



**Putnam County**

**COMPREHENSIVE PLAN  
CAPITAL IMPROVEMENTS ELEMENT**

Putnam County  
514 St. Johns Avenue  
Palatka, FL. 32177

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CAPITAL IMPROVEMENTS ELEMENT

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**CAPITAL IMPROVEMENTS ELEMENT****I. Introduction**Purpose

The Capital Improvement Element of the Comprehensive Plan evaluates the need for public facilities as identified in the other elements of the Plan and provides an estimate of the cost of these needs. The Capital Improvement Element also assesses the fiscal capability of the County to finance and construct the identified improvements. It delineates the fiscal responsibilities of the public domain in providing for needed public facilities to serve present and future residents, and for accepting new development into the County.

According to Rule 9J-5.003(12) the definition of Capital Improvement is:

“CAPITAL IMPROVEMENT” means physical assets constructed or purchased to provide, improve or replace a public facility and which are large scale and high in cost. The cost of a capital improvement is generally nonrecurring and may require multi-year financing. For the purpose of this rule, physical assets which have been identified as existing or projected needs in the individual comprehensive plan elements shall be considered capital improvements.

Also under Rule 9J-5.003(59) the definition of Capital Improvement is:

“INFRASTRUCTURE” means those man-made structures which serve the common needs of the population, such as: sewage disposal systems; potable water systems; potable water wells serving a system; solid waste disposal sites or retention areas; stormwater systems; utilities; piers; docks; wharves; breakwaters; bulkheads; seawalls; bulwarks; revetments; causeways; marinas; navigation channels; bridges and roadways.

Capital improvements included in this Comprehensive Plan Element are as outlined in the comprehensive plan under the following areas of concern: transportation, sanitary sewer, solid waste, drainage, potable water and recreation.

For the purposes of consideration in this element, the minimum capital expenditure or cost shall be \$25,000.

In this element, all the new public infrastructure construction that is required to make-up for past deficits and to handle new growth is evaluated and the cost is assessed. The County will then be able to make the decisions to provide the public services, when needed, without having to fund new facilities on an emergency basis and with the knowledge that economic and residential growth will not be stifled by a lack of required public services.

Other possible sources of funding for public facilities are also discussed. Most of these funding sources are based on the premise that new developments pay their proportionate share of any needed new public facilities instead of relying on the entire County to pay the public costs created by their construction.

## **II. Inventory**

The capital improvements included for construction in this section are those identified as required by the various other elements of the Comprehensive Plan. Not included are other public facilities, such as those needed for fire and life safety, police, and general government.

They are included in this five-year capital improvements budget either as: required at the present time to serve the needs of the present County residents (deficits), or those capital facilities that will be needed to serve future County residents expected to move in during the planning period (concurrency).

### Public Improvement Standards for Service

Level of Service (LOS) standards are mandated to be established, under section 163.3177 of the Florida Statutes for sanitary sewer, solid waste, drainage, potable water, recreation and traffic circulation; and enforced for concurrency management purposes in accord with Section 9J-5.0055, Florida Administrative Code. Upon adoption of the Comprehensive Plan by the County, the level of service standards must be shown to be met through a concurrency review before a permit or other development order may be issued. The method for achieving this is included in the County's land development code. Each of these standards must be met prior to issuing a development order or permit for new construction. The public facility or facilities that may be required to meet established level of service criteria do not have to be in place, however, there must be reasonable evidence that the facility will be available to the proposed development when needed.

#### **A. Identified Capital Needs**

The public facility needs identified in the other elements of the comprehensive plan are identified below.

##### Sanitary Sewer

Septic tanks and package treatment plants are the principal means used for wastewater treatment in the County. The only major areas being served by centralized community wastewater treatment systems located within the cities of Palatka, Crescent City, and Welaka, though there are 26 domestic wastewater package plants in the county.

The City of Palatka municipal wastewater treatment facility is currently operating at 90% capacity. The adopted LOS is 125 gallons per capita per day (gpcd) for residential

customers and 110 gallons per acre per day for commercial / institutional / industrial customers.

The Crescent City wastewater treatment plant has a capacity of 0.35 MGD and an adopted LOS is 92 gpcd for average day flow and 130 gpcd for peak flow.

The Town of Welaka has a 0.99 MGD activated sludge extended aeration wastewater treatment plant that is currently operating at 90% capacity with a LOS of 90 gpcd.

A feasibility study for the first phase of the new regional wastewater treatment plant system is scheduled to be completed by the end of November 2005, a design will be completed by February of 2006, and construction is scheduled to begin in March 2006. This feasibility study is intended to evaluate the possibility of sending wastewater from the East Palatka area to the existing Putnam Corrections Institute wastewater treatment plant. Phase II, which also includes a feasibility study, is scheduled to begin December 2006 and end in October 2007, with construction scheduled to begin November 2007 and end in April 2009. Funding for the East Putnam Regional Wastewater treatment and collection system has been provided by three legislative appropriations totaling \$3,800,000 and by a Community Development Block Grant through Rural Development of the U.S. Department of Agriculture.

