

PUTNAM COUNTY

Florida



POPULAR ANNUAL FINANCIAL REPORT
Fiscal Year Ended September 30, 2010

March 31, 2011

To the Citizens of Putnam County:

Thank you for taking the time to review this Citizens' Report for the fiscal year ended September 30, 2010. Created with our citizens in mind, it is my way of offering the accountability and transparency that is part of my commitment to you as your Clerk of Courts and County Comptroller.

My Finance Department works hard all year long to provide accounting and financial support to my office and the Board of County Commissioners. They have prepared this report to provide you with an objective and easy to read analysis of Putnam County's financial activities and current financial condition. You can view this report, and the full Comprehensive Annual Financial Report (CAFR), on our website.

The year 2010 continued to be filled with doubt and speculation about a recovering economy, and how local and state governments would meet their obligations despite shrinking revenues. The County's Operating Budget, which exceeds \$130 million per year, is funded from various sources at state and local levels. All revenue sources have shown varying degrees of stress, and there are few signs of relief in the near term. Take a look at pages 6 and 7 to see more specifics regarding revenues and expenses.

I encourage you to read the section on Major Initiatives to learn about how we are all working to provide services and other improvements in your quality of life even with our limited resources. The section on Economic Condition and Outlook will update you on local statistics such as the unemployment rate and per capita income that affect you both as individuals and as a group.

You will find this Annual Report not only delivers a snapshot of the state of Putnam County government during fiscal year 2010, but also offers you a resource guide - with County facts, duties of departments and officials, and contact information to help you take advantage of the services these departments provide. I am proud to be one of those service providers. I thank you for the opportunity to continue to serve as your Clerk and County Comptroller.

We hope you find the information contained here interesting and informative. I welcome your input.

Sincerely,

Tim Smith

Tim Smith
Clerk of Courts & Comptroller



ABOUT THIS REPORT

This Citizens' Annual Financial Report is derived from information included in the County's Comprehensive Annual Financial Report (CAFR), formatted for ease of reading and understanding. The financial information is presented in a condensed and summarized form and does not substitute for the County's CAFR, which provides detail on the County's financial position and financial changes for the year in conformity with generally accepted accounting principles (GAAP). Please note that all dollars in this report are in thousands unless otherwise indicated.

The financial information within this report includes all County funds and fund types, including Constitutional Officers, but excluding Fiduciary (Trust) funds and Putnam County Development Authority, a component unit of the County. Transfers between funds are also excluded. To view the CAFR or to download a copy of this report, please visit the Clerk of the Courts website:

<http://www.putnam-fl.com/coc>

Click on Clerks in the Sunshine in Site Navigation box

FRONT COVER PHOTOGRAPH



"Cypress Trees in Ravine Gardens"
Courtesy of Mary Pine

Mary graduated from Palatka High School in 1995. She is a database administrator and mother of 3 who enjoys photography as a hobby.

Mary is part of the Jacksonville Photo Meetup Group.

Look for more of Mary's photos in this report.

OUTSTANDING ACHIEVEMENT

Award for Outstanding Achievement in Popular Annual Financial Reporting

PRESENTED TO

Putnam County
Florida

for the Fiscal Year Ended
September 30, 2009



J. Esser
President

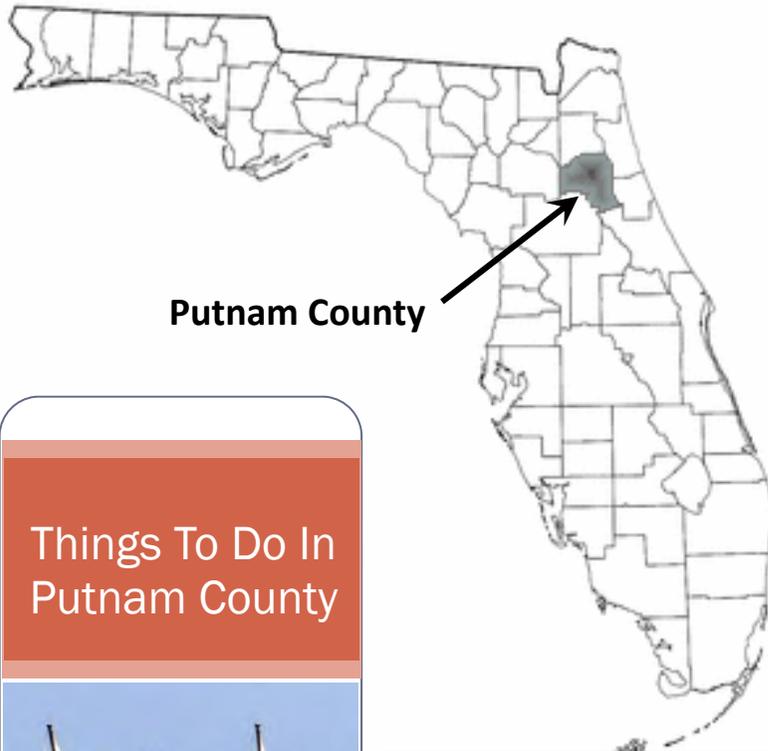
Jeffrey L. Esser
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) gave its **Award for Outstanding Achievement in Popular Annual Financial Reporting** to Putnam County for the fiscal year ending September 30, 2009. This prestigious national award recognizes conformance with the highest standards for preparation of a state/local government Popular Annual Financial Report (PAFR).

