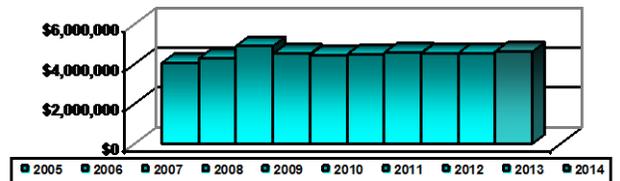
**Outlook:** The final bond issue for Crosstown Parkway will be complete in fiscal year 2014-15. This will help complete the funding for the connecting bridge over the St. Lucie River.

**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. For the 2013-14 Fiscal Year, Port St. Lucie will be allocated 66.12% of the total gas collected compared to 62.1% in 2012-13.

**Overview:** The largest single revenue for the Road and Bridge Operating Fund is the Local Option Gasoline Tax and the 13-14 revenue projection is \$4.6 million. This single revenue has very little growth over four years and the projection for next year is projected to grow by 1%. 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:** This revenue is set currently set to expire in FY 2015-16 unless it is extended by the County commission. If the County does not renew the Local Option Gas Tax, the Road and Bridge Fund will find itself in serious financial trouble.

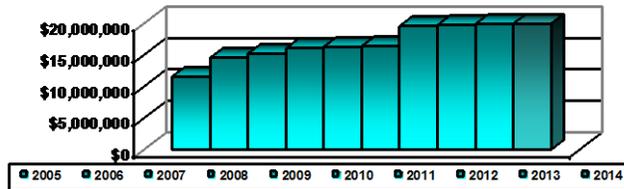
**CITY OF PORT ST. LUCIE**  
**REVENUE DESCRIPTION AND OVERVIEW (continued)**

**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.

**Overview:** The annual stormwater fee assessed to a residence will be \$153.00 per residential unit in 2013-14. The annual stormwater fee is expected to generate \$19.9 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.

**Stormwater Fee Revenue Trends  
10 Year Actual and Budgeted**



**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. The Public Works department has worked on reducing these costs by dropping the number of rotations for mowing and other services plus the staffing reductions in recent years helped the financial position of the stormwater fund.

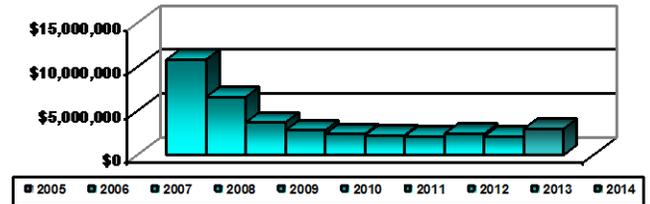
**Building Permits:**

**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, the approved

level of permit fee revenue is an increase from recent years.

**Building Permit Fee Revenue Trends  
10 Year Actual and Budgeted**

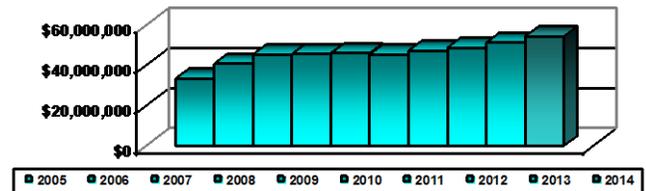


**Outlook:** With this revenue running at a relatively low level, this situation will be monitored in the future. The level of construction activity may have hit bottom and the hope is that the future will grow stronger as this industry is a major component to the local economy.

**Utility Operating Revenues:**

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

**Utility Operating Revenue Trends  
10 Year Actual and Budgeted**



**Overview:** The Water and Sewer Operating Fund is funded primarily by the monthly revenues from the users of the system which is projected to be \$60 million.

**Outlook:** There is a slight level of new customers expected to be added as construction occurs in the City which will boost the operating revenues. Plus there is a recommended 3% rate increase to help meet the debt coverage ratio.

## 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. During the downturn of the economy and the years of falling taxable value, steps were taken to control costs which lead to reducing the staffing costs. The City froze payrates and raised the employee health insurance contributions. In addition to these adjustments, the City reduced staffing levels by an overall 21% in those years. The trend in FTE's reported in the General Fund follows closely the trend of property tax revenue in the General Fund which is the largest single revenue in this fund.

The City of Port St. Lucie's adopted FY 2013-14 Budget allows for a staffing level of 972.48 FTE's (Full Time Equivalent). That is a net decrease of 0.65 FTE's.