Additional LOS standards to be enacted for this planning period shall require each homeowner to provide their own individual sanitary sewer disposal systems (including septic tanks) in accordance with State standards and requirements. In order to protect the county's water bodies and recharge areas, the county will also continue to enforce Ordinance No. 87-5 and Section 6.03.03 of the Land Development Code which specifies that undeveloped lots within 500 feet of a water body must have a minimum 100-foot setback from the water body for the installation of a septic tank or drainfield.

### Solid Waste

Putnam County presently operates a Class I site located four miles north of Palatka at the Central Landfill. Central Landfill contains 41 permitted acres with an additional 140 acres of land, which is available for future expansion. The estimated life expectancy of this landfill is 8 years or until 2013.

Residential garbage is collected by a private hauler under a county contract and disposed of in the county's Class I landfill. Commercial waste is handled by private haulers and disposed of in the same county landfill.

An average level of service standard of 6.54 pounds per capita per day of solid waste generated has been calculated for the unincorporated portion of the County. This figure will be used for concurrency management and infrastructure estimation purposes.

Based on the current volume of waste in Cells 1 and 2, tonnage information from Putnam County scale house data for March 2004 to March 2005, and a in-place density of 1,244

lbs / cubic yard, it is estimated that the life expectancy for Phase II of the landfill (Cells 1 and 2) is 8.23 years. Overall, Central Landfill is projected to have capacity through 2015, with more than 1,500,000 cubic yards of capacity currently available.

The County meets the requirements set forth in state statutes for recycling. Total solid waste recycled on a countywide basis is currently 22%.

The adopted level of service for solid waste in Putnam County is 6.4 pounds per capita per day.

### Stormwater Drainage

Drainage in Putnam County can be divided into two major drainage basins that are further divided into sub-basins. Each sub-basin represents a geographic area, which is developed around a central drainage feature such as a stream or lake.

A Stormwater Drainage Plan was partially completed in 2005. Fifteen priority areas have been identified and ranked. They are (from highest to lowest priority): Devall Branch, Twomile Creek, Palmetto Bluff, Millican Road, River Park, Mud Lake, Orange Springs Shortcut, Rector Road, East Palatka, Florahome Drainage, Saratoga Harbor, Whispering Pines, County Road 315, Mondex Subdivision, and East River Road.

### Potable Water Supply

The water supply for household and commercial purposes requiring potable water is, for a large part, being provided on an individual basis through the use of private wells (43.5% of the population). For the other 56.5% of the population, the County has 137 private package plants and six municipally-owned and operated water treatment plants. According to the Florida Department of Environmental Protection, the six municipal systems are operating at acceptable levels with maximum daily flows in 2005. Of the 137 small private central water systems, Hermits Cove Water System and Palm Port Subdivision were identified by FDEP as being over 75% capacity in February of 2004.

The County expanded the East Palatka Water Treatment Plant using a grant that was obtained in 1998 to provide service to the area south of the Water Treatment Plant and north of U.S. 17 adjacent to Putnam County Boulevard, which was an area exhibiting a potential for health hazards resulting from malfunctioning septic systems.

The East Putnam Regional WTP will serve the East Palatka, San Mateo, and surrounding areas and will replace the existing East Palatka WTP. Funding for this is provided from the following sources: an \$835,000 FDEP Grant, a \$4,957,400 secured USDA Rural Development Grant, a secured USDA RD \$6.3 million loan, an unsecured USDA RD grant (\$3.2 million), an unsecured USDA RD loan (\$4.8 million), a \$6,277,423 finalized SJRWMD Grant, and a \$647,000 EPA Grant..

Developers must provide centralized water and sewer service in new subdivisions which have lots less than one-half acre in size, in accordance with Putnam County Land Development Code.

The County will also review the extent and density of new and anticipated development during each comprehensive plan review to determine whether the creation of a county potable water treatment district and its facilities are warranted.

### Recreation Facilities

Available recreational facilities and future needs for recreation facilities are discussed in depth in the Recreation Element. Passive recreation needs are more than covered by the vast quantity of State and Federally owned or protected lands in Putnam County. According to the analysis in the Recreational Element there will not be a need for additional active recreational facilities to serve the projected population by the end of the planning period, 2010.

Based on the guidelines recommended by the State (FDEP), coupled with local needs and preferences, the County has chosen to **Adopt** a level of service standard for overall parkland (regional, community, neighborhood mini-park and special use facilities combined) of one (1) acre per 500 residents. Additionally, the County will use **guidelines** for the provision of parks by type (regional, community, and neighborhood) and for the provision of recreational facilities (fields, courts, ramps, etc.).

### *Age of Population / Use of Recreational Facilities*

When projecting the demand for recreational facilities, it is important to bring to the analysis the understanding that not all recreational facilities are used by all age groups. The type of recreational facility must be related to the age group that normally would use that facility. By relating these “population strata” to the service design of recreational facilities, an analysis of a surplus or deficit for each type of facility can be shown.

Due to the small population and rural nature of Putnam County, a large inventory of standards for possible recreational uses is not included, but those necessary to insure the quality of life in Putnam County have been considered. Table H-1 showcases the identified guidelines for the provision of recreational facilities.

