

Port St. Lucie's Fiscal Reflections



Popular Annual Financial Report
Fiscal Year ending Sept. 30, 2023

Letter from the City Manager



“
The commitment and excellence of our City staff in departments ranging from Finance and Public Works have been essential to our successes.
 ”

As your City Manager, it is both my duty and privilege to oversee the daily administration and strategic planning of our City, ensuring that we continue to grow and thrive responsibly. I am pleased to present the Popular Annual Financial Report (PAFR) for the fiscal year ended September 30, 2023, as part of our commitment to transparent and accountable governance.

This report simplifies the extensive details from our Annual Comprehensive Financial Report (ACFR) into a format that is easy to understand. It offers a concise overview of our City's financial standing and economic activities, showcasing the continuous dedication and hard work of our staff across various departments.

The City of Port St. Lucie has continued to flourish, bolstered by its strategic location and robust infrastructure, attracting a diverse mix of businesses and residents and strengthening our community dynamics. Financially, we have seen significant growth, with our tax base increasing by 22.91% from the previous year. This growth has enabled us to reduce the millage tax rate, directly benefiting our residents.

Key initiatives this year included our Capital Improvement Program, which focused on infrastructure enhancements such as utility system upgrades, street resurfacing, and new park developments, investments that enrich our community's living standards.

The commitment and excellence of our City staff in departments ranging from Finance and Public Works have been essential to our successes, ensuring Port St. Lucie remains a top choice for residents.

Looking ahead, we are committed to enhancing the City's safety and cleanliness by constructing a new Public Works building and Police training facility. We aim to foster a sustainable economy and maintain vibrant neighborhoods, always aligning our mission with residents' needs and aspirations.

Thank you for placing your trust in us. Together, we are crafting a promising future for Port St. Lucie.

Jesus Merejo
City Manager

Table of Contents

- 02 Letter From the City Manager
- 03 Table of Contents / What is a PAFR?
- 04 About The City & Demographics
- 05 Mayor & City Council
- 06 Local Economic Indicators
- 07 City's Budget at a Glance
- 08 City Taxes
- 09 City Revenue
- 10 City Expenditures
- 11 Long Term Debt
- 12 14-Year Debt
- 13 Net Position
- 14 Half-Cent Sales Tax
- 15 Looking Ahead

WHAT IS A PAFR?

The Popular Annual Financial Report (PAFR) is a concise, user-friendly summary of the City's financial activities and health over the past year. Designed for the general public, the PAFR simplifies the more complex details found in the Annual Comprehensive Financial Report (ACFR). It highlights key financial data, major projects, and community developments, providing residents with a transparent view of where their tax dollars are going. This report aims to enhance understanding and engagement between the City's government and its citizens, promoting accountability and fostering civic involvement.

A copy of the ACFR can be viewed at:
cityofpsl.com/government/departments/financial-management-department



About the City & Demographics

QUICK FACTS

ESTABLISHED
**April 27,
1961**

POPULATION
239,653

121
SQ MILES

3.3%
UNEMPLOYMENT
RATE

MEDIAN AGE
42.9

The City of Port St. Lucie was incorporated in 1961 and covers an area of approximately 121 square miles making it the third largest city in Florida by land mass.

According to the 2023 estimates, the City's population has increased by 17% since the 2020 census, a significant growth that has propelled the City to rank second in population change and sixth in overall population in the State of Florida. Amid economic fluctuations nationwide, Port St. Lucie has sustained a low unemployment rate, notably at 3.3% in 2023, which is below the average for the United States. This is indicative of the City's solid economic sectors, including healthcare, education, and local governance.



The City of Port St. Lucie is the most populous City in St. Lucie County and is located near the Atlantic Ocean on the southeast coast of Florida. It is situated in the southern part of St. Lucie County which lies between Indian River County to the north and Martin County to the south.

Mayor & City Council

The City is led by a five-member elected Council, which sets policy and determines the long-term vision for the City. The Council appoints a City Manager to handle the daily business affairs, and a City Attorney to provide legal advice.