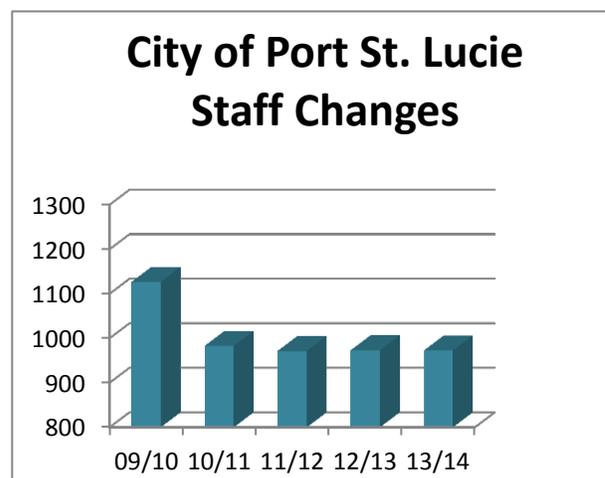
For budget purposes, staff positions are counted and measured using an FTE (Full Time Equivalent) basis. One FTE is a budgeted position that is scheduled for 80 work-hours in a two-week pay period. By gathering payroll data on the number of hours being paid during the year, the budgeted number of FTE's 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.

During the years of staffing cuts many 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 50 positions over two years creating a new level of 206 officers in FY 2011-12. However a significant reorganization of the Police Department in the spring of 2012 resulted in a net increase of sworn officers of 15.5 for a new total of 221.50. With one sworn officer being added, the total count will be 224.5 for a ratio of 1.32 assuming a population of 170,000 in FY 2013-14.

The largest change in staffing is within the Utility Department. With the radio read technology meters being installed, there is a reduction of ten meter reader positions. This allowed a few other needed positions to be added and resulted in a net decrease of 4.50 FTE's.

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**  
**SUMMARY OF BUDGETED POSITIONS**  
**FY 2013-14**

(FULL TIME EQUIVALENT)	PRIOR FY 2011-12	CURRENT FY 2012-13	PROPOSED FY 2013-14	INCREASE (DECREASE)
<b>GENERAL FUND DEPARTMENTS</b>				
	*****	*****	*****	*****
1100 CITY COUNCIL	1.75	2.00	2.00	0.00
1200 CITY MANAGER OFFICE	4.00	5.00	5.00	0.00
1210 CITY CLERK	9.00	9.00	9.00	0.00
1300 FINANCE	16.00	15.00	15.00	0.00
1310 HUMAN RESOURCES	8.00	9.00	8.63	-0.37
1311 COMMUNICATIONS	7.00	7.00	7.00	0.00
1312 COMMUNITY SERVICES	1.04	2.26	2.20	-0.06
1313 RISK MANAGEMENT	3.00	3.00	3.00	0.00
1320 INFORMATION SERVICES	18.50	19.00	19.00	0.00
1330 OFFICE OF MANAGEMENT & BUDGET	11.00	11.60	11.60	0.00
1400 LEGAL COUNSEL	8.78	9.25	9.25	0.00
1500 PLANNING	8.80	8.80	8.80	0.00
2105 PD-SERVICES BUREAU	34.00	26.00	25.00	-1.00
2110 PD-ADMINISTRATIVE	9.00	12.00	13.00	1.00
2112 PD-SPECIAL INVESTIGATION UNIT	12.00	13.00	13.00	0.00
2115 PD-DETECTIVE	27.00	30.50	32.50	2.00
2123 PD-DOMESTIC VIOLENCE	1.00	1.00	1.00	0.00
2130 PD-OPERATIONS/PATROL	167.00	181.00	181.25	0.25
2134 PD-SCHOOL CROSSING GUARDS	15.47	15.47	17.07	1.60
2135 CODE COMPLIANCE	17.00	17.00	17.00	0.00
2136 OCCUPATIONAL LICENSES	5.75	5.75	5.75	0.00
2140 PD-SERVICE AID	12.00	10.00	10.00	0.00
2910 NUISANCE ABATEMENT	0.00	1.00	1.00	0.00
4135 BUILDING MAINTENANCE	11.00	11.00	11.00	0.00
4136 A/C MAINTENANCE - BLDG.	3.00	3.00	3.00	0.00
5100 SUMMER YOUTH PROGRAM	1.08	1.08	1.08	0.00
6200 ANIMAL CONTROL	13.00	11.00	11.00	0.00
7200 RECREATION	12.27	12.47	12.23	-0.24
7201 AIROSO COMMUNITY CENTER	8.00	8.00	8.00	0.00
7202 GYMNASIUM	4.13	4.13	4.13	0.00
7203 RAVENSWOOD	0.00	0.00	0.00	0.00
7205 PARKS & REC. ADMINISTRATION	6.63	6.63	6.63	0.00
7210 PARKS	37.50	38.75	39.45	0.70
7215 BOTANICAL GARDENS	1.00	1.00	1.00	0.00
7235 TURF MAINTENANCE	7.30	7.30	6.30	-1.00
7500 CIVIC CENTER - ADMINISTRATION	3.00	3.00	3.00	0.00
7501 CIVIC CENTER - MAINTENANCE	13.13	13.13	13.13	0.00
7502 CIVIC CENTER - FITNESS CENTER	5.25	4.25	3.25	-1.00
7503 CIVIC CENTER - RECREATION	8.88	9.13	9.37	0.24
7504 CIVIC CENTER - HOSPITALITY	5.75	6.00	6.00	0.00
FUND TOTAL	538.01	553.50	555.62	2.12
<b>BUILDING DEPARTMENT</b>				
2405 ADMINISTRATION	4.86	5.06	5.06	0.00
2410 LICENSING	5.00	5.00	5.00	0.00
2415 PERMITTING	4.80	4.81	7.31	2.50
2420 INSPECTIONS	13.69	13.69	13.31	-0.38
2425 PLANS REVIEW	5.00	5.00	4.00	-1.00
FUND TOTAL	33.35	33.56	34.68	1.12