In order to receive this award, a government unit must produce a PAFR whose contents meet the program standards of creativity, presentation, understanding and reader appeal.

The award is valid for a period of one year. We believe our current report continues to conform to the requirements, and we are submitting it to GFOA.

ABOUT PUTNAM COUNTY



Putnam County

Putnam County is in Northeast Florida between Gainesville to the west and Jacksonville to the northeast. We are a rural county, with relatively slow growth in development and population, a trend that is expected to continue for the foreseeable future. The County straddles about 100 miles of the St. Johns River. Palatka was a major water transportation and commerce center until a fire in 1884 destroyed the majority of the downtown and riverfront area. Today, the river and many large and small lakes throughout the County are primarily used for boating and fishing.

Things To Do In Putnam County



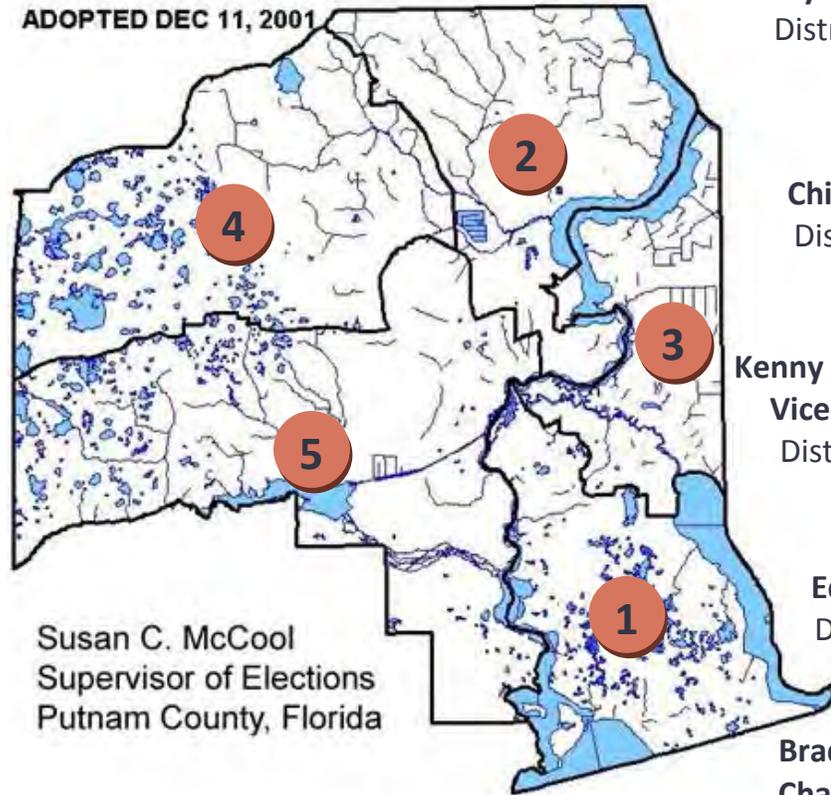
SAILING

Sailboats on the St Johns River during the recent Azalea Festival in downtown Palatka.

Photo courtesy of Mary Pine

Quick Facts	
Founded:	1849
County Seat:	Palatka
Total Area:	827.2 mi ²
Land Area:	721.9 mi ²
Water Area:	12.7%
Unpaved Roads:	68%
Population	
2000 Census:	70,423
2010 (Est.):	74,216
In Unincorporated Areas:	79%

ADOPTED DEC 11, 2001



Susan C. McCool
Supervisor of Elections
Putnam County, Florida

Nancy S. Harris
District 1



Chip Laibl
District 2



Kenny Eubanks
Vice-Chair
District 3



Ed Taylor
District 4



Brad Purcell
Chairperson
District 5



Putnam County Commissioners and Districts

The County is governed by a board of 5 Commissioners. Your current Board of County Commissioners are pictured above, along with a map of their respective Districts.

Other elected officials, Clerk of Courts & Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector, have their own areas of responsibility. Read more about their duties and responsibilities on the next page.

All are elected to 4 year terms of office. Contact information for your elected officials and County Departments is on the following pages.

