

# *City of Port St. Lucie* *Annual Budget* *2014-2015*

*"The City for all Ages"*

*Adopted by the City Council*  
*September 22, 2014*

*Mayor*

JoAnn M. Faiella



*Vice Mayor*

Linda Bartz



*Councilwoman*

Michelle Lee Berger



*Councilwoman*

Shannon M. Martin



*Councilman*

Ron Bowen



*City Manager*  
*Jeffrey A. Bremer*

*Incorporated*  
*April 27, 1961*

*Population*  
*171,000*

*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 ..... City Manager  
Pam Booker ..... City Attorney

## ***ADMINISTRATION***

Patricia Roebing ..... Interim Assistant City Manager  
Daniel Holbrook ..... Assistant City Manager  
Edwin M. Fry, Jr..... Finance Director/City Treasurer  
Jesus Merejo ..... Utility Systems Director  
James Angstadt..... Interim Director of Public Works  
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  
Patricia Tobin ..... Interim Planning & Zoning Director  
Patricia Selmer..... Community Services Director  
Edward Cunningham ..... Communications Director  
Bridget Kean..... CRA Director



"A City for All Ages"

**JEFF BREMER**  
*City Manager*

# ***CITY OF PORT ST. LUCIE***

*Office of the City Manager*

September 22, 2014

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

Pursuant to Section 4.04 (g) of the City Charter, you are herewith submitted the budget for the Fiscal Year (FY) 2014-2015. 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.

This was a particularly difficult budget process for staff as we were working on two levels of budget preparation. The first level was to provide a budget based on a status quo carry forward basis to see where our revenue and expenditures, particularly the General Fund, would fall. The second level is to provide a scenario of what it would take to provide for expanded levels of services and what that would look like from a financial perspective. The second level was prompted by your discussions at the Winter, 2014 Retreat. Both have proven to be a daunting task as both levels produce deficits in the General Fund as will be described below.

My budget message will focus primarily about the big picture. For additional details, Mr. Pollard has done his usual masterful job in providing specifics.

I want to thank all staff who worked extremely hard to submit budget estimates, analyze these requests, and arrive at a budget for the next year. My deepest appreciation is extended for the usual hard work and dedication to complete this single most significant policy document.

This budget message is being provided with a sense of mixed signals. On the one hand all of the indicators signal that all is well and that the Great Recession is increasingly behind us. The majority of our revenues are up, taxable values have increased for the second year in a row, building permits are up, development can be seen and the housing market is improving. On the other hand, the specters of the past have now placed us into a defining phase that will force us to directly address the impacts to the General Fund from our large scale investments that have not materialized as originally envisioned. These can be categorized into three categories, Digital Domain, the City/Civic Center and Innovation Way. Before I provide the highlights of the FY 2014-2015 budget, let's look at these mixed signals in a big picture sense.

The Good:

The good news is that we see signs of progress and success everywhere. Listed below are a number of the good signs.

- For the second year in a row the City's taxable value has increased (1.7% last year and 5.3% this year).
- Building permits for each of the last several months are at their highest level in 7 years.
- Certificates of occupancy are up over 300% as compared to last year.
- Unemployment is almost half of the 14% rate in August of 2010.
- A 28% increase in closings of single family homes as compared to last year.
- The median sales price for a traditional sale was \$149,500, up 16% from May of 2013. In addition, foreclosure sales median price rose 7% and short sales median price rose 38%.
- We continue the honor of being the safest city over 100,000 population with crime dropping by 19.3% in the last year.
- Development signs everywhere.
- 1,108 new business tax receipts.
- Bass Pro, Burlington, L.A. Fitness, Guitar Center, Martin Memorial Hospital in Tradition, and many other smaller businesses opening their doors in Port St. Lucie.
- The high probability that Port St. Lucie will be the home of the 7th V.A. Nursing Home in the State.