**CITY OF PORT ST. LUCIE**  
**SUMMARY OF BUDGETED POSITIONS**  
**FY 2013-14**

(FULL TIME EQUIVALENT)		PRIOR FY 2011-12	CURRENT FY 2012-13	PROPOSED FY 2013-14	INCREASE (DECREASE)
<b>C.B.D.G. FUND -118</b>					
5910		1.20	0.80	1.07	0.27
5911		0.00	0.00	0.00	0.00
	FUND TOTAL	1.20	0.80	1.07	0.27
<b>S.H.I.P. FUND -119</b>					
5510		0.31	0.00	0.35	0.35
5540		0.00	0.00	0.07	0.07
	FUND TOTAL	0.31	0.00	0.42	0.42
<b>NSP FUND -116</b>					
116-5500		0.98	0.60	0.60	0.00
116-5510		4.92	2.90	2.76	-0.14
	FUND TOTAL	5.90	3.50	3.36	-0.14
<b>NSP 3 -114</b>					
114-5500		0.00	0.40	0.40	0.00
114-5510		1.55	1.04	0.55	-0.49
	FUND TOTAL	1.55	1.44	0.95	-0.49
<b>PUBLIC WORKS DEPARTMENT</b>					
3900 KPSLB		2.75	2.75	2.50	-0.25
4105 OPERATIONS		3.00	16.00	16.00	0.00
4106 OPERATIONS		12.00	0.00	0.00	0.00
4116 MAPPING & SURVEYING		7.00	0.00	0.00	0.00
4118 REGULATORY		5.00	5.00	6.00	1.00
4121 TRAFFIC CONTROL/IMPRV.		16.50	19.00	18.00	-1.00
4125 STREETS		11.00	11.00	11.00	0.00
4126 DRAINAGE		52.00	58.00	58.50	0.50
4127 GREENBELT/WATERWAY MAINT.		9.00	9.00	9.00	0.00
4129 CIP PROJECTS		10.50	0.00	0.00	0.00
	DEPT. TOTAL	128.75	120.75	121.00	0.25
<b>PUBLIC WORKS DEPARTMENT- NPDES</b>					
4105 OPERATIONS		0.00	0.00	0.00	0.00
	DEPT. TOTAL	0.00	0.00	0.00	0.00
<b>PUBLIC WORKS - CROSSTOWN PARKWAY</b>					
314-4105 OPERATIONS		0.50	0.65	0.65	0.00
	DEPT. TOTAL	0.50	0.65	0.65	0.00
<b>PUBLIC WORKS - EWIP PROJECT</b>					
403-4105 OPERATIONS		0.25	0.00	0.00	0.00
	DEPT. TOTAL	0.25	0.00	0.00	0.00
<b>UTILITY DEPARTMENT</b>					
1340 ADMINISTRATION		17.10	17.10	18.60	1.50
1345 ADMIN./FINANCE		9.00	9.50	9.50	0.00
1346 CUSTOMER SERVICE		27.00	27.00	27.00	0.00
1347 BILLING		7.00	7.00	7.00	0.00
1348 METER READERS		18.00	17.00	7.00	-10.00
1350 TECH. SERVICES		6.50	6.50	6.50	0.00
1360 MAPPING		9.00	9.00	9.00	0.00
1375 INSPECTORS		6.00	6.00	6.00	0.00
1380 LAB		7.00	7.00	7.00	0.00