TABLE H-1  
 PUTNAM COUNTY RECREATION FACILITIES  
 IDENTIFIED GUIDELINES

**\* The County has chosen to Adopt a level of service standard for overall parkland (regional, community, neighborhood mini-park and special use facilities combined) of one (1) acre per 500 residents.**

Type of Facility	Unit of Measure	Population Served
Neighborhood Parks	1 acre	500 *
Community Parks	1 acre	500 *
Baseball / Softball Fields	1 Field	3,500
Football / Soccer Fields	1 Field	8,500
Basketball Goals	1 Goal	3,800
Tennis Courts	1 Court	7,000
Equipped Play Area	1 Area	8,500
Boat Ramp Lanes	1 Lane	3,700
Picnic Areas	1 Table	6,000
Swimming Pool	1 Pool	50,000

*Recreational Facility Needs*

Based on the projected County population of 76,800 and on age cohort groups along with existing and planned recreational facilities, the County will have a surplus of recreational facilities through the planning period of 2010. No new recreational facilities are required to meet adopted LOS through the planning period of this plan.

Traffic Circulation

An inventory of the existing traffic circulation system was prepared for Putnam County to examine the existing roadway deficiencies and project roadway needs. The general characteristics of the system were identified. An analysis of the existing traffic circulation levels of service based upon existing design capacities were included. The study data base contained existing roadway functional classifications, the most recently available estimates for average daily traffic (ADTs), and accident frequency data. This was provided in detail in the Traffic Circulation Element of Putnam County Comprehensive Plan.

Putnam County maintains the County roads, except those under dedication. As of 2005, 71.5% of the County’s road are unpaved, which created drainage problems, safety concerns, and maintenance issues for Putnam County. Planned road and bridge capital improvement projects for FY 2005-06 through FY 2009-10 are listed in Table H-2.

The Florida Department of Transportation (FDOT) is the agency responsible for the planning, design, construction, and maintenance of the state highway system. The state highway system is established by Florida Statutes, and consists of all State and Federally designated roadways. The FDOT has adopted the Florida Transportation Plan, which is

part of the State Comprehensive Plan and guides major transportation planning for state facilities. Every year, the FDOT develops, with the cooperation of the County Commission, the Five-Year Work Program, which establishes priorities and funding for specific transportation improvement projects. Project priorities are established by the County Commission for all State roadways within the Putnam County boundaries.

In 2002, the Florida Department of Transportation updated the statewide Level of Service Standards in their Quality Level of Service Handbook. From this, the minimum acceptable level of service for rural multi-land roadways is Level of Service B, and for all other state roadways in Putnam County, it is LOS C. The County has adopted LOS C as the designated standard for rural multi-land roadways and LOS D for rural two-land roadways that are located in Putnam County but not on the Florida Intrastate Highway System. Given the policy of maintaining these Level of Service standards, the Traffic Circulation Element lists all roadway segments as presently operating at an acceptable daily level of service. Two roadway segments along State Road 20 are projected to operate at an unacceptable level of service by 2010: east of Mosely Avenue and west of Interlachen. However, with the four-laning of SR 20, which is included as a funded commitment in the FDOT 5-year plan, the western section of SR 20 should have adequate capacity.

The FDOT has included new projects in their Five-Year Construction Plan for Putnam County. These projects are listed below in Table H-2.

TABLE H-2  
STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION  
FIVE-YEAR CONSTRUCTION PLAN  
2004/05 THRU 2009/10

Roadway Construction	Location	Improvement	Begin
S.R. 20	West of C.R. 315 to Hollister	Add Lanes	2006
U.S. 17	Memorial Bridge to S.R.100	Resurface	2006
U.S. 17	S.R. 100 to S.R. 19 N	Resurface	2006
U.S. 17	C.R. 308 to Winn-Dixie (S entrance)	Add sidewalk	2006/07
U.S. 17	Crescent City to Pomona Park	Resurface	2006/07
S.R. 20	E of Interlachen to S.R. 19	Landscape	2007/08
S.R. 21	S.R. 20 to Clay County line	Resurface	2007/08
S.R. 26	Alachua County line to S.R. 100	Resurface	2007/08
Lake Street	US 17 to Cisco Road	Add sidewalk	2008/09
U.S. 17	C.R. 209 to S.R. 19	Resurface	2008/09

Source: Florida Department of Transportation, 2005. Prepared by the Northeast Florida Regional Council, September 2005.

Public Education and Public Health System*Public Education*

There are twenty-seven public schools; including 20 elementary schools, three middle/junior high schools, three senior high schools, and ten private schools in Putnam County. Public schools are operated by the Putnam County School District, which is a separately elected board and has independent taxing authority. Therefore, no school needs can be included in this budget. Private schools are also operated independently of the county government.

Infrastructure supplied by the County consists of road access and, at times, the collection of solid waste. All other needs are handled by the school district or private owners, either individually or through private or municipal facilities.

*Public Health*

The major public health facility in Putnam County is the Putnam County Hospital with a reported 141 beds. There are also four nursing homes with a reported 347 beds. No demands are being made or contemplated that will affect county infrastructure necessary to serve these facilities.