In addition to the above:

- Wallet-Hub ranked PSL as the 13th best city to start a business.
- Forbes ranked PSL as one of the 200 best places for business and careers based on the cost of business, job growth and education data.
- Forbes also ranked PSL as one of the 25 best places to retire.
- Movoto.com ranked PSL number 1 on a list of the 10 best places to live in Florida.
- CNN-Money rated us as one of the top 5 in the country for cleanest air.
- Cited reason for our rankings are the warm coastal climate, above average air quality, cost of living, typical home prices and low crime rate, among others.

Adding to the good are the following accomplishments for the 2013-2014 fiscal year.

- Council approval of our long term Strategic Plan.
- Successful implementation of our single stream recycling program which has seen a 62% increase in recyclables.
- Adoption of a new fertilizer Ordinance that includes a June through September no-fertilizer ban.
- Adoption of a vacant lot Ordinance.
- Successful renegotiation of all union contracts.
- Successful implementation of the PANDA program for permitting, inspections, business tax, garage sales and contractor licensing.
- Obtained the Record of Decision (ROD), the approval of the LAP (Local Agency Program) for the final phase of the Crosstown Parkway.
- A 19.3% drop in the crime rate for 2013 and retaining our status as the City with the lowest crime rate for Cities over 100,000.
- The implementation of Closed Captioning for TV 20 (August of 2014).

- Re-accreditation for the Police Department, Public Works Department and the Procurement Division of OMB.
- Processed 4,689 code & contractor liens and releases, an increase of 24.6% over last year.
- Paved over 30,000 linear feet of roads.
- A 10.6% reduction in our Workers Compensation insurance resulting in a savings of \$145,274.
- Completed the relocation of Planning and Zoning from the first floor of Building A to the second floor of Building B.
- Completed the first floor renovations for the former Planning and Zoning suite on the first floor of Building A. Human Resources to relocate there from the 3rd floor, and the call center at the Best Street house to relocate in the same suite to facilitate better customer service.
- Installation of the first major art piece at the Botanical Gardens.
- Processed 1,700 written, verbal and e-mail requests for public records, almost the same as last year.
- Installed over 114,000 linear feet of swale liner.
- Completed and opened the City's first dog park at Lyngate Park.
- Lyngate Park being named the 2014 Reader's Choice for best dog park.
- Whispering Pines Park being named the 2014 Reader's Choice for best local park.
- Completed the PSL Intermodal Transit Facility.
- The purchase of 1,944 acres, the Kennedy Groves property, for future water supply and potentially for water farming.
- Successful creation of the Crosstown Business Owners Association for the Biltmore/Macedo business area.
- MIS completion of an enterprise class (not the Star Ship) data backup system replacing an antiquated 7 method previously utilized.
- Human Resources provided multiple training opportunities in such areas as; time management; records management; Florida in the Sunshine; bullying in the workplace, and; customer service.
- Installed over 1,400 linear feet of large culvert.
- Installed over 14,600 linear feet of new sidewalk.
- Implemented an electronic filing system for special events and political signs.
- Upgraded our IT infrastructure.
- Work in progress to replace all 18 greens at The Saints Golf Course.
- Resurrected the Citizens Police Academy and the Junior Police Academy.
- Began construction of the C-24 Canal Park boat ramp.
- Near completion of the Floresta round-a-bout.

While the above does not represent an entire list of accomplishments for the 2013-2014 fiscal year, it does demonstrate the drive that our Departments and their employees employ in continuing to make this City the best it can possibly be. To me this is the mission of any City, and we do it well.

The Not So Good:

It is, however, difficult to embrace optimism when investments from the past continue to be the negative drivers of our fiscal sustainability, both current and into the near future. We work so hard to maintain our current level of service and have, for the first time in recent memory, begun discussions considering increasing our level of services. This is a difficult discussion, if not impossible, when so much of our general fund dollars must be redirected to pay for debt service on our failed economic investments.