**CITY OF PORT ST. LUCIE**  
**SUMMARY OF BUDGETED POSITIONS**  
**FY 2013-14**

(FULL TIME EQUIVALENT)	PRIOR FY 2011-12	CURRENT FY 2012-13	PROPOSED FY 2013-14	INCREASE (DECREASE)
3310 WATER SVS. - PLANT	13.00	13.00	14.00	1.00
3311 WATER SVS. - CROSS CONNECTION	5.00	5.00	5.00	0.00
3312 JEA WATER FACILITIES	6.00	6.00	7.00	1.00
3316 WATER DISTRIBUTION/PREVENTIVE MAINT.	17.00	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	8.00	7.00	7.00	0.00
3380 LIFTSTATIONS	11.00	11.00	11.00	0.00
3390 TELEMETRY & INSTRUMENTATION	13.00	13.00	13.00	0.00
3512 WP WASTEWATER PLANT	8.00	8.00	8.00	0.00
3513 GLADES WWTP	10.00	10.00	10.00	0.00
3516 WASTEWATER COLLECTIONS/PRE. MAINT.	21.00	22.00	24.00	2.00
3560 WASTEWATER MAINTENANCE	5.00	5.00	5.00	0.00
FUND TOTAL	237.60	237.10	232.60	-4.50
<b>UTILITIES /CONNECTIONS</b>				
1355 UTILITY ENGINEERING	4.50	4.50	4.50	0.00
3315 WATER DISTRIBUTION	3.00	3.00	3.00	0.00
3515 WASTEWATER COLLECTION	5.00	5.00	5.00	0.00
FUND TOTAL	12.50	12.50	12.50	0.00
<b>POLICE FORFEITURE FUND</b>				
603 CRIMINAL INVESTIGATIONS	0.50	0.00	0.00	0.00
FUND TOTAL	0.50	0.00	0.00	0.00
<b>RAVENSWOOD</b>				
307 CONSTRUCTION DIVISION	2.00	0.00	0.00	0.00
FUND TOTAL	2.00	0.00	0.00	0.00
<b>GOLF COURSE</b>				
7250 MAINTENANCE DIVISION	3.70	3.70	4.00	0.30
7251 OPERATIONS DIVISION	5.63	5.63	5.63	0.00
FUND TOTAL	9.33	9.33	9.63	0.30
<b>CITY TOTAL</b>	971.75	973.13	972.48	(0.65)

\*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.

Police Department Sub-Total	290.47	299.97	303.82	3.85
Parks and Rec. (Civic Center Only)	36.01	35.51	34.75	-0.76
Parks and Recreation Sub-Total	126.84	127.79	126.49	-1.30

## ***Long Term Debt***

The following schedules list all long-term debt for the City of Port St. Lucie as of September 30, 2012. 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 \$34.5 million during FY 2011-12. The decrease in debt is due to the payoff of several Water and Sewer Assessment bonds.