Citizens of
Putnam County

Clerk of Courts & Comptroller

Property Appraiser

Board of County Commissioners

Sheriff

Supervisor of Elections

Tax Collector

ELECTED OFFICIALS

Board of County Commissioners

Board Members: Nancy S. Harris, Chip Laibl, Kenny Eubanks, Ed Taylor and Brad Purcell

329-0205; Fax: 329-1216 2509 Crill Avenue, Suite 100, Palatka

The Board of County Commissioners (BOCC) serves as the legislative and policy making body for Putnam County. They have the power to approve the budget, set millage rates, prepare and enforce comprehensive plans for County development, and adopt ordinances and resolutions necessary to carry out the operations of all County departments and programs. The BOCC adopts its own rules of procedure, selects its officers, and sets the time and place of its official meetings.



Clerk of Courts & Comptroller: Tim Smith

Palatka Main Office 326-7600; Fax: 329-0888 410 St. Johns Avenue	Crescent City Ofc 698-1217; Fax: 698-4283 115 North Summit St	Interlachen Ofc 684-3717; Fax: 684-4640 1114 State Road 20
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As Clerk to both County and Circuit Courts, the Clerk is custodian of court records, evidence, and the court's seal.

The Clerk's office issues subpoenas and warrants, enters judgments and orders, gives certified copies from record, collects court ordered child support and court fines and fees, and makes disbursements pursuant to law. The Clerk acts as County Recorder, issuing marriage licenses and home solicitation permits, and collecting and distributing documentary stamps and intangible taxes for the Department of Revenue. The Clerk serves as the BOCC's Chief Financial Officer, providing a full range of financial services to the County. The services include: financial statements and other mandated financial reporting, general accounting, accounts payable, payroll, accounts receivable, grant and enterprise accounting, treasury and investment functions, debt and property management, and internal auditing. The Clerk also records BOCC meeting minutes.



Property Appraiser: Tim Parker

Palatka Main Office 329-0286; Fax: 329-0447 312 Oak Street	Crescent City Satellite Office 698-4284; Fax: 698-4283 115 North Summit Street	Interlachen Satellite Office 684-3383; Fax: 684-4640 1114 State Road 20
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The Property Appraiser determines the value of all property in Putnam County. This office also administers Ad Valorem exemptions, and produces and administers the tax rolls for BOCC, the Municipal Services Taxing Units (MSBUs), the School District, and various municipalities and County entities.



Sheriff: Jeff Hardy
329-0800 Fax: 329-0893
130 Orié Griffin Blvd

The Sheriff is responsible for protecting the lives and property of Putnam County citizens. The Sheriff's Office enforces laws mandated by Florida Statute and County ordinances, manages the centralized dispatch center (which receives service calls for law enforcement, fire and rescue), and dispatches and maintains communication and response for responding units. This office also provides bailiffs for Putnam County Courts, oversees and operates the Putnam County Jail, provides animal control services and furnishes school crossing guards throughout the County.

The Supervisor of Elections is responsible for all matters pertaining to voter registration within Putnam County. These duties include: supervising County, State, and National elections, maintaining County voting equipment, filing all candidate contributions and expenditure reports, overseeing candidate qualifying and financial disclosures filed by selected government officials and employees, and assisting County municipalities with their elections.

Supervisor of Elections: Susan McCool

329-0224 Fax: 329-0455
2509 Crill Ave Suite 900



Tax Collector: Ken Mahaffey

Palatka Main Office 329-0282; Fax: 329-0886 312 Oak St. (East Annex)	Crescent City Satellite Office 698-3088; Fax: 698-4283 19th North Summit St.	Interlachen Satellite Office 684-1288; Fax: 684-4640 1114 State Road 20
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The Tax Collector's office collects and distributes all current and delinquent Ad Valorem Taxes and Non-Ad Valorem Assessments levied by the BOCC, School Board, Municipalities, and Refuse and Water Districts. Acts as an agent for the Department of Highway Safety and Motor Vehicles, Division of Drivers License Services and Fish and Wild Life Commission in issuing licenses and collecting fees. This office also collects tourist development taxes and issues business tax receipts.

For Drivers License & ID Card requirements please go to www.GatherGoGet.com or call (850) 617-3995.

You may schedule an office appointment for driver's license at www.flhsmv.gov.

DEPARTMENTS AND SERVICES

County Administrator: R.G. Leary

329-0212; Fax: 329-1216 2509 Crill Avenue, Suite 200

Directs and coordinates all County government functions and activities under jurisdiction of Board of County Commissioners (BOCC), in accordance with Chapter 125 of Florida Statutes and the County Ordinance. Serves as a liaison between BOCC and Putnam County citizens. Responsible for County's annual budget.



WELCOME TO
PUTNAM COUNTY
CITY OF PALATKA

County Attorney: Russ Castleberry

329-1903; Fax: 326-2721 2509 Crill Avenue, Ste 200

Provides legal representation and advice to BOCC, County Administration, County Departments, Port Authority and Solid Waste District.

County Extension Service Director: Edsel Redden

329-0318; Fax 329-1262 111 Yelvington Rd, East Palatka

In cooperation with University of Florida, provides research based information and conducts learning programs on issues such as: sustainable agriculture; natural resource and energy conservation; food nutrition and safety; child, youth, and family development; consumer education; youth development through 4-H; and homeowner and commercial horticulture.