SHANNON M. MARTIN
Mayor



JOLIEN CARABALLO
Vice Mayor,
District 4
Councilwoman



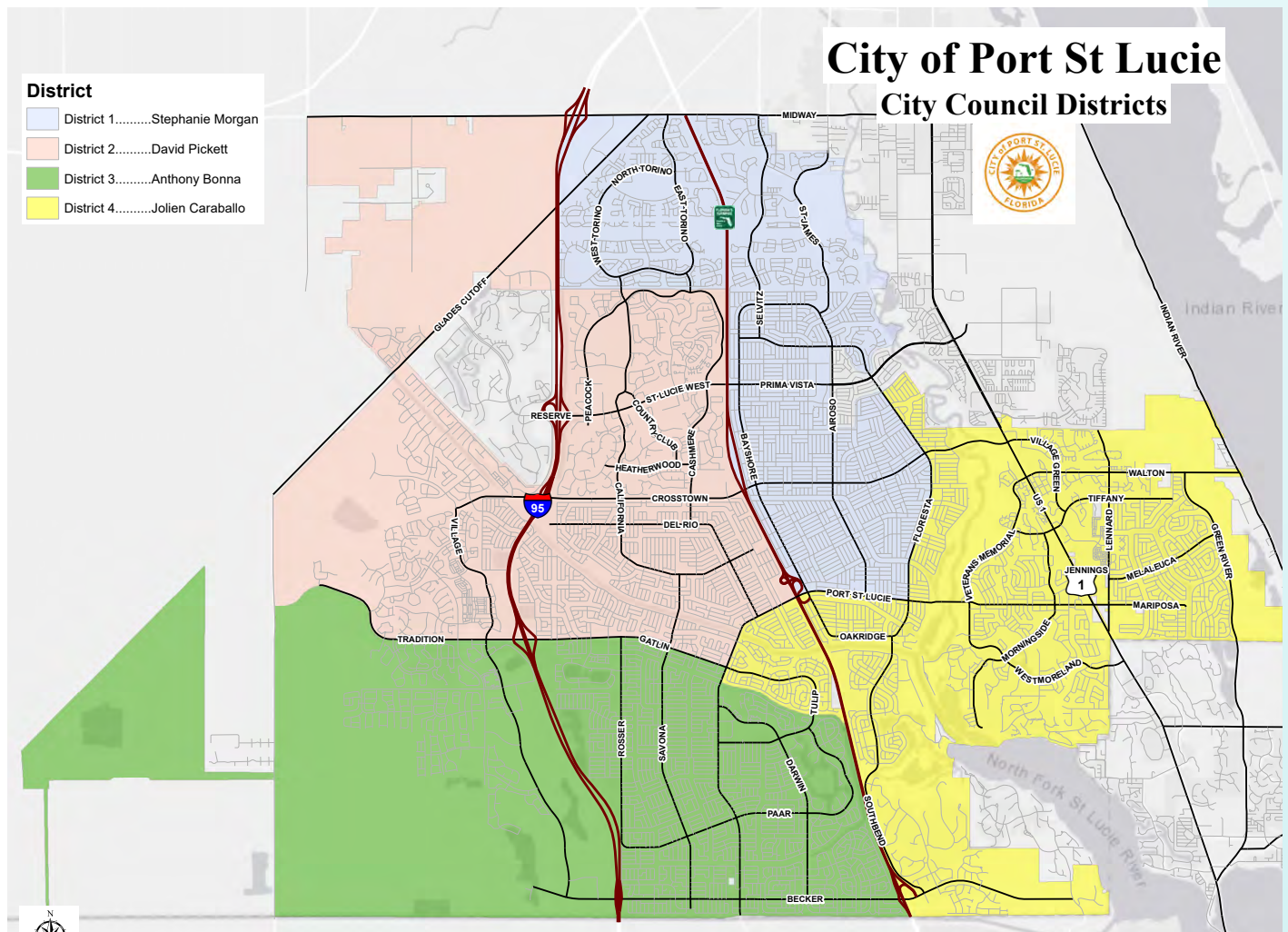
STEPHANIE MORGAN
District 1
Councilwoman