**B. Existing Revenue Sources and Funding Mechanisms**

In order to plan for an effective method to construct capital improvements, so that an inordinate tax burden is not placed on residents of the County, it is first necessary to review financial resources available to Putnam County and the extent of their present usage. The total sum of revenues collected in fiscal year 2004-05 was \$66,228,580. Fiscal year 2004-05 expenditures totaled \$66,228,580.

The following list is an inventory of all the major revenue sources that may be used by the County to supply capital improvement funding. Not all these sources are being used at the present time, but they are available.

Local Sources*1. County Taxes*

Property taxes are the primary revenue source to the County, comprising 26.8% of all revenue in FY 2004-05, according to the 2004-05 budget. Taxes collected are based on an equal millage rate (one mill equals \$1.00 per \$1,000 or 0.1%) applied against the assessed value. Depending on policies established by the County Commission, ad valorem tax revenues may be used to fund both operating budgets and capital projects. State constitutional provisions exist that limit the millage rate to a maximum of 10 mills. However, certain law permit raising the millage rate above the 10-mill limit for debt service when approved by local referendum. The countywide property tax millage rate is

9.2, enacted in FY 2004. In addition, the County has a separate 0.8 millage rate for fire services. Property owners in the City of Palatka are exempt because City of Palatka provides its own fire service.

The State of Florida allows homestead exemptions up to the first \$25,000 of real property based upon certain requirements. In addition, \$500 exemptions are allowable for special categories of widowed, blind, or disabled individuals. The State Constitution also allows counties and municipalities to grant additional property tax exemption up to \$25,00 to homeowners over the age of 65, with certain restrictions on income. Putnam County has enacted this exemption by ordinance.

Also, Putnam County collects a local government infrastructure surtax of 1%.

Sales and Use Taxes, Communication Service Taxes, and other taxes are the remainder of revenue sources comprising this category.

The tax revenues for FY 2004-05 can be found in Table H-3.

TABLE H-3  
 PUTNAM COUNTY TAX REVENUE  
 FY 2004-05

	Total Operating Funds
Ad Valorem Taxes	\$26,095,077
Delinquent Ad Valorem Taxes	\$207,500
Sales and Use Taxes	\$1,958,500
Communications Service Tax	\$440,000
Infrastructure Surtax	\$4,355,000

Source: Putnam County Fiscal Year 2004 - 2005 Budget. Prepared by: Northeast Florida Regional Council, October, 2005.

2. *School District*

The school district is the other major independent taxing authority that is dependent upon the same tax base. The school district millage rate for 2004 was 9.11.

3. *Licenses and Permits*

These fees are collected for two purposes: to pay for the registration and inspection of business activities in the County and as an additional source of revenue for the county. Professional / Occupational licenses are required to license and register legal business to operate in the county.

Building and other similar permits are required so that construction and related activities are inspected and monitored by the County to ensure compliance with the building and land development codes. The permit requirement also ensures that all permanent structures will be recorded for inclusion in the assessment records. Other miscellaneous license are also issued.

In FY 2004 -2005, \$716,700 of revenue was collected from Licenses and Permits.

#### *4. Fines and Forfeitures*

Income from this source includes: revenues received from fines and penalties imposed for the commission of statutory offenses, and violation of lawful rules and regulations. Forfeits include revenues resulting from confiscation of deposits or bonds held as performance guarantees.

In FY 2004 -2005, \$220,500 of revenue was collected from Fines and Forfeitures.

#### *5. Miscellaneous Revenue*

These funds are collected from a variety of sources. The major ones are: interest earnings, rents, and royalties, special assessments, compensation for the loss of fixed assets, contributions and donations, and other such miscellaneous sources.

In FY 2004 -2005, \$220,500 of Miscellaneous revenue was collected.

#### *6. Other Financing Services*

Monies included in this funding category are items that are not true revenues. They are made up of such items as interfund transfers, contributions from other funds, and debt or borrowing proceeds.

In FY 2004 -2005, there was a total of \$20,087,020 of Other Financing Services.

#### *7. Impact Fees / Special Assessment or Benefit Districts*

Impact Fees / Special Assessment or Benefit Districts are funding methods available to provide a dedicated source of revenue that may be used to finance the capital cost of additional infrastructure needed to serve new growth or provide additional services. Though similar, there are differences between the funding methods. Impact fees are collected before a building or development is constructed to pay for the added burden of capital cost on the local infrastructure, with the acceptable purpose very narrowly defined in the courts.

Currently, there are no impact fees charged in Putnam County.

#### *8. Special Taxing Districts*

Special assessment, taxing and/or benefit districts are usually created as Municipal Service Taxing Units (MSTU) or Municipal Service Benefit Units (MSBU) in accordance with state enabling legislation. Each municipal service unit is defined with specific boundaries, and may collect funds to be put to a dedicated purpose, such as: street paving, lighting, police service, fire/rescue service, water, sewer or other services. These municipal service units address the need for present residents who desire the service or improvement. Taxing and benefit units are funded differently. A taxing unit collects its funds through an ad valorem tax on properties within the district, and a benefit unit collects a uniform service fee per housing or commercial unit. Putnam County has a Fire Taxing Unit (MTSU), which covers the entire county except for the City of Palatka. The other special taxing district in the county is West Putnam (MSTU).