Deputy County Administrator / Budget Officer:

Michael E. Anderson, CPA, CGFO, PhD

329-0403; Fax: 329-1216 2509 Crill Avenue, Suite 200

Assists County Administrator in the execution of duties. Represents the Office in absence of the County Administrator. Monitors and manages County's \$130 million Operating Budget. Coordinates information and assures effective communications between County departments; clarifies and reconciles issues relating to County funds, budgets and accounting procedures.

Emergency Services

Chief, Emergency Management: Quin Romay

Chief, Emergency Medical Svcs: Mike Patterson

329-0379; Fax: 329-0897

410 South Highway 19

Provides 24-hour Fire and Emergency Management response and coordination throughout Putnam County, including: fire suppression, Fire Marshal, prevention, fire

code compliance and fire investigations (except within City of Palatka), using full-time and volunteer staff. Provides emergency management/disaster response and shelter coordination for County. Reviews healthcare and other State required emergency plans. Emergency Operations Center is the coordination point for all declared emergencies in Putnam County.

Veterans Services

Director: Thomas Moltimore

329-0327; Fax: 329-0329 2509 Crill Avenue, Suite 800

Operates Veterans Service office. Assures efficient service to veterans and their dependents and widows.

Finance Dept. Director: John H. Jones, CPA, CIA

326-7660; Fax: 329-0473 514 St. Johns Ave, 1-C

Under direction of Clerk of Courts, serves as auditor, recorder and custodian of all funds for BOCC and Clerk of Courts. Responsible for maintaining accurate accounting, payroll and accounts payable records in accordance with Board and Clerk policies; prepares financial, regulatory and compliance reports; formulates, recommends and implements new and changed policies of BOCC and Clerk of Courts. Has fiduciary responsibility to accurately account for and prudently manage all public funds.

Fleet Maintenance

Manager: Gary Armstrong

329-0475; Fax: 329-1203

223 Putnam County Blvd
Bldg 231-B, East Palatka

Directs county fleet maintenance operation, which maintains all County owned vehicles and equipment. Develops and administers a comprehensive preventive maintenance program. Assists in developing bid specifications, evaluating bid proposals, and recommending vendor selection for County owned vehicles and equipment.

General Services

Director: Maureen Torma

329-0368; Fax: 329-0468

223 Putnam County Blvd, Bldg 10-C, East Palatka
Procures all supplies, equipment, and services for County government; coordinates County records management; cares for, maintains and repairs buildings, facilities and grounds.

Human Resources

Director: Ken McClinton

329-0219; Fax: 329-1257 2509 Crill Ave, Suite 300
Duties include employee recruitment, selection, and training. Develops and maintains personnel records, policies and procedures, and employee benefits. Oversees safety program, risk management, social services, and insurance claims for the County.

Information Technology Director: John Rundgren

329-0216; Fax: 329-0215 323 St. Johns Ave

Provides technology related services to the BOCC, Clerk of Courts, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. Assists in analyzing, acquiring, installing, and maintaining application systems and hardware necessary for County government operation. Provides technical assistance for Judiciary, Public Defender, State Attorney, and Public Access customers.

Sanitation

Director: Stephen Nataline

329-0395; Fax: 329-0486 140 County Landfill Rd
Operates one active landfill and maintains three closed landfills; operates two solid waste collection/recycling centers; maintains four recyclable materials collection sites and eight waste oil sites. Administers Household Hazardous Waste Collection Program, Waste Tire Collection Program, and Mosquito Control Program. Monitors household garbage collection, yard trash collection, and curbside recycling programs.

Library System

Palatka (Main Branch)

601 College Road

Bostwick Branch

125 Tillman Street

Interlachen Branch

133 N State Road 318

Crescent City Branch

610 N Summit Street

Melrose Branch

312 Wynwood Avenue

Oversees library system, including story times, film, visiting author, literacy and early childhood development programs, Florida Virtual Library, and one-on-one adult literacy tutoring. Develops and maintains collections of print and non-print items and popular films. Responsible for County Archives and Law Library.

Planning & Development Director: Brian Hammons

329-0310; Fax: 329-1213

Comprised of three Divisions responsible for preparing and implementing the County's Comprehensive Plan. Assists the public and makes recommendations to the BOCC on zonings, land development regulations, Comprehensive Plan amendments, and Developments of Regional Impact. Issues building permits, performs inspections, administers trades licensing program for contractors such as electricians and plumbers, provides information about building codes, zoning and other development regulations. Violations processed through the Codes Enforcement Division of the Department.

Public Works

Director: Don Jacobovitz, P.E.