DAVID PICKETT
District 2
Councilman



ANTHONY BONNA, SR.
District 3
Councilman



Local Economic Indicators

UNEMPLOYMENT RATES

| | |
|----------------|-------------|
| Port St. Lucie | 3.3% |
| Florida | 3.1% |
| United States | 3.7% |



Median Single-Family Home Sales Price
\$394,000



Median Household Income
\$75,040



EMPLOYMENT BY INDUSTRY

21%
Professional and Business Services

18%
Trade, Transportation and Utilities

16%
Other Services



15%
Construction

14%
Education & Health Services

9%
Financial Activities

7%
Leisure and Hospitality

PRINCIPAL PROPERTY TAXPAYERS

| |
|--------------------------------|
| Florida Power & Light Co |
| Wal-Mart Sams Club |
| KRG Port St. Lucie Landing LLC |
| Grande Palms |
| HCA |

PRINCIPAL EMPLOYERS

| | |
|--------------------------------|--------------|
| St. Lucie School Board | 5,253 |
| Lawnwood/HCA Medical | 1,847 |
| Cleveland Clinic Martin Health | 1,500 |
| City of Port St. Lucie | 1,363 |
| Walmart Distribution Center | 1,273 |

City's Budget at a Glance

Each year, the Port St. Lucie City Council develops and adopts a balanced budget that outlines expenditures for government operations, services, and projects.

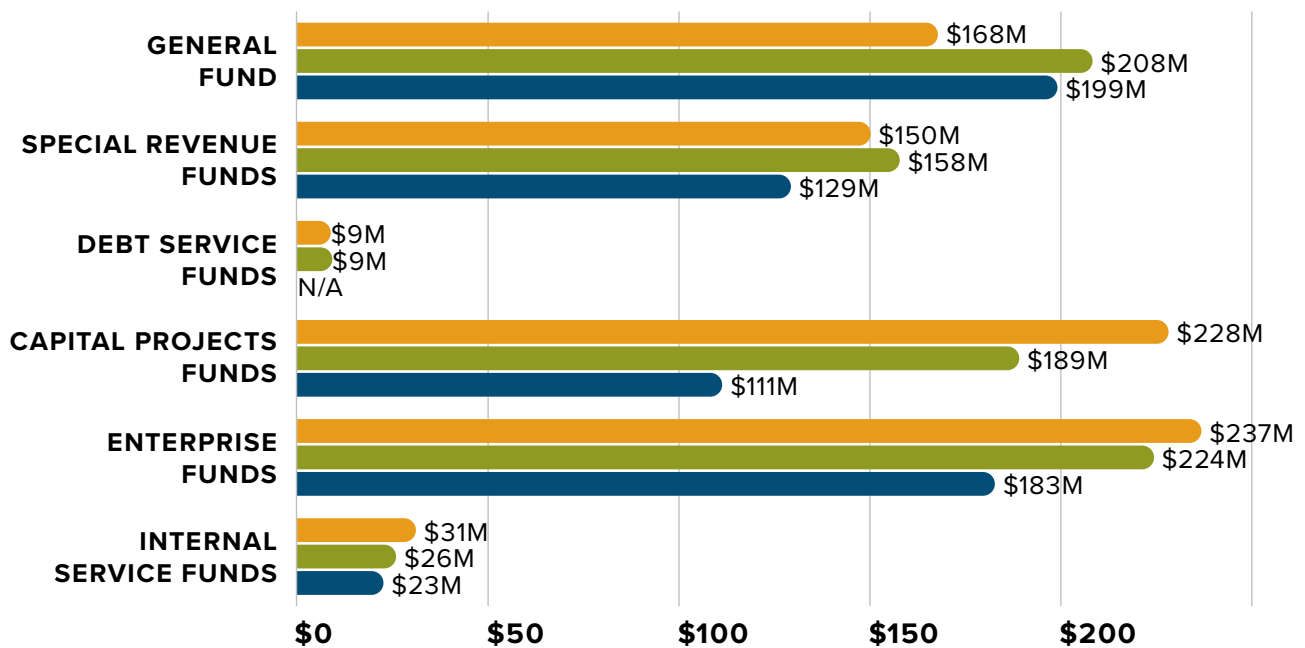
In accordance with state law, any amendments to the budget can only be made by the City Council during a public meeting. The fiscal year for the budget starts on October 1 and concludes on September 30.