To be clear, my usage of failed economic investments is in no way meant to criticize but is used to emphasize that the envisioned method of servicing the debt anticipated for the investments has not materialized, and will not likely materialize for many years. As your City Manager, it is incumbent upon me to prompt a discussion about these issues even though I was not here when they occurred, was not party to the discussions and not privy to all of the information provided as a part of the decision making process and most importantly not my place to second guess these investments. It is an unfortunate set of circumstances that so many of the large investments that the City, and others, have made in the past 10 years has fallen on the City's general fund, or other funds (MSTU), in order to honor the commitments made. For the fiscal year 14-15 this means the following diversion of funds from the General Fund:

1. City Center Special Assessment District	\$1,747,000
2. Digital Domain	\$3,826,725
3. Torrey Pines Institute	<u>\$1,700,000</u>
Total	\$7,273,725

Adding in the drain on our MSTU Funds for the CRA for the Civic Center, Parking Garage, Sub-Station, Stage and Fountain	<u>\$3,300,000</u>
Total	\$10,573,725

It should be noted that MSTU funds, which are currently being utilized to service the debt for Civic Center, will be reduced to a total of \$1,500,000 annually in the 16-17 fiscal year as the fund balance will be depleted. Since these funds will no longer be sufficient to cover the debt for the Civic Center, the General Fund will be required to absorb an addition burden of \$2,000,000.

A complete breakdown of each debt, the original amount of the debt, the envisioned funding mechanisms, the existing funding mechanism and other information is attached to this budget message for your information.

It should also be noted that we are likely to either sell the Digital Domain building or refinance the debt which will reduce our exposure to the \$1,500,000 to 1,700,000 range on an annual basis (the legacy cost).

## The Not Good:

It is clear that the not so good outweighs the good by virtue of the fact that the submitted budget for the General Fund is approximately \$4,500,000 short of a balanced General Fund budget. As you will recall, we have a balanced budget forecast that will take us out into the 17-18 fiscal year before balancing our revenues and expenditures. However, that projection was based on the status quo and with our expanded level of service discussions the opportunity costs associated with the not so good takes away from our ability to increase our level of service, and if the deficit is not addressed and stopped it will have a cascading effect. This cascading effect will hurt our bond rating, deplete our General Fund reserves below our 15% target, burn all of our MSTU funds and may actually contribute to level of service reductions. It is staffs strong consensus that we need to stop the bleeding now before we can advance to the next level.

## What This All Means:

The point here is that despite all of the wonderful positives that are happening in this awesome city of ours our budget is not sustainable if we continue to "index" into the General Fund the cost of picking up the pieces of the failed economic investments. The opportunity costs are great when we redirect \$7,273,725 (the equivalent of 1.1251 mills) of general fund money to cover the fact that anticipated sources of revenue to service debt for the City Center, Digital Domain and Innovation Way did not materialize. It is important to remember that the only reason that we are deficit spending in the General Fund and the MSTU fund is because of the above!

Add to that the redirection of MSTU funds in the amount of \$3,300,000 away from potential parks projects to pay to the Civic Center CRA, also due to the fact that the anticipated revenue to cover the debt did not materialize. In total for the 2014-2015 fiscal year \$10,573,725 must be committed to pay for debt service/special assessments for these investments.

Even assuming, as mentioned above, that the Digital Domain building is either sold or refinanced we will still be left with up to \$1,700,000 million. In this case the General Fund will still need to account for \$5,147,000 on an annual basis for years to come. And in looking ahead, the General Fund will need to pick up an additional \$2,400,000 in 2 years for CRA debt for the Civic Center and we are still looking at over \$7,800,000 million in General Fund supplements.

As mentioned above, we can no longer "index" these expenditures. We must act now to stem the tide. We must acknowledge that for no other reason than the Great Recession and an unsustainable business plan (Digital Domain) that the General Fund, as a fall-back financier, takes the hit. In my opinion we must increase our revenue stream to protect our fund balance, insure that we retain our bond rating and be able consider expanded levels of service and programs. Imagine what we could do with an additional \$10.5 million on an annual basis! Expanded levels of service, significant movement on our Riverwalk, Botanical Gardens and grounds, additional funds for sidewalks, streets parks and other projects.