329-0346; Fax: 329-0340

223 Putnam County Boulevard, East Palatka

Maintains roads, bridges, storm water systems; provides engineering services for County; manages and operates County water and wastewater systems; assesses transportation needs; designs transportation and storm water management projects; inspects transportation, storm water, and utility construction projects; reviews development plans; oversees engineering and construction contracts; issues various types of permits; acquires real property and rights of way for the County.



Flower at left and this photo courtesy of Mary Pine

Parks and Recreation

Director: Bob Stevens

329-1268; Fax: 329-1265

120 Carter Rd

Administers and directs a comprehensive County recreation program for youth and adults. Maintains county parks, athletic fields, and boat ramps.

COUNTY REVENUES

Revenues	Governmental Activities	Business Type Activities	Total 9/30/2010	Total 9/30/2009	Total 9/30/2008	Total 9/30/2007	Total 9/30/2006
Charges for Services	\$10,859	\$8,862	\$19,721	\$18,302	\$18,101	\$19,026	\$19,101
Grants & Contributions	10,537	1,203	11,740	18,967	11,589	12,437	13,619
Taxes	49,363	-	49,363	48,328	49,380	52,308	43,430
Investment Earnings	98	104	202	301	1,818	2,505	1,823
Sales of Capital Assets	-	61	61	120	108	159	436
Miscellaneous	980	17	997	1,370	480	538	540
Total Revenues	\$71,837	\$10,247	\$82,084	\$87,388	\$81,476	\$86,973	\$78,949

*** NOTE: Dollars in thousands

Charges for Services \$10,859

General Government	\$5,098
Tax Collector	2,445
Property Appraiser	41
Clerk of Courts (Non-Court)	587
Internal Service/Health Insurance	1,819
Other, General Government	206
Public Safety	\$4,490
Ambulance Fees	2,712
E-911 Fees	334
Building Permits	338
Building Codes Enforcement	35
Fines, Forfeitures, Penalties & Surcharges	541
Law Enforcement Related	427
Other, Public Safety	103
Court Related	\$282
Court Service Charges & Filing Fees	226
Judgments and Fines	45
Miscellaneous, Court Related	11
Other Charges for Services	\$989
Cultural and Recreation	74
Human Services	195
Local Housing Assistance	27
Physical Environment	183
Special Assessments (MSBU's)	510

Grants and Contributions \$10,537

Federal	4,818
State	5,356
Local	338
Private	25

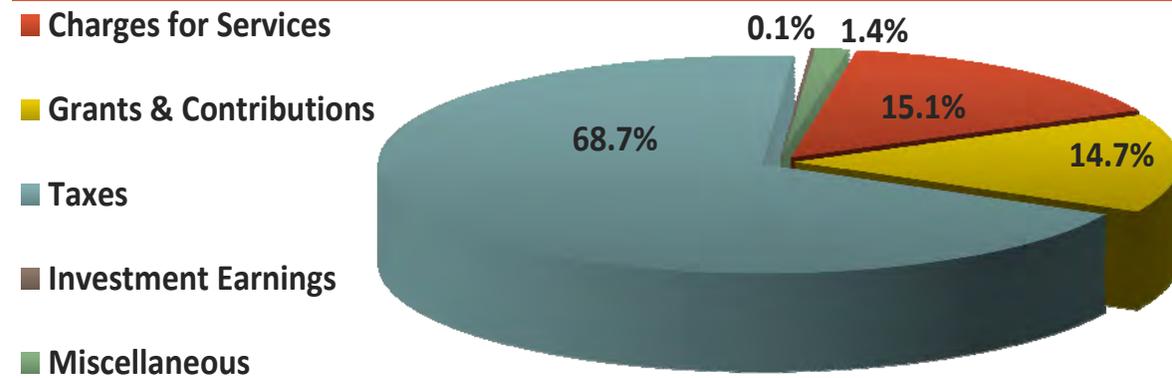
Taxes \$49,363

Property Taxes	35,202
Sales Taxes / Other State Shared Revenue	6,805
Local Infrastructure Surtax	3,942
Gas Taxes and Fuel Fees	2,675
Communications Service Tax	553
Tourist Development Tax	186