The City of Port St. Lucie's budget is organized into six distinct fund types, each representing a grouping of related accounts designated to manage resources allocated for specific activities or objectives.

TOTAL CITYWIDE BUDGET BY FUND

Units: Millions

● 2023 ● 2022 ● 2021



THE GENERAL FUND: The City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue for the general fund is generated by taxes such as property, electric utility, state sales tax and communication services. Other major funding sources include state revenue sharing and electric franchise fees.

SPECIAL REVENUE FUNDS: Funds used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes.

DEBT SERVICE FUNDS: Funds designed to hold money to pay for principal and interest on the City's long-term debt.

CAPITAL PROJECTS FUNDS: Fund used to account for financial resources related to the acquisition or construction of major capital facilities and projects, which is generally nonrecurring in nature.

ENTERPRISE FUNDS: Funds used for operations that resemble private businesses, where the goal is to cover costs through user charges, such as the City's Utility Systems, Stormwater, and Golf Course operations.

INTERNAL SERVICE FUND: A fund established to account for an entity which provides goods and services to other City entities and charges those entities' for the goods and services provided such as the City's Medical Insurance Fund.

City Taxes

The City's largest source of operating revenue is the property or "ad valorem" tax

This tax is based on the value of all land and buildings (real property) as well as business equipment and machinery (tangible personal property) within the City as determined annually by the Property Appraiser. The Board of County Commissioners, School Board, Fire Department, and other levying bodies also set millage rates. A "mil" is equal to \$1 per \$1,000 of taxable property value. The City's millage for the 2023 fiscal year is 5.3000, or \$5.30 per thousand dollars of taxable value.