***Budgeted, Proposed New Debt*** – The only new 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.

***Possible Future Debt Issues*** – There is no new debt planned for any future projects.

***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.

CITY OF PORT ST LUCIE, FLORIDA  
AUDITED GENERAL & ENTERPRISE FUND LONG TERM DEBT AS OF SEPTEMBER 30, 2012

	DEBT	FUND	DEBT HOLDER	BALANCE 9/30/2011	NEW DEBT FY 2011/2012	PRINCIPAL PAYMENTS FY 11/12	INTEREST PAYMENTS FY 11/12	BALANCE 9/30/2012
12	2001 S. Lennard Road SAD Bonds	150/350	US BANK	1,010,000.00		170,000.00	65,906.25	840,000.00
13	2002A & B Riverpoint Dev.SAD Bonds	151/351	US BANK	3,685,000.00		600,000.00	159,710.83	3,085,000.00
14	2003 A&B Tesoro SAD BONDS	152/352	US BANK	17,115,000.00		2,565,000.00	812,287.50	14,550,000.00
2	2003 Sales Tax Improvement Revenue Bonds	104/314	WACHOVIA/FIRST UNION	15,015,000.00		14,390,000.00	278,767.36	625,000.00
15	2003C Glassman SAD Bonds	153/353	US BANK	5,350,000.00		600,000.00	347,625.00	4,750,000.00
16	2003D East Lake Village Bonds	154/354	US BANK	6,955,000.00		900,000.00	293,932.50	6,055,000.00
3	2004 Certificate of Participation	108/308	US BANK	3,465,000.00			139,018.76	3,465,000.00
5	2004 CRA Tax Increment Bonds	175/375	US BANK	8,825,000.00		590,000.00	354,862.50	8,235,000.00
1	2004 LOGT Bonds	104/314	BANK OF NEW YORK	12,405,000.00		3,110,000.00	620,250.00	9,295,000.00
7	2005 GO Bonds-1st installment	214/314	US BANK	43,645,000.00	-	670,000.00	2,045,525.00	42,975,000.00
18	2005B USA #9 SAD Bonds	125/325	US BANK	2,370,000.00	-	150,000.00	101,156.26	2,220,000.00
17	2005A St Lucie Land Holding SAD Bonds	155/355	US BANK	14,955,000.00	-	1,300,000.00	625,506.28	13,655,000.00
8	2006 GO Bonds-2nd installment	214/314	US BANK	43,430,000.00	-	660,000.00	2,091,687.50	42,770,000.00
6	2006 CRA Tax Increment Bonds	175/377	US BANK	45,000,000.00	-	1,000,000.00	2,094,125.00	44,000,000.00
19	2007A Combined SADs (Lowry/Peacock)	158/358	US BANK	2,625,000.00	-	140,000.00	137,940.83	2,485,000.00
20	2007B SW Annexation District 1 SAD Bonds	115/315	US BANK	150,840,000.00		3,000,000.00	7,377,425.00	147,840,000.00
9	2008 Sales Tax Rfndng Bonds	001	US BANK	4,885,000.00		685,000.00	183,237.50	4,200,000.00
4	2008 COP Refunding	159/359	US BANK	42,010,000.00	-	1,770,000.00	2,335,600.00	40,240,000.00
21	2008A City Center SAD Rfndng Bonds	156/356	US BANK	30,750,000.00		635,000.00	1,857,937.50	30,115,000.00
10	2010 A&B Lease rev bonds-wyndcrest	142/342	TD BANK	39,900,000.00	-	1,500,000.00	1,979,380.42	38,400,000.00
22	2011A USA3&4 Refunding SAD Bonds	122	US BANK	10,910,000.00		4,325,000.00	160,631.53	6,585,000.00
23	2011B USA 5-6-7A Refunding SAD Bonds	124	US BANK	20,665,000.00		2,470,000.00	462,578.41	18,195,000.00
11	2011 Sales Tax refunding bonds	104	US BANK	-	13,915,000.00	245,000.00	388,490.42	13,670,000.00
				\$ 525,810,000.00	\$ 13,915,000.00	\$ 41,475,000.00	\$ 24,913,582.35	\$ 498,250,000.00
	Compensated Absences		Compensated Absences	8,173,424.32	3,896,238.88	4,594,454.89	-	7,475,208.31
	<b>TOTAL GLTD</b>			<b>\$ 533,983,424.32</b>	<b>\$ 17,811,238.88</b>	<b>\$ 46,069,454.89</b>	<b>\$ 24,913,582.35</b>	<b>\$ 505,725,208.31</b>
	2002 Stormwater Revenue & Rfndng Bonds	401	TD BANK	275,000.00	-	275,000.00	-	-
24	2010A&B Stormwater Revenue Bonds	401	TD BANK	36,000,000.00	-	-	1,522,514.00	36,000,000.00
25	2011 Stormwater Rfndng Revenue Bonds	401	TD BANK	11,325,000.00	-	105,000.00	198,907.81	11,220,000.00
				\$ 47,600,000.00	\$ -	\$ 380,000.00	\$ 1,721,421.81	\$ 47,220,000.00
	Compensated Absences	401	Compensated Absences	853,943.15	399,654.73	509,154.66	744,443.22	744,443.22
	<b>TOTAL STORMWATER LTD</b>			<b>\$ 48,453,943.15</b>	<b>\$ 399,654.73</b>	<b>\$ 889,154.66</b>	<b>\$ 1,721,421.81</b>	<b>\$ 47,964,443.22</b>
	Golf Course Project-Rev bonds,ser 2001	421		-	-	-	-	-
				-	-	-	-	-
	<b>TOTAL GOLF COURSE FUND LTD</b>	421	Compensated Absences	<b>\$ 68,412.38</b>	<b>\$ 40,889.67</b>	<b>\$ 49,786.85</b>	<b>\$ -</b>	<b>\$ 59,515.20</b>
	Utility Revenue Bonds, series 1997A	431	US BANK	-	-	-	-	-
26	Promissory Note-Suntrust	431	US BANK	-	-	-	-	-
27	2004 Utility Revenue Bonds	431/443	US BANK	26,945,000.00		13,225,000.00	1,290,390.00	13,720,000.00
28	2004A Utility Rfndng Revenue Bonds	431	US BANK	51,645,000.00		-	2,561,593.88	51,645,000.00
29	Utility Revenue Bonds, Series 2005	431/444	US BANK	-		-	-	-
	2006 Utility Revenue Bonds	431/445	US BANK	78,435,000.00		1,685,000.00	3,914,225.01	76,750,000.00
30	2006A Utility Rfndng Revenue Bonds	431	US BANK	34,967,229.70		-	1,220,475.00	34,967,229.70
31	2007 Utility Rfndng & Improvement Rev Bonds	431/445	US BANK	115,520,000.00		670,000.00	5,948,087.50	114,850,000.00
32	2009 Utility Rfndng Revenue Bonds			110,200,000.00		-	5,438,775.01	110,200,000.00
33	2012 Utility Rfndng Revenue Bonds	431	US BANK		21,375,000.00			21,375,000.00
34				\$ 441,645,505.80	\$ 21,375,000.00	\$ 27,258,458.40	\$ 22,100,100.50	\$ 435,762,047.40
	Compensated Absences		Compensated Absences	2,307,026.37	1,429,105.57	1,301,510.97	2,434,620.97	2,434,620.97
	<b>TOTAL UTILITY LTD</b>			<b>\$ 443,952,532.17</b>	<b>\$ 22,804,105.57</b>	<b>\$ 28,559,969.37</b>	<b>\$ 22,100,100.50</b>	<b>\$ 438,196,668.37</b>
	<b>TOTAL LONG TERM DEBT</b>			<b>\$ 1,026,458,312.02</b>	<b>\$ 41,055,888.85</b>	<b>\$ 75,568,365.77</b>	<b>\$ 48,735,104.66</b>	<b>\$ 991,945,835.10</b>