In FY 2004 -2005, the total revenue from the Fire Taxing Unit (MTSU) was \$3,100,509 at a millage rate of 0.800. The West Putnam (MSBU) total revenue in FY 2004 -2005 was \$216,900.

#### *9. Enterprise Funds*

Enterprise funds cover those charges levied for providing a municipal service on a user fee basis. In effect, the County acts as a non-profit business, neither subsidizing the client nor overcharging for the service rendered. These services usually include continuing services such as water and sewer or solid waste disposal, though other services may be included.

In Putnam County, the major functions administered as enterprise funds include:

Port Authority Fund- to account for fees charged for uses of the County's barge port and industrial park; and

Waste Management Fund- to account for the fees for tipping at the County's landfill, and to account for special assessments levied to County residents for mandatory waste collection.

The FY 2004 – 2005 Putnam County budget has \$7,996,720 budgeted for FY 2004 and \$6,514,759 budgeted for FY 2005. During FY 2004 – 2005, Enterprise Funds are a compilation of three funds: the Waste Management Fund (\$6,318,137), the Port Authority Fund (\$142,322), and the East Putnam Water / Wastewater Utility (\$54,300).

#### *10. Debt Service*

Most capital investments involve the outlay of substantial funds, which are greater than the local government's ability to pay through appropriations in the annual budget. Bonds are a mechanism utilized by local governments to obtain additional revenue to finance these large capital outlays. To obtain revenues from bonds local governments borrow

money from public and private investors and pay the principle and interest over a number of years.

Government Bonds:

a. General Obligation Bonds

General obligation bonds are obligations secured by the full faith and credit of a governmental unit or payable from the proceeds of ad valorem taxes of a governmental unit. They are usually used to finance long-term capital improvements, are limited by the validation of sufficient funds to pay them before they are issued, and require a referendum to issue.

b. Revenue Bonds

Revenue bonds are any obligations issued by a unit of local government to pay the cost of a self-liquidating projects or improvements thereof, and payable from the earnings of such project and any other special funds authorized to be pledged as additional security therefore.

c. Limited Revenue Bonds

Limited revenue bonds are obligations issued by a governmental unit to pay the cost of a projects or improvements thereof, or combination of one or more projects or improvements thereof, and payable from the funds of a governmental unit, exclusive of ad valorem taxes, special assessments, or earnings from such projects or improvements.

d. Industrial Revenue Bonds

These bonds promote cooperation between the local government and the private sector. These are bonds that are issued by the local government but are paid back by industries or companies that construct the facility with the bond money. This removes the burden of financing from public funds while encouraging economic development through low interest, tax-exempt private spending.

e. Special Assessment Bonds

Special Assessment Bonds provide for capital improvements and are paid in whole or in part by levying and collecting special assessments on the abutting, adjoining, contiguous, or other specially-benefited property.

All these bonds may be issued to fund capital improvement outlays and may be funded either through a general obligation against county tax yields or through a single or combination of other revenues payable to Putnam County as defined. General debt limits are indirectly created through the bond-required validation procedures that must be followed before bonds may be issued for purchase by investors.

For FY 2005, Debt Service Bonds are budgeted to significantly decrease from 2004, from a budget of \$1,707,916 in FY 2004 to \$937,300 in FY 2005. The \$937,300 budget is

divided between the 1985/89 County Jail Building Sinking Fund (\$644,500) and the 1994 MSBU sinking fund (\$262,800- not county-wide).

### State Sources

#### *1. Revenue Sharing*

These funds come from many taxing sources. However, they are all taxes collected through the state and then redistributed to the various counties and municipalities through the State. There are various sources of these shared funds: sales taxes, mobile home licenses, cigarette taxes, racing and gasoline taxes.

For FY 2004 – 2005, the Putnam County budget lists State Revenue Sharing revenues as \$1,024,177.

#### *2. Economic Development Transportation Fund*

Administered by the Office of Tourism, Trade, and Economic Development, this program offers local governments the opportunity to apply for funds on behalf of specific companies committed to expanding or locating operations within the applicant's jurisdiction. Funds are used for road construction and act as an inducement to business expansion or location.

#### *3. Rural Community Development Revolving Loan Program (RCDRL)*

RCDRL is a loan program designed to promote the economic viability of rural communities and create jobs for residents of the State's rural areas. The program provides low interest long-term loans, loan guarantees or contributions to loan loss reserves.

#### *4. Florida Recreation Development Assistance Program*

This program offers funds to implement the outdoor recreation goals, objectives and priorities specified in the State's currently effective Comprehensive Outdoor Recreation plan, *Outdoor Recreation in Florida* (1987). It is the goal of the State of Florida to preserve and manage natural and cultural resources of high quality and diversity for their protection and enjoyment by Florida's residents and visitors. Both active and passive recreation uses are included in this program.

The maximum grant allotment is \$200,000, and local match requirements depend upon total project cost. Applications are evaluated and assigned a score by the Bureau of Design and Recreation Services according to the Florida Administrative Code.