FY22/23 BUDGET

0.032 FL Inland Nav District

0.2301 Water Management

0.4025 Childrens Services



7.5568 St Lucie County



6.479 Public Schools

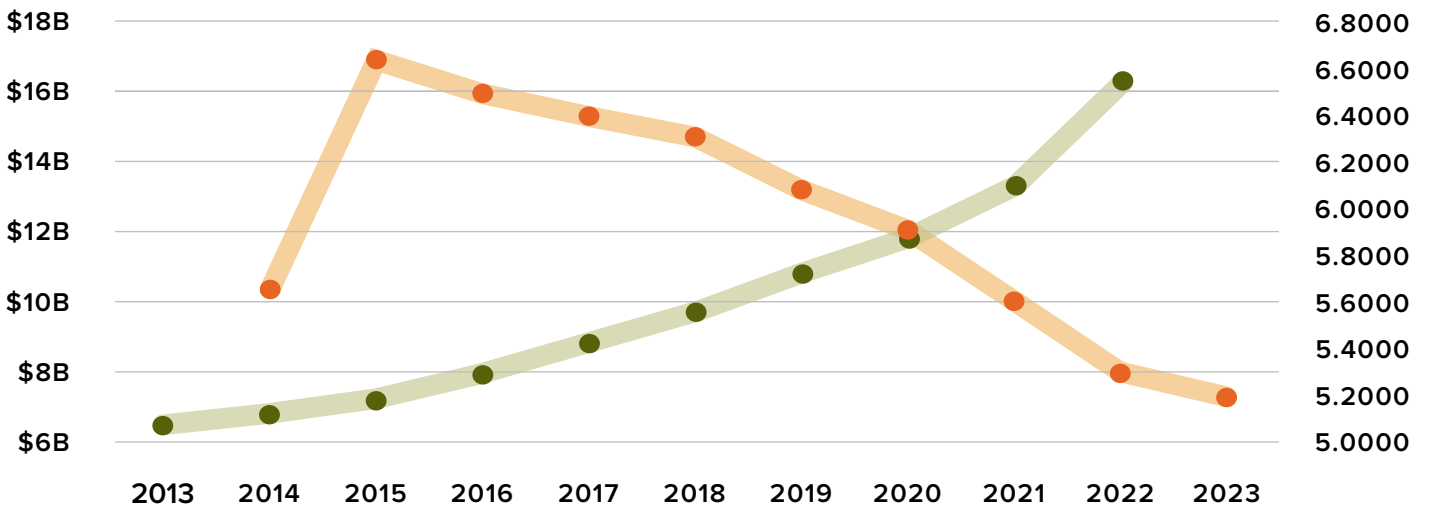


5.3 Port St Lucie



3.000 Fire District

TAXABLE ASSESSED VALUE AND PORT ST. LUCIE MILLAGE RATE - LAST TEN FISCAL YEARS

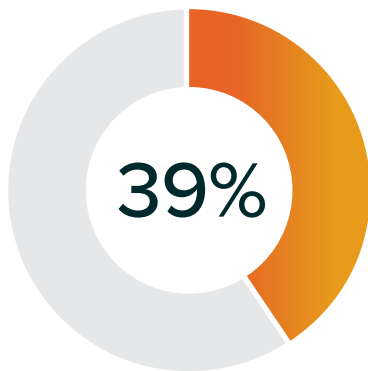


City Revenue

WHERE MONEY COMES FROM

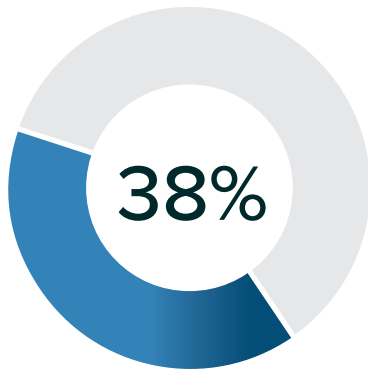
The City of Port St. Lucie secures its revenue from multiple sources, primarily through charges for services and property taxes.

Charges for services encompasses all non-tax-related revenue, which includes fees from water and wastewater services, stormwater management, building permits, and impact fees. Additionally, revenue is generated from City-run facilities, inspection services, and other miscellaneous fees. These charges play a crucial role in funding, improving, and expanding the City's services.



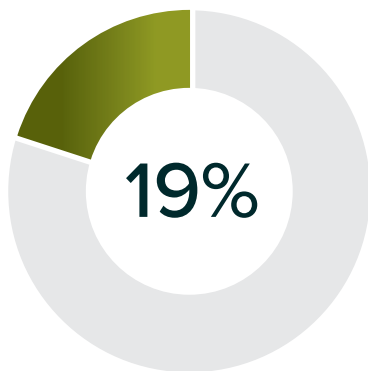
CHARGES FOR SERVICES

| | |
|---|---------------|
| Primary Gov't Charges for Services | \$63,509,442 |
| Utility System Charges for Services | \$103,038,701 |
| Stormwater Utility Charges for Services | \$25,534,779 |
| Golf Course Charges for Services | \$1,994,504 |



TAXES

| | |
|-----------------------------|--------------|
| Property Taxes | \$85,491,021 |
| Sales Tax | \$26,216,830 |
| State Shared Revenues | \$17,502,341 |
| Other Local Taxes | \$34,315,712 |
| Franchise and Utility Taxes | \$34,653,280 |



GRANTS AND CONTRIBUTIONS

| | |
|--------|---------------|
| Grants | \$100,075,828 |
|--------|---------------|

4% of the City's revenue is derived from investment income

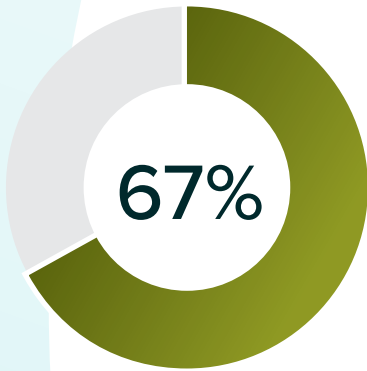
City Expenditures

WHERE YOUR MONEY GOES

The Primary Governmental activities in the City of Port St. Lucie increased by \$34 million or 14.8% compared to FY 2022.