Investment Earnings \$98

Miscellaneous \$980

PRIMARY GOVERNMENTAL REVENUES \$71.8 MILLION

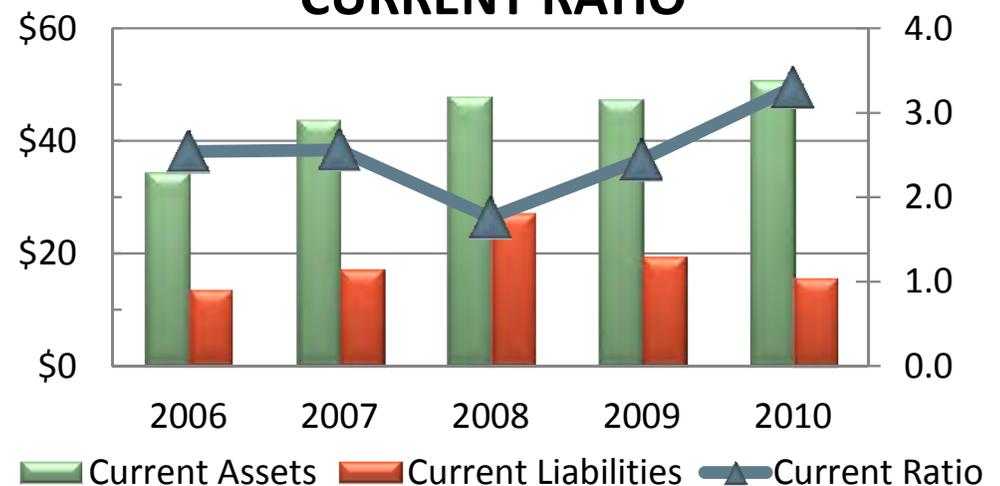


LIQUIDITY AND DEBT

One indicator of a county's financial strength is its ability to pay current obligations. The Current Ratio is such an indicator and is defined as Current Assets divided by Current Liabilities. The term "current" refers to assets and liabilities that can, or will be, liquidated within the next year. *Numbers in millions

Description	9/30/2006	9/30/2007	9/30/2008	9/30/2009	9/30/2010
Total Current Assets	\$34.4	\$43.9	\$48.1	\$47.5	\$50.9
Total Current Liabilities	\$13.6	\$17.1	\$26.9	\$19.4	\$15.6
Current Ratio	2.5	2.6	1.8	2.4	3.3

CURRENT RATIO



COUNTY EXPENSES

Expenses	Governmental Activities	Business Type Activities	Total 9/30/2010	Total 9/30/2009	Total 9/30/2008	Total 9/30/2007	Total 9/30/2006
General Government	\$16,810		\$16,810	\$16,714	\$16,081	\$12,956	\$13,296
Public Safety	29,668		29,668	28,419	29,311	26,527	22,232
Physical Environment	524	\$10,000	10,524	7,351	7,517	8,883	8,847
Transportation	10,086		10,086	10,282	9,709	8,298	11,403
Economic Environment	1,095		1,095	1,530	1,939	5,341	1,785
Human Services	1,916		1,916	2,229	1,945	2,682	2,417
Culture and Recreation	1,986		1,986	1,997	2,327	2,329	1,863
Court Related	3,259		3,259	3,135	3,292	3,200	3,034
Interest on Long Term Debt	623		623	517	1,053	653	317
Total Expenses	\$65,967	\$10,000	\$75,967	\$72,174	\$73,174	\$70,869	\$65,194

General Government \$16,810

Administrative/Financial/Legislative	10,597
Clerk of Courts & Comptroller	1,733
Property Appraiser	1,550
Supervisor of Elections	866
Tax Collector	2,064

Public Safety \$29,668

Ambulance Services	5,303
E-911 System	623
Medical Examiner	249
Disaster Relief	943
Fire Protection	2,620
Building Inspection/Code Enforcement	1,373
Sheriff's Operations	18,052
Other Law Enforcement Related	104
Other Public Safety	401

Physical Environment \$524

Agriculture/Resource Conservation	374
Fishing Facilities Improvement	53
Water and Sewer Utilities	97

Transportation \$10,086

Economic Environment \$1,095

Housing Assistance	349
Industry Development	520
Tourist Development	125
Veterans Services	101