#### *5. Local Government Cooperative Assistance Program*

This program is authorized through the “Local Government Transportation Assistance Act.” This act was created under Chapter 85-180, and has been amended under Chapters 86-243, 87-164 and 90-227. It provides a means whereby local governments can cooperatively contribute local revenues to desired state transportation projects through joint funding. If they do so, local funds are matched on a 50-50 basis by the state. Eligible projects under this program include: relocation of traffic signals and signs, project design and planning, advance acquisition and purchases of right-of-way, and construction costs related to the project.

Applications for proposed projects are rank-ordered according to the road’s structural adequacy, safety, service, age, volume of traffic and any other factor determined by administrative rule. The Department of Transportation then evaluates the projects and assigns highest priority to those projects identified in the Department’s five-year work plan.

#### 6. Local Government Sales Tax

This program returns to municipalities and Counties approximately 9.8653 percent of sales tax proceeds collected State-wide. This fund allows the exercise of local discretion in providing for public service needs. These funds are eligible for the payment of principal or interest on any capital improvement serving County wide needs. This fund provided \$2,500,000 in the FY 04-05 budget.

#### Federal Sources

##### *1. Community Development Block Grants (CDBG) / Small Cities Program*

This program offers federal block grants through the Florida Department of Community Affairs. The Small Cities Program is the CDBG program that funds rural community activities. The first four categories of the CDBG program are allocated funding as required by the Florida Legislature. These categories are: Housing, Neighborhood Revitalization, Commercial Revitalization, and Economic Development. Each year since 1983, Florida has received between \$18 and \$35 million. Examples of eligible activities are: rehabilitation and preservation of housing; water and sewer improvements; street improvements; economic development activities; downtown revitalization; parks and recreation; and drainage improvements.

Putnam County is utilizing the CDBG Program to fund water improvements in the East Palatka area of the County. This CDBG grant is for a total of approximately \$720,000.

### **III. Analysis**

An analysis of the County's present financial situation and operating conditions is a necessary precondition to determine the amount of funding presently available for the improvements included in the comprehensive plan and its impact on the tax burden to the community.

#### **A. Timing and Location of Facility Construction**

Currently, Putnam County has determined the timing and / or location of new or additional facilities by considering the amount of monies available for such construction, mandated state or federal facilities, and then caring for the most important problem areas on a demand basis. The practices utilized by the County to guide the timing and location of the construction, extension or increase in capacity of public facilities is as follows:

Facilities that are needed to protect, or that eliminate a hazard to, the public health, welfare or safety.

Facilities that must be upgraded to eliminate existing capacity deficits.

Facilities required to serve development areas that have vested development approval prior to the adoption of the plan.

Facilities required to serve redevelopment areas identified in the comprehensive plan.

Facilities needed to provide service to new development in accord with the land use element of the plan.

Facilities that will serve the identified needs in future plans of the St. Johns River and Suwanee River Water Management Districts and other state agencies that may provide public facilities within the County.

Capital expenditure requests are divided by County budget policy into three main areas: a five-year Capital Improvements Plan, an annual (one year) Operating Budget, and Approved Road Projects for the budget year. In general, any construction project, any item or equipment that costs more than \$25,000 and all vehicles are considered a part of the Capital Improvements Program. Because of their larger threshold, these expenditures are requested to be projected over the next five years to allow some consideration for financial planning. Approved Road Projects consist of previously approved road projects, which have not been completed and newly approved projects, which are ranked in terms of need for repair.

The Budget Review Committee first reviews all capital expenditure requests, except road projects. New road projects are generally reviewed and recommended by the full Board of County Commissioners upon presentation from the Public Works Director. All

requests are approved only after considering the availability of total funds for capital expenditures.

### **B. Fiscal Implications of Existing Deficiencies**

The needed public facility improvements identified in the other elements of this Comprehensive Plan have been compiled into a Capital Improvements Schedule that runs for a five-year period starting in 2005-06. The total expense for the identified capital improvements in the 2005-06 fiscal year is \$46,381,222.

### **C. Capital Improvement Costs**

#### Transportation

Transportation improvements, which include both road and bridge improvements, have been identified in the 5-year Capital Improvements Schedule. These improvements include both state roads funded by FDOT and County Roads. Total road and bridge improvement costs are estimated at \$42,179,006 through FY 2009-10. The majority of transportation improvements identified are resurfacing or paving projects. The traffic circulation element identified two segments of State Road 20 are projected to operate at an unacceptable level of service by 2010. FDOT has no plans to widen SR 20 west of CR 315 to Hawthorne, which will increase the capacity for one of these two segments.

#### Recreation

Multiple projects in the Capital Improvements Plan have the intent of enhancing the recreational and cultural activities of Putnam County. Library expansions are planned for the Headquarters, Interlachen, and Crescent City branch, along with the construction of a Bostwick library branch. The total budgeted cost for library construction / expansion in the FY 2004-05 through FY 2009-10 Capital Improvement Plan is \$3,889,000.