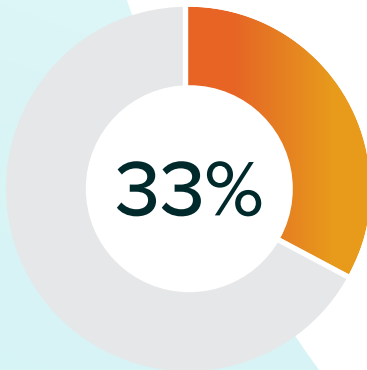
This growth is largely attributed to notable increases in public safety costs, including salaries, health insurance, and other post-employment benefits, as well as General Government expenses related to the engagement of a new solid waste contractor.

THE BUSINESS TYPE ACTIVITIES HAD A MINIMAL INCREASE OF 5% PRIMARILY DUE TO INCREASED OPERATING EXPENSES TO THE UTILITY SYSTEM.



PRIMARY GOVERNMENT

| | |
|------------------------|--------------------|
| General Government | 45,861,565 |
| Public Safety | 77,549,555 |
| Physical Environment | 35,489,547 |
| Transportation | 45,791,510 |
| Economic Environment | 17,120,437 |
| Human Services | 6,248,548 |
| Culture and Recreation | 25,371,727 |
| Debt Service | 11,822,603 |
| Total | 265,255,492 |



BUSINESS-TYPE ACTIVITIES

| | |
|----------------|--------------------|
| Utility System | 104,297,035 |
| Stormwater | 24,766,581 |
| Golf Course | 2,232,952 |
| Total | 131,296,568 |

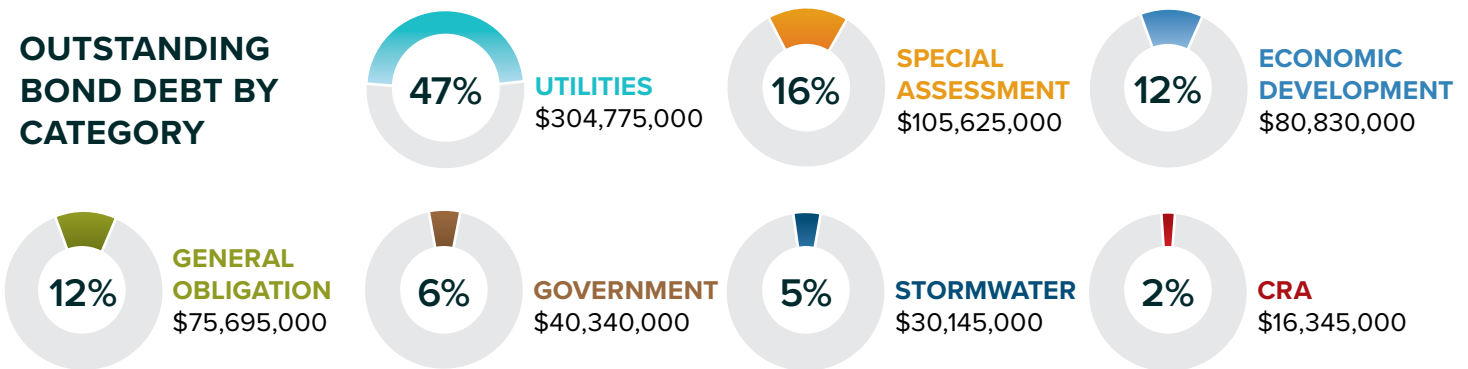
Long Term Debt

HOT TOPIC

The City of Port St. Lucie strategically manages its \$653 million debt portfolio to fund critical infrastructure and public services, enhancing residents' quality of life.

Viewing debt as a strategic tool, the City utilizes debt to finance large-scale projects that might be unfeasible through regular budget allocations, thereby supporting vital community resources such as roads, bridges, parks, and utility plants. This approach also includes the principle of inter-period equity, spreading the cost of projects over time to equitably share financial burdens and benefits across generations, thus ensuring that no generation is overcharged. Additionally, debt issuance allows the City to quickly respond to emergencies and maintain essential services during economic downturns, securing the continuity of operations like public safety without significant disruptions.

OUTSTANDING BOND DEBT BY CATEGORY



Currently, the City has seven general categories across its debt portfolio:

UTILITIES, the largest category making up approximately 47%, was issued to fund the vital water and wastewater infrastructure needed to service the City's growing population.