Note: compensated absences have not yet been adjusted.

**CITY OF PORT ST. LUCIE**  
**GENERAL & ENTERPRISE LONG TERM DEBT**  
**SEPTEMBER 30, 2012 AUDITED RESULTS**

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***Governmental Activities Debt:***

- (1) \$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, due in annual principal installments ranging from \$2,600,000 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.
- (2) \$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.
- (3) \$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.
- (4) \$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 \$1,845,000 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.
- (5) \$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 \$605,000 to \$915,000 plus interest semiannually at a rate ranging from 3.5% to 5.0% through January 2023. Proceeds to finance infrastructure improvements in the CRA.
- (6) \$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 \$1,300,000 to \$6,285,000 plus interest semiannually at a rate ranging from 3.904% 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.
- (7) \$49,285,000 General Obligation Bonds, Series 2005 - due in annual principal installments ranging from \$745,000 to \$3,140,000 plus interest ranging from 4.0% to 5.0% through July 2035. To finance the construction of the CrossTown Parkway.
- (8) \$44,545,000 General Obligation Bonds, Series 2006– due in annual principal installments ranging from \$660,000 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.
- (9) \$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 \$730,000 to \$955,000 plus interest ranging from 3.5% to 4.0% through September, 2017. Proceeds were used to refund the balance of the outstanding 1998 Sales Tax Refunding and Improvement Revenue Bonds.
- (10) \$39,900,000 Lease Revenue Bonds, Series 2010A & 2010B – this issue is comprised of \$18,040,000 Series 2010A and \$21,860,000 Series 2010B (Recovery Zone Facility Bonds) – Payable from and secured by a lien upon and pledge of the Trust Estate which consists of the right, title, and interest of the City to the lease payments under the lease of facilities to Digital Domain Holding Corporation, due in annual principal installments ranging from \$1,545,000 to \$2,640,000 plus interest semiannually at rates ranging from 2.25% to 6.19% through September, 2031. The City has a secondary obligation to budget sufficient Non-Ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming payment.

- (11) \$13,915,000 Sales Tax Refunding Revenue Bonds, Series 2011 – 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 \$640,000 to \$2,070,000 plus interest ranging from 2.0% to 5.0% through September 2023. Proceeds used to refund a majority portion of the \$20,000,000 Sales Tax Improvement Revenue Bonds, Series 2003, which proceeds were used for roadway improvements.