Between FY 2005-06 and FY 2009-10, money is allocated for a Central Complex Parks & Recreation Multi-Use Facility, Central Complex tennis courts, a South Putnam soccer field, other improvements and expansion of South Putnam, a Youth Sports Complex (Francis). The total budgeted cost for these projects in the FY 2004-05 through FY 2009-10 Capital Improvement Plan is \$1,249,000.

Additionally, \$750,000 in funds are designated to the West Putnam Amphitheater & park improvements and to the reconstruction of the Bostwick Community Center in the FY 2004-05 through FY 2009-10 Capital Improvement Plan. The total budgeted cost for these projects in the FY 2004-05 through FY 2009-10 Capital Improvement Plan is \$1,249,000.

#### Landfills

Adequate capacity exists in the county landfill to handle needs projected through the planning period of 2010. However, there are costs associated with the closure of cells within the Central Landfill. These costs are identified in the Capital Improvements Plan and will be funded by the Enterprise Fund. The total amount of landfill costs through 2010 is \$4,197,372.

Utilities

The County is in the process of designing the Putnam Regional Water System in the East Palatka area of the County. The county has also identified cost for improvements to and replacement of the collection system for the Port Buena Vista Water Treatment Plant. This is being funded through user fees, the State Revolving Fund, and state grants. Annual utility costs budgeted in the Capital Improvements Plan through 2010 total \$25,217,850.

Public Educational Facilities

The construction and operation of public education facilities is outside the purview of the Putnam County Commission. An independently elected School Board operates the public education system.

Schools that may be constructed usually have independent water supplies and sanitary wastewater treatment systems if they are located in the unincorporated areas of Putnam County. If they are located in municipalities or large developments, it is anticipated that central wastewater collection and treatment facilities will be available.

**D. Revenue & Expenditure Forecast**

Revenues and expenditures are forecasted through the year 2010. When forecasting, it is imperative to examine historical trends, which are shown below in Table H-4.

TABLE H-4  
REVENUE AND EXPENDITURE HISTORICAL TRENDS  
FY 2000/2001 - FY 2004/2005

	Revenues	% Increase	Expenditures	% Increase
FY ending 9/30/01	\$54,430,792		\$54,421,218	
FY ending 9/30/02	\$57,390,472	5.4%	\$56,110,769	3.1%
FY ending 9/30/03	\$61,300,711	6.8%	\$59,171,375	5.5%
FY ending 9/30/04	\$79,133,524	29.1%	\$79,133,524	33.7%
FY ending 9/30/05	\$98,220,664	24.1%	\$98,220,664	24.1%

Source: Putnam County, Florida Budget: Fiscal Year 2004-2005. Prepared by the Northeast Florida Regional Council, October 2005.

Significant increases in both revenues and expenditures were budgeted for both FY 2004 and FY 2005. The approximately 30% increase in the FY 2004 budget is primarily due to a \$10.7 million cash balance brought forward and to an increase in property tax

revenue. Major contributors to the 24% increase in the FY 2005 budget are increased debt proceeds / financing revenue (\$9.5 million), intergovernmental revenues (\$6.1 million), and cash balances brought forward (\$13.1 million).

Between FY 2001 and FY 2005, the two largest contributors of revenues were property taxes and intergovernmental revenues, with a 33.4% and 20.1% five-year average, respectively.

**E. Projections of Ad Valorem Tax Base, Assessment Ratio and Millage Rate**

Assuming that the population of Putnam County grows in accordance with BEBR’s medium projections, the County is expected to have a population of 76,800 by 2010, as shown in Table H-5. This represents a 5% increase from the estimated 2004 population.

**TABLE H-5  
POPULATION PROJECTIONS – PUTNAM COUNTY  
(BEBR MEDIUM)**

<b>Year</b>	<b>Estimated Projection</b>	<b>Number of New Persons</b>	<b>% Change</b>
2004	73,226	-----	-----
2005	73,800	574	0.8%
2006	74,400	600	0.8%
2007	75,000	600	0.8%
2008	75,600	600	0.8%
2009	76,200	600	0.8%
2010	76,800	600	0.8%

Source: *Projections of Florida Population by County, 2004-2030. Florida Population Studies*, Volume 38 Number 2 Bulletin 141. Bureau of Economic and Business Research, University of Florida, February 2005. Prepared by: NEFRC, 11-05.

On average, this represents a 1% annual population growth rate. Therefore, the ad valorem tax base is expected to increase by 1% per year through FY 2009 / 2010. Projections are shown in Table H-6 below. The millage rate of 9.2 mils is expected to be maintained through 2010.

**TABLE H-6  
AD VALOREM TAX PROJECTIONS**

FY2004-05	9.2	\$26,302,577
FY2005-06	9.2	\$26,565,603
FY2006-07	9.2	\$26,831,259
FY2007-08	9.2	\$27,099,571
FY2008-09	9.2	\$27,370,567
FY2009-10	9.2	\$27,644,272

Projections prepared by the Northeast Florida Regional Council, November 2005.

### **F. Projections of Other Tax Bases**

Transportation, recreation, and solid waste are the only comprehensive plan-related public services for which the county has a significant fiscal responsibility. Recreational facilities are funded primarily by ad valorem taxes through the general fund.