SPECIAL ASSESSMENT BONDS were issued for specific special assessment districts such as East Lake Village, St. Lucie Land Holdings, and Southwest Annexation.

ECONOMIC DEVELOPMENT BONDS were issued to purchase, furnish, and equip buildings such as VGTI, Torrey Pines, and Digital Domain in an attempt to create a high paying job corridor on the Southwest side of the City.

GENERAL OBLIGATIONS BONDS were voted on by the citizens of the City. This debt was issued to construct the

Crosstown Parkway a six lane divided highway and bridge connecting the East and West side of the City.

GOVERNMENT DEBT was issued to help fund acquire, construct, and equip a new Public Works building, Police training facility, Torino regional park improvements, Tradition regional park improvements, and an adaptive traffic light system.

STORMWATER BOND FUNDS were used for various infrastructure improvements, including the enhancement of pump stations, widening and regrading of roads and culverts, upgrading drainage systems, and installing new stormwater detention ponds and related facilities to improve water management and flood prevention.

CRA BONDS were used to for various improvements for roadways, stormwater, water distribution, wastewater collection, and greenway acquisition.

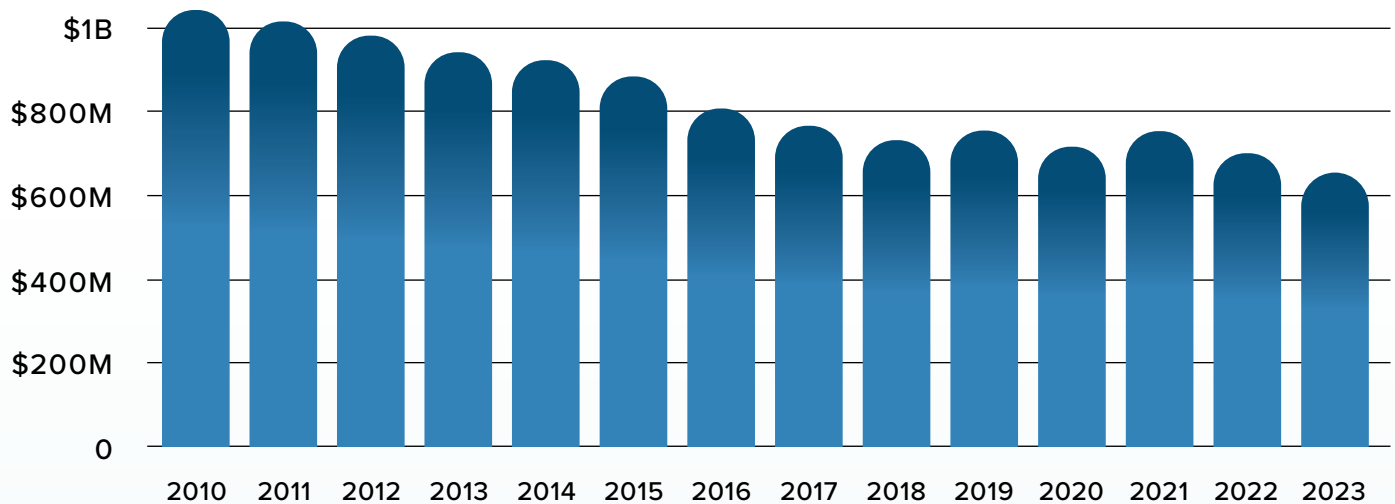
14-Year Debt

Thanks to the City Council's proactive debt reduction strategy and commitment to maintaining a high-performing government, the City has achieved a significant decrease in its outstanding debt.

Over the last 14 years, we have successfully reduced our overall debt by 37%, a significant accomplishment achieved concurrently alongside a decreasing millage rate over the past eight years. This demonstrates our dedication to financial prudence and effective governance.