### ***Special Assessment Debt with Government Commitment:***

- (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 \$240,000 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, 2019.
- (13) \$7,880,000 Special Assessment District Bonds, Series 2002B – Tax Exempt; 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 \$355,000 to \$595,000 plus interest ranging from 4.40% to 4.75% through January 2023. Due to the early call of certain bonds, no principal payments are due until January, 2018. The City has a secondary obligation to budget sufficient Non- 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.
- (14) \$31,245,000 Special Assessment Bonds, 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 \$1,800,000 to \$2,380,000 plus interest of 4.75% through January 2023. Due to the early call of certain bonds, no principal payments are due until January, 2017. The City has a secondary obligation to budget sufficient Non- Ad Valorem 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.
- (15) \$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 \$480,000 to \$835,000 plus interest of 6.75% through July 2023. Due to the early call of certain bonds, no principal payments are due until July, 2016. 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.
- (16) \$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 \$200,000 to \$775,000 plus interest ranging from 4.25% 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.
- (17) \$18,725,000 Special Assessment 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 \$700,000 to \$1,365,000 plus interest ranging from 3.75% to 4.625% through July 2027. Proceeds 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. The City has a secondary obligation to budget sufficient Non-Ad Valorem 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) \$4,765,000 Special Assessment District Bonds, Series 2005B – (Utility Service Area 9- Water and Wastewater Expansion Project) - payable from assessments levied on subject properties within the service area, due in annual principal installments beginning in 2018, ranging from \$105,000 to \$345,000 plus interest ranging from 4.125% to 4.5% through July 2025. Due to the early call of certain bonds, no principal payments are due until July, 2018. Proceeds were used for water and wastewater system expansion within the SAD. The City has a secondary obligation to budget sufficient net income of the Utility System to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment.
- (19) \$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 \$175,000 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, 2021. 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.

- (20) \$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 ranging from \$2,420,000 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. The City has a secondary obligation to budget sufficient Non-ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment.
- (21) \$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 ranging from \$660,000 to \$2,400,000 plus interest semiannually ranging from 4.0% 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. The City has a secondary obligation to budget sufficient Non-ad Valorem Revenues to cover the annual debt service requirements if the amounts within the fund are not available to meet the coming debt service payment.
- (22) \$10,910,000 Water and Sewer Special Assessment Refunding Bonds, Series 2011A (Utilities Service Area 3 & 4) – payable from assessments levied on subject properties within the service area, due in annual principal installments ranging from \$950,000 to \$2,840,000 plus interest ranging from 1.5% to 2.0% through 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. Proceeds were used to refund the balance of the outstanding \$65,455,000 Special Assessment bonds, Series 1998A (Utilities Service Area 3 & 4).
- (23) \$20,665,000 Water and Sewer Special Assessment Refunding Bonds, Series 2011B (Utilities Service Area 5,6 & 7A) – payable from assessments levied on subject properties within the service area, due in annual principal installments ranging from \$1,230,000 to \$2,330,000 plus interest ranging from 1.5% to 3.25% through September, 2021. 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. Proceeds were used to refund the balance of the outstanding \$54,390,000 Special Assessment bonds, Series 2001D (Utilities Service Area 5, 6 & 7A).

Minimum payments of long-term debt service for each of the years subsequent to September 30, 2012 are:

September 30,	Total Principal	Total Interest	Total
2013	14,370,000	24,027,694	38,397,694
2014	20,420,000	23,457,082	43,877,082
2015	21,695,000	22,620,445	44,315,445
2016	17,380,000	21,845,993	39,225,993
2017	20,485,000	21,070,199	41,555,199
2018	22,310,000	20,131,348	42,441,348
2019	23,940,000	19,101,342	43,041,342
2020	25,395,000	17,918,709	43,313,709
2021	27,770,000	16,677,549	44,447,549
2022	25,755,000	15,306,635	41,061,635
2023	27,035,000	15,030,825	42,065,825
2024	22,025,000	12,633,294	34,658,294
2025	23,260,000	11,608,581	34,868,581
2026	24,070,000	10,442,688	34,512,688
2027	18,730,000	9,363,081	28,093,081
2028	13,650,000	8,363,612	22,013,612
2029	14,360,000	7,662,050	22,022,050
2030	15,110,000	6,919,676	22,029,675
2031	15,905,000	6,138,150	22,043,150
2032	13,965,000	5,315,150	19,280,150
2033	14,710,000	4,587,275	19,297,275
2034	15,475,000	3,834,526	19,309,525
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
	<u>\$498,250,000</u>	<u>\$313,941,702</u>	<u>\$812,191,702</u>

### ***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.

- (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.
- (25) \$11,325,000 Stormwater Utility Refunding Revenue Bonds, Series 2011 – due in annual principal installments of \$320,000 to \$1,325,000, plus interest ranging from 2% - 5% through May, 2023. The proceeds of this issue were used to advance refund \$11,610,000 of the outstanding balance of the Series 2002 Stormwater bonds.

### ***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 from the operation of the water and sewer system and the Capital Facilities Charges (limited to the debt service component) of the Utility System.