## The FY 2014-2015 Budget:

This section of the budget discussion will focus on several options for your consideration, mostly targeting the General Fund. As has been previously mentioned, the budget is a carry forward, or status quo budget that does not contemplate any expanded service. It is based on the same millage rate as was adopted for the FY 2013-2014 budget which is 5.6289 (3.4897 for the General Fund, 1.2193 for Crosstown Parkway voted millage, .3616 for the Road and Bridge Fund and .5583 to the Road and Bridge Capital Improvement Fund). This budget reflects a General Fund deficit, or draw down of our fund balance in the amount of approximately \$4,500,000.

As such, the total overall budget is submitted at \$541,227,528 and includes all Operating and Capital Improvement funds. The proposed budget does not call for a millage increase but does produce the necessity of a draw-down of our General Fund Balance of approximately \$4,500,000. I consider it a deficit budget due to the fact that we are tapping into our savings account in order to produce a balanced budget. As a frame of reference, had our failed economic investments been successful from the standpoint of being funded by the originally anticipated funding mechanisms, we would have a surplus in the General Fund of approximately \$3,300,000, which is close to the requested expanded level of service. With the above in mind, what are the options that we can consider?

### Option #1:

Keep the millage rate at its present level of 5.6289 mills. This option, however, will require continuing to rely on using our General Fund balance for the next fiscal year. Our target for fund balance is at least 15%. Based on projections in this budget document, we can withstand another year of deficit spending. It is the trend that we should be concerned about. Deficit spending trends could impact our bond rating, as previously mentioned.

What this also means is that there can be no additional services added at this time, no additional funding to address our unmet needs and no additional employees.

### Option #2

If we are to consider a balanced General Fund budget without tapping into our savings account, we would need to increase the millage rate by .6961. This will provide for no more than a balanced budget and does not contemplate any new services or programs. It should be noted that the \$4,500,000 produced by this additional millage only covers 61.87% of the "indexed" amount of \$7,273,725 as defined above. The total new millage rate would be 6.3250.

### Option #3:

If we are to consider the expanded level of services in the General Fund, which provides for an additional 38.38 employees we would need to increase the millage rate by an additional .6223. This 38.38 additional General Fund employees is, of course, a wish list from each Department and is based on the outcome from our 2014 Winter Retreat discussion. I do not believe that all of

the requests are necessary this fiscal year. From my perspective there are other projects beyond an increase in our staffing levels that would take a priority position. This could include parks, the Riverwalk, Botanical Gardens, Historical House improvements and the re-creation of the traffic division, just to name a few. Combined with Option #2, the necessary millage rate would be 1.3184, for total millage rate of 6.9473.

#### Recommendations to Consider:

I understand that the above is a bitter pill to swallow. I believe that it is critical to stop the bleeding of our General Fund balance, insure stability in our debt rating and insure the maintenance of our 15% contingency policy. The question is when? My aggressive nature would find me recommending Option #3. But, I do recognize the inherent difficulty in raising the millage rate by nearly a mill. It is, however, a onetime course correction that would resolve our immediate needs and provide for a future that will most likely not see another millage rate increase for years to come. My conservative side, on the other hand, forces me to recommend the following.

While it does not advance our organization or its mission, Option 1 does provide for an opportunity for one more fiscal year to unfold in order to gage/measure the strength of our recovery from the Great Recession. I make this recommendation based on the following two factors:

First, a third consecutive year of taxable value increases (FY 13-14, FY14-15 and FY 15-16) will provide a solid trend line with which to project future growth. While we continue to deficit spend, we do violate our fiscal policy of retaining a 15% target for contingencies.

Second, a number of major issues are in a state of flux at the current time. If positive events happen with respect to Digital Domain, Torrey Pines and the Civic Center; that could reduce the magnitude of our financial threats and thereby reduce the amount of the "fix" that is required.

Finally, it MUST be noted that in the absence of those positive events, action must be taken next year to bring current year revenues in line with current year expenditures.

#### Department Goals:

As a part of the preparation of this budget message I asked that each department submit two goals for the upcoming year. In a testimony to our Strategic Plan you will note distinct parallels in their thoughts.