Operations associated with the County landfill, countwide refuse collection, and recycling activities are funded through the Waste Management Fund, an Enterprise Fund. The primary revenue sources for this Fund are a county-wide special assessments and tipping fees for handlers of commercial refuse. County-wide special assessment has not increased for the past ten years and is not projected to increase in the near future. Revenues increase slowly due to the increase in households in the county subject to the assessment. Total revenues for the Waste Management Fund are budgeted to increase 4% in FY 2004-05 from FY 2001-02 to a total of \$6,318,137.

At this rate, revenue for the Waste Management Fund will increase to approximately \$6,760,400 by 2010.

Countywide transportation projects (including roads\* and transit) are funded by ad valorem taxes\* through the general fund, intergovernmental revenues (state shared gas taxes and state sales tax), and local option Gas Tax. Total Transportation Fund revenue for FY 2004-2005 is budgeted to be \$5,184,142, which represents a 5% increase from the \$4,921,122 budgeted in FY 2003-2004. Projections for revenue for the Transportation Fund can be found below in Table H-7.

**TABLE H-7  
TRANSPORTATION FUND REVENUE PROJECTIONS**

<b>Fiscal Year</b>	<b>Transportation Fund Revenue</b>
FY2004-05	\$5,184,142
FY2005-06	\$5,443,349
FY2006-07	\$5,715,517
FY2007-08	\$6,001,292
FY2008-09	\$6,301,357
FY2009-10	\$6,616,425

Source for the FY 2004-05 Budgeted Transportation Fund Revenue: Putnam County, Florida Budget: Fiscal Year 2004-2005. Projections prepared by the Northeast Florida Regional Council, October 2005.

**G. Projections of Operating Costs**

The overall financial feasibility of the Putnam County Capital Improvements Element also considers operating expenses in addition to capital costs for identified services. Operating expenses support personnel as well as materials and equipment costs. The approved operating capital budget for FY 2004-05 is \$680,208. This is \$104,150 lower than the requested \$784,358 operating capital budget.

According to the FY 2004-05 budget, limited capital outlay in recent years has had, and will continue to have, a negative impact on the operating budget because the replacement rate for equipment is slow. The budget forecasts that some projects in the Five-Year CIP will impact the operating budget by requiring additional operating expenses. Namely, the budget lists the East Putnam Regional Water System as the only project in the current Capital Improvements Plan that will affect the FY 2004-05 operating budget by requiring additional personnel and higher operating and maintenance costs when the project is completed in 2006.

The budget lists the proposed jail expansion as the Capital Improvements Plan project that will require the largest increase in operating expenses when it is completed. In the budget, it is estimated that the first-year cost increase will be \$5,000,000 in 2002 dollars to supply the additional corrections personnel needed to support a larger inmate population.

Other future projects that will impact the operating budget by necessitating increases in personnel service expenses include: the Regional Wastewater System, library expansions, new fire stations, and the Senior Citizens Center. The funding for the fire station operating expenses will be dependent upon the planned FY 2004-05 study designed to examine new and different funding mechanisms for provision of county-wide fire protection. Options being examined in the study include a merging of fire protection

with the Emergency Medical Services (EMS), and mixing paid firefighters with volunteers.

### **H. Projections of Debt Capacity**

Currently, Putnam County has a relatively low level of debt. Twenty-year Capital Improvement Revenue Bonds were issued in 1984-85 to construct a new County jail and to purchase road right-of-way. Full redemption of these bonds occurred on September 30, 2005.

There are several current loans for which Putnam County still owes payments. The first, issued from a local bank in FY 2001-02 to settle a lawsuit, was for \$1,500,000. The second was \$1,000,000 issued from FLGFC in order for the major renovations to be performed to a County building. These loans will be repaid with general revenues. During FY 2003-04, \$1,381,795 was borrowed from a local bank to finance road paving inside several MSBUs. This loan will be repaid with special assessments on the property owners inside the MSBUs over a 10 to 15-year time period.

The County anticipates taking out two loans during FY 2004-05 in order to pay for projects that are a part of the Better Place Plan. The first will be \$2,000,000, borrowed for further MSBU paving projects. Also, the County expects to borrow between \$10 and \$15 million to pave County roads. The Local Government Infrastructure Surtax (a one-cent tax) will be pledged for repayment.

Lease purchases have been used to obtain new or replacement rolling stock and County computer equipment. The County strives to keep the total lease purchases under the FY 1986-87 debt service levels, as the FY 1986-87 served as a base year in which equipment was considered "adequately provided."

Neither the State of Florida nor Putnam County has established any debt limits. However, Putnam County realizes that debt service payments should fit within the overall revenue budget of specific funds. Therefore, debt is constrained until existing debt is repaid or new funding sources become available.

The FY 2004-05 Putnam County Budget lists \$1,282,178 as the amount needed to service debt in FY 2005. This number is projected to decrease 52.16% to \$613,359 for FY 2006. In FY 2007, the amount needed for debt service is projected to increase 88.07% to \$1,153,527, and to increase 93.46% for FY 2008 and beyond to \$2,231,626.