Human Services \$1,916

Behavioral Health Care	342
Health Care for the Needy	1,466
Mosquito Control	108

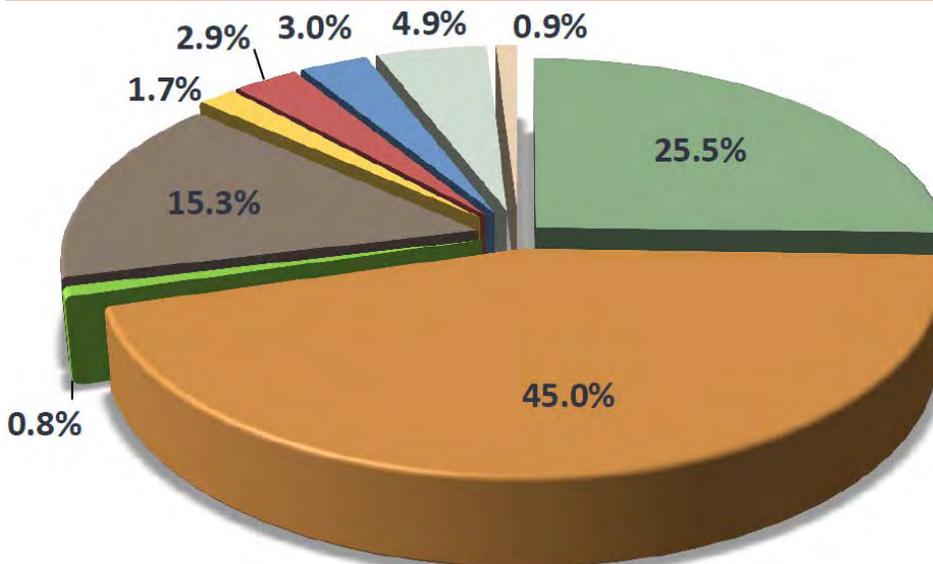
Culture & Recreation \$1,986

Library	825
Parks and Recreation	1,144
Other	17

Court Related \$3,259

Interest on Long-Term Debt \$623

PRIMARY GOVERNMENTAL EXPENSES \$66.0 MILLION



Things To Do In Putnam County



ENJOY NATURE

This suspension bridge is found along the walking and hiking trails in Ravine Gardens, one of Putnam County's state parks. Photo courtesy of Mary Pine

Revenue and Expense Highlights

The County's overall financial position improved in comparison to last year. Total net assets increased \$6,116 (\$2,914 from governmental activities and \$3,202 from business-type). Total long-term debt owed to outside institutions decreased \$1,799 from last year.

Major capital asset events completed during the fiscal year include:

- ◆ East Putnam Water completed reverse-osmosis water distribution system \$28,627
- ◆ County transfer of Business Park Magnet Building (with land) to Port Authority \$2,202
- ◆ County continued its program to resurface, widen and pave new roads \$1,808
- ◆ Emergency Mgmt/Fire Control acquired equipment (including 4 fire engines) \$964
- ◆ Parks and Recreation completed Wisham Park improvement \$347
- ◆ Sheriff equipment (including new vehicles, \$601; inmate video visitation, \$280) \$1,008

Tax Rates and Value

- ◆ Taxable value of real property decreased 3.5%
- ◆ Taxable value of personal property increased 1.2%
- ◆ Ad valorem tax rate was remained unchanged at 8.5765 mils for fiscal year 2010.

Overall Improvement

Unreserved balance in the General Fund increased to \$12,663, an increase of 33.7%. Overall fund balance in the General Fund increased to \$15,081, an increase of 27.3% from the previous year. **The increase was primarily the result of prudent management and fiscal conservatism.**

BUSINESS PARK



The Business Park on St. Johns Avenue should be a major attraction to businesses considering expansion or relocation. Putnam County, in partnership with a private developer, constructed a 52,000 square foot industrial shell building in the Park, which remains available. This facility can readily be completed to expedite start-up, and some recent prospects have shown increased interest in the building. Successful marketing of this structure may lead to the construction of another building or the extension of infrastructure within the Park. The County has changed the Future Land Use Map (FLUM) to designate several properties for large scale industrial use in order to provide some location diversity for businesses potentially interested in Putnam County.

ROADS



Improving roads through resurfacing, widening, and turning “dirt to pavement” is and will remain a major priority for the County. The evaluation of alternative asphalt mixes has aided in stretching available dollars to maximize the number of miles that can be improved. While the one cent infrastructure surtax, approved in a referendum in September 2002, is the primary source of revenue for these road projects, the County continues to pursue grant funds from both State and Federal governments. Additionally, the Board of County Commissioners adopted ordinances in May 2009 to increase gasoline taxes, making more revenue available for transportation infrastructure since the tax proceeds were first received in January 2010. Federal funds are earmarked for 309C, which is in the design phase; construction is expected to begin in the coming fiscal year. Road projects undertaken using the surtax dollars were limited during the year due to Board-authorized borrowing against the expected surtax proceeds to accomplish multiple projects in the past, creating the need to repay principal and interest. However, it is anticipated that several roads will be identified for improvement in the coming year and that accumulated surtax dollars and gasoline tax proceeds will be allocated for those projects.

Construction is underway on a portion of a bike trail along US17. This will be one component of a network of bike trails to make Putnam County the Trail Hub of Northeast Florida. In May 2010 the county designated 185 miles of paddling trails in the County and declared the County as the Paddling Hub of the St. Johns River and Northeast Florida.

JAIL

The condition and size of the existing jail facility continues to be a situation that must be addressed in the future. A needs assessment indicated that a 200 bed expansion, renovation of existing cells, and improved and expanded ancillary services is required. The estimated costs vary, but if all aspects of the proposed project are pursued, the expansion will cost approximately \$15 million. The anticipated increase in operational costs has slowed progress on this project, as limited resources at this time make it difficult to consider undertaking a project of this magnitude. The County will evaluate alternative construction options (i.e., pre-cast concrete, prefabricated steel cells, etc.), and an architect has been engaged to provide final cost information regarding alternatives. The Board of County Commissioners anticipates reviewing the architect’s recommendations during the second quarter of next fiscal year.