- Maintain low crime rate.
- Update Land Development Guidelines.
- Bring Crosstown Parkway to the construction phase.
- Training, reorganization, succession planning.
- Water Farming to the Kennedy Groves property.
- Annexation of the Kennedy Groves property.
- Implementation of Social Media.

- Citizens Survey methods.
- Advance the Riverwalk, Botanical Gardens Historical House development.
- Complete all remaining ADA modifications.
- On-line Credit Cards.
- Update Safety Manuals.
- Increased Internet access.
- Special Events refinement for the Civic Center.
- Increase in Cloud usage.
- Webpage placement of Ordinances and Resolutions with easy searchable access.
- City-Wide recognition program.
- Completion of the C-24 Boat Ramp Park.
- Formal Internship Program.

And as a final notation, as with last year's budget message, I asked each department to identify their Unmet Needs, here is what they identified:

- Additional personnel.
- A more aggressive Street resurfacing program.
- A more aggressive sidewalk installation program.
- Accepting credit cards on-line for all business transactions.
- Electronic plan submittal.
- Expansion of facilities to accommodate future growth.
- Funding for park improvements.
- Defining the final utility service district.
- Migration of optical imaging to word searchable PDF format.
- A balanced budget.
- Removal of records litigation hold so that we can manage records storage in compliance with statutory guidelines.
- FMLA tracking program.

As you are likely to notice a number of the above unmet needs are carry forwards from the previous year. They still remain challenges as there is not a sufficient level of funding to advance these needs.

Conclusion:

There are so many awesome things happening in this City and so much potential that is on the cusp of happening that should not be overlooked. I am proud of the work that our staff does every day to provide a small town feel to our service delivery. We are driven to continue to enhance our customer services through new computer programs and related services. We have lived within our budgets and have found ways to enhance and maximize our revenues. While no organization is perfect, the City of Port St. Lucie is by far the most professional, knowledgeable, competent and responsive of any City that I have managed in my 35 year career. I am proud to be your City Manager.

Our challenges essentially boil down to those identified in this message. They are large in scope and cost but are few. They are holding us back from greatness but we will work through these challenges as we have always done as a City. We must work to resolve the financial aspects of this challenge. If our situation does not improve by next year, action must be taken, or we will be unable to undertake the projects that will create a sense of identity, enhance all aspects of life in the City and make the vast majority of our residents as proud to call Port St. Lucie their home as I am.

Respectfully submitted,



Jeffrey A. Bremer

# City of Port St Lucie - Specific Debt Review Impacting the General Fund

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## 1) City Center SAD: (Fund #156)

Debt Expires: 2035

Original SAD debt was 2006

Series 2008A refunded 2006 with new total debt of \$31,360,000

Remaining debt as of 9/30/14 is \$28,765,000

Funds used for the construction of roadways, storm water improvements, street lights, potable water transmission mains, wastewater collection and conveyance system within the development of the City Center SAD.

Expected Payment for F.Y. 14-15 is \$2,496,812.50\*

\*(source – semi-annual bond update)

Funding sources found on page 435 of F.Y. 13-14 Budget Document:

- For F.Y. 13-14 the General fund transferred \$1,747,000 to Fund #156
- For F.Y. 14-15 the General fund transfer will be \$1,747,000

## 2) CRA Fund: (Fund #175)

There are two issues associated with this fund:

- Series 2004 \$11,870,000 Debt Expires: 2023
- Series 2006 \$46,450,000 Debt Expires: 2026
- Total debt \$58,320,000

Remaining debt as of 9/30/14 is \$48,300,000

Funds used for the series 2004 include the construction of roadway, drainage, potable water and sanitary sewer infrastructure, and recreational improvements within the CRA.

Funds used for the series 2006 include the acquisition of certain property, the construction of parking garages, a civic center and the reconstruction of certain roadways within the CRA (Walton Road, Village Green & landscaping), and also a police substation.