TOTAL CITYWIDE DEBT AT PAR VALUE

Units: Millions



WE HAVE
REDUCED
OUR OVERALL
DEBT BY
37%



Net Position



By the end of Fiscal Year 2023, the City's total net position rose by approximately \$120 million, an 8.9% increase from the previous year, driven primarily by significant capital improvements and reductions in long-term liabilities across governmental and business-type activities.

| | Governmental Activities | Business-Type Activities | 2023 Total | 2022 Total | 2021 Total |
|---------------------------------|-------------------------|--------------------------|------------------------|------------------------|------------------------|
| ASSETS/DEFERRED OUTFLOWS | | | | | |
| Total Assets | \$1,297,140,178 | \$981,592,895 | \$2,278,733,073 | \$2,209,423,982 | \$2,148,422,468 |
| Total Deferred Outflows | \$38,467,381 | \$13,705,825 | \$52,173,206 | \$59,271,523 | \$46,876,115 |
| Total Liabilities | \$452,777,862 | \$394,931,855 | \$847,709,717 | \$902,114,816 | \$904,547,433 |
| Total Deferred Inflows | \$6,608,133 | \$4,691,755 | \$11,299,888 | \$14,947,351 | \$32,277,737 |
| TOTAL NET POSITION | \$876,221,564 | \$595,675,110 | \$1,471,896,674 | \$1,351,633,338 | \$1,258,473,413 |

Half-Cent Sales Tax

Better Roads, More Sidewalks, and Cleaner Rivers.

In November 2018, voters in Port St. Lucie approved a half-cent sales tax increase to fund a decade-long initiative aimed at enhancing infrastructure. This tax, expected to generate \$18.6 million annually, is designated for improvements in roads, rivers, and the construction of additional sidewalks, addressing a critical backlog of maintenance projects that accumulated due to economic downturns and declining property values.

ST. LUCIE WEST BOULEVARD

PROJECT STATUS: PARTIALLY COMPLETE

| | |
|----------------------------|-----------------|
| 10-Year Goal | \$18,300,000.00 |
| Dollars Spent Towards Goal | \$1,030,507.30 |

FLORESTA DRIVE

PROJECT STATUS: ON SCHEDULE

| | |
|----------------------------|-----------------|
| 10-Year Goal | \$57,000,000.00 |
| Dollars Spent Towards Goal | \$36,431,401.43 |

SIDEWALKS

PROJECT STATUS: ON SCHEDULE

| | |
|----------------------------|-----------------|
| 10-Year Goal | \$11,000,000.00 |
| Dollars Spent Towards Goal | \$4,608,554.05 |

TORINO INTERSECTION IMPROVEMENTS

PROJECT STATUS: COMPLETE

| | |
|----------------------------|----------------|
| 10-Year Goal | \$2,000,000.00 |
| Dollars Spent Towards Goal | \$2,036,752.79 |

REPAVING

PROJECT STATUS: COMPLETE (FOR THIS YEAR)

| | |
|----------------------------|-----------------|
| 10-Year Goal | \$27,500,000.00 |
| Dollars Spent Towards Goal | \$5,698,416.51 |

U.S. 1 IMPROVEMENTS

PROJECT STATUS: UNDER CONSTRUCTION

| | |
|----------------------------|----------------|
| 10-Year Goal | \$1,500,000.00 |
| Dollars Spent Towards Goal | \$1,302,887.49 |

MISC. EXPENDITURES

| | |
|---------------|----------------|
| Total to Date | \$1,476,374.43 |
|---------------|----------------|



Looking Ahead

By adhering to these priorities, the City of Port St. Lucie aspires to cultivate a community that not only thrives economically but also enjoys a high standard of living, enhanced by well-maintained and efficiently operated infrastructure and services.



Infrastructure Development

Focus on essential upgrades, including traffic management, parks, and new facilities to meet the needs of residents.



Infrastructure Maintenance

Sustain and enhance the City's infrastructure, equipment, facilities, services, and programs, focusing on areas of critical concern.



Diversify Land Uses

Expand commercial development to create opportunities for higher-paying jobs and stimulate economic growth.



Debt Management

Continue being responsible with the City's long-term debt obligations.



Operational Restructuring

Improve code enforcement and solid waste management to cope with rising demands due to housing code violations and changes in waste collection contracts.



Enhance Service Levels

Increase the number of personnel in sworn police officers, Parks and Recreation, and Utility Systems, particularly to support the rapid growth in the western part of the City, including Tradition.



121 S.W. Port St. Lucie Blvd, Port St. Lucie, FL 34984

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www.cityofpsl.com