- (26) \$52,654,418 Utility System Revenue Bonds, Series 2001 – due in annual principal installments of \$970,704 to \$1,248,458 plus interest semiannually ranging from 4.94% to 5.32% through September 2016; all remaining bonds are of the capital appreciation series.
- (27) \$61,431,495 Utility System Revenue Bonds, Series 2003 – due in annual principal installments of \$770,000 to \$3,675,000 plus interest semiannually ranging from 3.5% to 5.0% through September 2031.
- (28) \$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 3.6% to 5.00% through September 2034.
- (29) \$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.
- (30) \$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.
- (31) \$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 5.0% through September 2033. Principal payments begin September, 2017.
- (32) \$119,445,000 Utility System Refunding Revenue Bonds, Series 2007 – due in annual principal installments of \$670,000 to \$10,675,000 plus interest semiannually of ranging from 4.0% to 5.25% through September 2027.
- (33) \$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.
- (34) \$21,375,000 Utility System Refunding Revenue Bonds, Series 2012 – due in annual principal installments beginning in 2016, ranging from \$770,000 to \$3,300,000 plus interest semiannually of ranging from 3.75% to 5.00% through September 2029.

The annual requirements to amortize bonded debt and note payable as of September 30, 2012 follows:

September 30,	Total Principal	Total Interest	Total
2013	11,722,103	25,106,479	36,828,582
2014	12,545,671	24,682,634	37,228,305
2015	13,011,340	24,202,690	37,214,030
2016	13,400,704	23,681,226	37,081,930
2017	14,650,000	21,887,630	36,537,630
2018	15,345,000	21,173,549	36,518,549
2019	16,070,000	20,421,430	36,491,430
2020	16,815,000	19,613,637	36,428,637
2021	17,630,000	18,761,724	36,391,724
2022	18,485,000	17,896,349	36,381,349
2023	19,350,000	16,998,924	36,348,924
2024	20,240,000	16,044,468	36,284,468
2025	21,240,000	15,008,250	36,248,250
2026	22,285,000	13,920,218	36,205,218
2027	25,025,000	12,768,348	37,793,348
2028	24,700,000	11,456,682	36,156,682
2029	25,825,000	10,188,989	36,013,989
2030	27,030,000	8,903,969	35,933,969
2031	28,405,000	7,522,162	35,927,162
2032	18,686,344	17,747,366	36,433,710
2033	14,050,887	17,255,353	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	2,351,506	32,666,506
2037	3,145,000	749,033	3,894,033
2038	3,380,000	517,058	3,897,058
2039	3,630,000	267,749	3,897,749
	<u>\$489,982,048</u>	<u>\$377,501,028</u>	<u>\$860,483,076</u>

**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	Series	Date	Refunded	Outstanding as of Refund Date	9/30/2012
Stormwater Utility Bonds	1988	10/9/1990	13,770,000	2,330,000	
Utility System Revenue Bonds	2003	9/29/2004	7,355,000	3,545,000	
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	20,595,000	
Sales Tax Improvement Bonds	2003	12/20/2011	13,765,000	13,765,000	
Utility System Revenue Bonds	2003	8/15/2012	9,660,000	9,660,000	
Utility System Revenue Bonds	2004	8/15/2012	12,535,000	12,535,000	

In January 2012 the City advance refunded and defeased a portion of the 2003 Sales Tax Improvement Revenue Bonds maturing September 1, 2013 through September 1, 2023 amounting to \$13,765,000. The city deposited net proceeds of \$15,051,648 from the Series 2011 Sales Tax Refunding Revenue issue in an irrevocable trust account invested in U.S. Treasury Securities- State and Local Government Series and cash in sufficient amounts for future principal and interest payments until the early redemption date of September 1, 2013 at the redemption price of par. The transaction resulted in an accounting loss of \$1,289,715. The difference in cash flows of the old debt service compared to the new issue was a reduction of \$576,535. The economic gain (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$490,684. The City advance refunded a portion of the issue to reduce its annual debt service requirements.

In August 2012 the City advance refunded and defeased a portion of the 2003 Utility System Revenue Bonds maturing September 1, 2027 through September 1, 2027 through September 1, 2029 amounting to \$9,660,000 and a portion of the 2004 Utility System Revenue Bonds maturing September 1, 2016 through September 2027 amounting to \$12,535,000. The City deposited net proceeds of \$24,288,697 from the Utility System Refunding Revenue Bonds, Series 2012B in an irrevocable trust account invested in U.S. Treasury Securities- State and Local Government Series and cash in sufficient amounts for principal and interest payments until the early redemption date of September 1, 2014 at the redemption price of par. The transaction resulted in an accounting loss of \$1,572,085. The difference in cash flows of the old debt service compared to the new issue was a reduction of \$1,299,074. The economic gain (difference between the present value of the net debt service payments of the refunded and refunding debt) was \$956,192. The City advance refunded the issue to reduce its interest rates and projected total debt service costs relating to the project.