Expected Payment for F.Y. 14-15:

- Series 2004 \$937,475 \*
- Series 2006 \$3,396,250\*
- Total \$4,333,725

\*(source – semi-annual bond update)

Funding sources on page 391 of F.Y. 13-14 Budget Document:

- For F.Y 13-14 the MSTU fund transfer was \$2,711,570 to Fund #175\*
  - For F.Y 14-15 the MSTU fund transfer will be \$3,300,000 to Fund #175\*
- \*(Other funding is provided from Road Operating & CIP revenues)

### 3) Torrey Pines Collection Fund: (Fund #159)

Debt Expires: 2027

AKA Series 2008 (Municipal Complex)

Original COP was \$45,600,000

Remaining debt as of 9/30/14 is \$36,460,000

Funds used for financing of the 2007 project unit for the building called "Municipal Complex".

Expected payment for F.Y. 14-15 is \$4,105,150\*

\*(source – semi-annual bond update)

Funding sources found on page 437 of F.Y. 13-14 Budget Document:

- For F.Y. 13-14 the General Fund transferred \$2,100,000 to Fund #159
- For F.Y. 14-15 the General Fund transfer will be \$1,700,000

### 4) Digital Domain: (Fund – General Fund 001)

Debt Expires: 2031

2010 Wyndcrest Lease Revenue Bonds were \$39,900,000

Remaining debt as of 9/30/14 is \$35,250,000

Funds used for acquisition, construction and equipping of approximately 115,000 square foot building to be used for the operation of a digital production studio.

Expected payment for F.Y. 14-15 is \$3,484,325

Funding source – General Fund Balance

In addition, operating costs currently amount to \$342,400 annually

Total cost is \$3,826,725

**F.Y. 14-15 Specific Debt Summary:**

This summary represents budgeted figures and the actual figures may be less.

		G.F. Revenues	MSTU Funds	G.F. Fund Balance
1)	City Center SAD	1,747,000		
2)	CRA			
			3,300,000	
3)	Torrey Pines	1,700,000		
4)	Tradition Studio			3,826,725
		.....	.....	.....
	Total	3,447,000	3,300,000	3,826,725
			10,573,725 (All)	
			7,273,725 (G.F.)	

F.Y. 12-13 Taxable Value was \$6,425,626

F.Y. 13-14 Taxable Value was \$6,720,285

## ***THE BUDGET DOCUMENT***

The City of Port St. Lucie's Budget Document for 2014-15 is organized into twenty-seven sections. They are Introduction, Strategic Plan, Financial Section, 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,

**Strategic Plan** – The Strategic Plan section includes City Council Affiliations, Strategic Planning, the City's Mission and Vision Statement and the principals and meaning of both, Goals and Objectives and the means to the residents, the definition of each Goal, Long Term Challenges and Opportunities, Short Term Challenges and Opportunities along with the Policy Agenda, Management Action, Management in Progress, and what's on the Horizon.

### **Financial Section**

The Financial Section includes 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, Financial Policies (Operating Budget Policy, Reserve Policy, Investment Policy, Annual Audit and Auditor Selection Policy), Budget Summary & Total Budget Trends, Summary of Revenues and Expenses, Revenue Financial Policy, Revenue and Expense Trends Graphs, Revenue Description Overview, Staff Changes, Summary of Budgeted Positions, Long Term Debt Management Policy, 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.

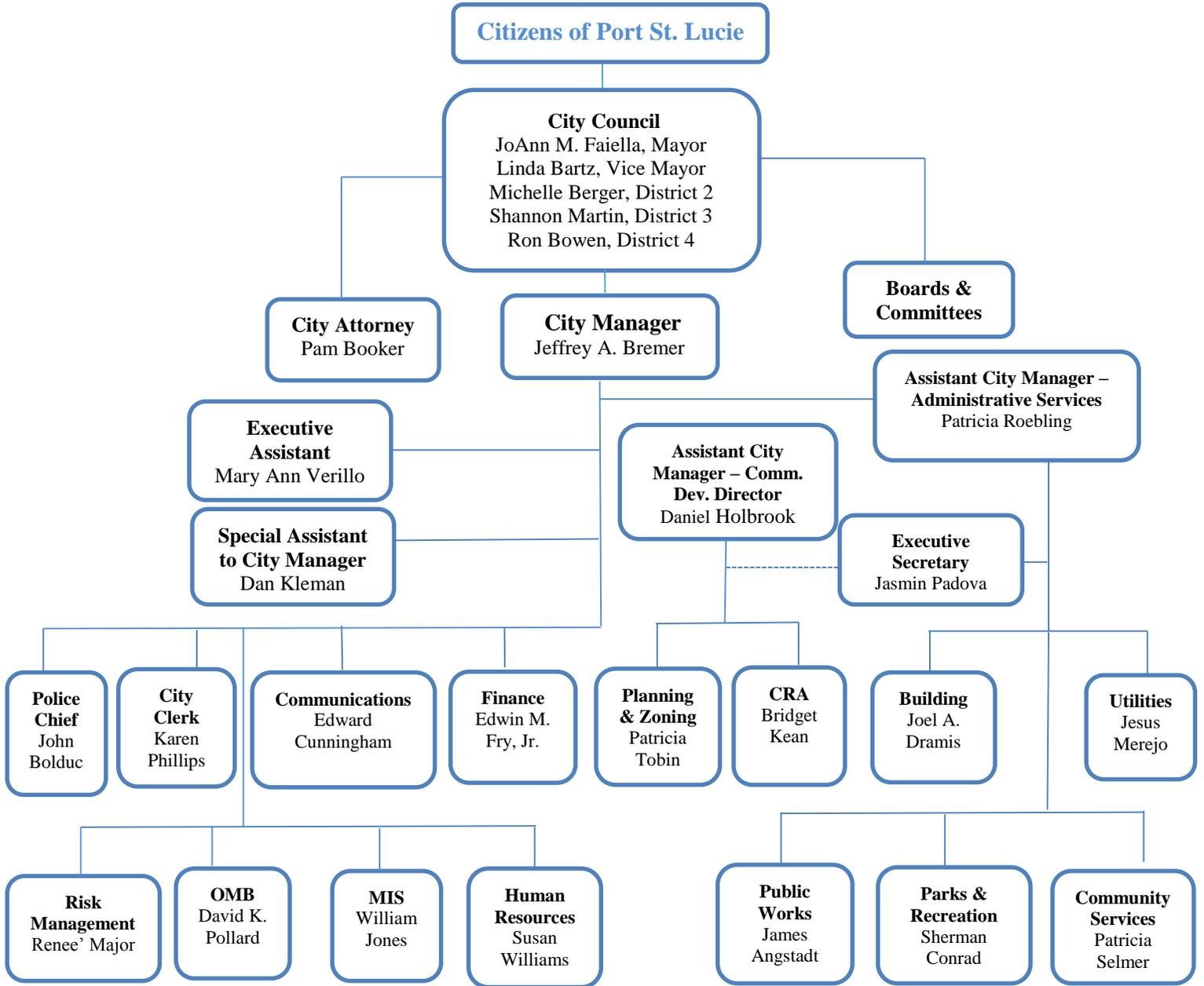
**Abbreviations & Acronyms** – This section lists abbreviations and acronyms used throughout the budget book and the related word.



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.



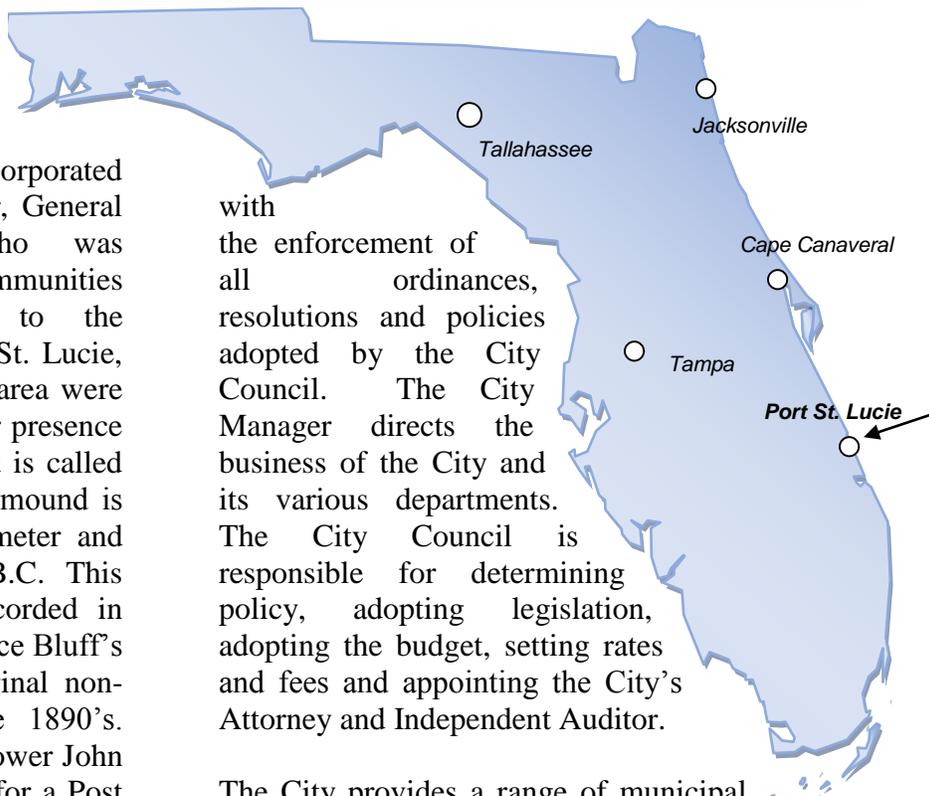
## History

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 81 to a low of 66. Normal annual rainfall is 54 inches.

Month	Monthly Average Low	Monthly Average High	Rainfall (Inches)
<b>Jan.</b>	54	71	<b>2.35</b>
<b>Feb.</b>	58	74	<b>3.21</b>
<b>March</b>	60	76	<b>3.68</b>
<b>April</b>	68	81	<b>2.87</b>
<b>May</b>	70	83	<b>3.78</b>
<b>June</b>	71	86	<b>5.72</b>
<b>July</b>	74	88	<b>6.04</b>
<b>Aug.</b>	75	89	<b>7.49</b>
<b>Sept.</b>	73	86	<b>7.69</b>
<b>Oct.</b>	68	83	<b>5.42</b>
<b>Nov.</b>	60	76	<b>3.58</b>
<b>Dec.</b>	62	76	<b>2.13</b>
<b>Average</b>	<b>66.08</b>	<b>80.75</b>	<b>53.96</b>

With one hundred and fifteen square miles and a current population of 171,000 thousand in October 2014, only 73% 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 39.4 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

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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 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 of 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 430 units for fiscal year 2012-13 down from 4,183 units in 2005-06. Additionally, the

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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

2013 Principal Employers (St. Lucie County)	
	# of Employees
St. Lucie County School Board	4,478
Lawnwood/HCA Medical	2,200
Indian River State College	1,884
St. Lucie County	1,594
Wal-Mart Retail and Distribution	1,569
Publix	1,327
City of Port St. Lucie	1,075
Florida Power and Light	1,000
QVC	994
Liberty Health Group, Inc.	920

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. The City has hired an Assistant City Manager to oversee the CRA and Economic Development.

Some of the past projects include Burlington Coat Factory, Bass Pro Shops, L.A. Fitness, Guitar Center, Martin Memorial Health Systems (Tradition Medical Center) employing 264 employees, Torrey Pines Institute which employs approximately 117

Scientists, The Vaccine and Gene Therapy Institute (100,000 square-foot research facility), which will eventually hire up to 190 employees. The Institute works to develop vaccines and treatments for infectious diseases and cancer, and to boost immune response in aging populations. It is situated next to the Torrey Pines Institute for Molecular Studies and a new Martin Health System hospital. 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.

Some of the futures projects that are underway is the addition of another Publix at Tradition, the expansion of three floors at the Tradition Medical Center, a Veteran's Hospital for our Veterans, a discounted grocery store (Aldi), Home Goods and three O'Riley Auto Stores.

Sources: Finance Department CAFR.

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