PARKS AND RECREATION

The Parks and Recreation Department coordinated the formal dedication of expanded amenities at the West Putnam Recreation Complex in November 2009. The complex now boasts the County’s first skateboard park, as well as an amphitheater. The Florida Communities Trust program approved applications for funding the acquisition of future Parks and Recreation properties in the Georgetown and Nine Mile Swamp areas. The Georgetown land was purchased in March 2011, and the County expects to finalize acquisition of the Nine Mile Swamp property in the coming year. Any matching funds that must be paid from local dollars will come from the one-cent surtax.

LANDFILL

The County’s consultant for solid waste provided a design and secured permitting for a new Class I area at the landfill for disposal of household solid waste. The construction of this cell was awarded in July 2009, and construction was completed a year later. The old cell reached its capacity and this new cell was activated on October 1, 2010. Life expectancy of the new cell is approximately five years.

MAJOR INITIATIVES

COURT EXPANSION

A consultant conducted a needs assessment of the court functions and judicial offices. An increasing number of court cases requiring the assignment of additional court personnel have created overcrowded conditions in the courthouse and other offices that support the judicial process. A Task Force recommended that the County consider a new, stand-alone structure to address the space requirements and enhance security for the judiciary and support functions. To this end, a 56 acre parcel of property adjacent to the existing jail was acquired in January 2006. Regrettably, progress on this project has been halted by limited resources; the cancellation of the Seminole Electric plant expansion project is the most significant factor. However, the relocation of the Planning and Development offices in August 2008 left vacant space in one of the courthouse ancillary buildings that could be used as relief for court-related functions, precluding the need for immediate action on a future judicial center. During the year, an architect completed design of a criminal courtroom to be housed in the ancillary facility. A bid to perform this work for \$596,000 was awarded in September 2010, and construction started in January 2011.

IMPACT FEES

In October 2006 the County implemented impact fees on new construction to generate revenue that would offset the capital costs of providing infrastructure. Ordinances were prepared to implement impact fees for schools, fire, transportation, EMS, and parks and recreation; collection of the fees began in April 2007. In February 2009 the County adopted a moratorium on impact fees as one means to help stimulate the local economy. In February 2011 they voted to extend the moratorium another 2 years.

LOCAL EMERGENCY / DISASTER RECOVERY

The County was successful in obtaining CDBG-Disaster Recovery grant funds of approximately \$1.2 million to assist in repairing infrastructure that was damaged during the storms of 2008. The funding will be used to repair and upgrade the Paradise Point wastewater system and the Port Buena Vista water/wastewater systems. The County was also successful in securing a CDBG-Economic Development grant for \$750,000 to expand infrastructure to serve one new business and one expanding business. Work to be covered by each of these grants will be initiated mid-year of the coming fiscal year.

The County will administer grant funds in excess of \$1 million from the Florida Division of Emergency Management for a project to retrofit the Middleton-Burney School as a certified Red Cross shelter to be used when local emergencies are declared to exist. This work will begin after the end of the school year, in June 2011, and will finish before school starts again at the end of summer.

WATER

The East Putnam Regional Water System was a project that was a long time in the making, but water service was initiated on November 1, 2009. Approximately 1,100 users have signed up for the high quality water produced by the water treatment plant. The system consists of a reverse osmosis treatment plant, storage, transmission and distribution lines. The \$26 million project was funded from state, federal, water management district, and local sources; the County will be expanding the service area for this utility system as funds become available.

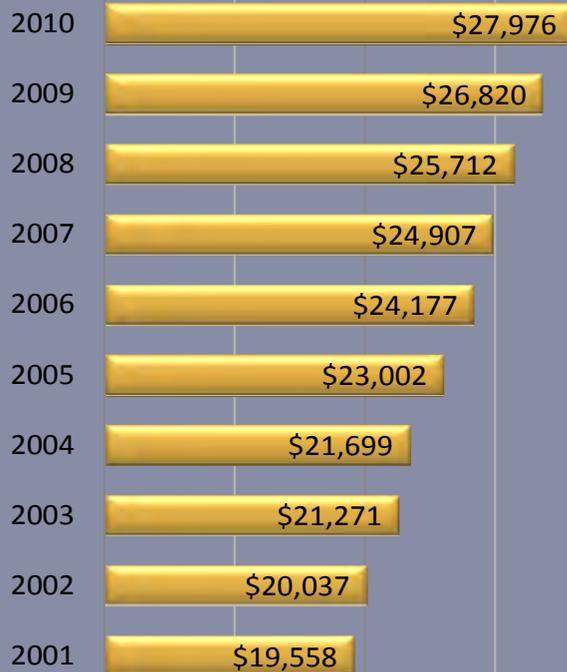


WASTEWATER

A centralized wastewater treatment system in the East Putnam area is essential to abating pollution of the river and reducing contamination of water supply wells. The County negotiated with the Florida Department of Corrections to partner in utilizing parts of its facilities as a segue to a Regional County Wastewater System in that area. Leases and agreements for services have been executed, and a consulting engineering firm for the design, permitting and bidding of a wastewater system has been approved. The resolution of some administrative issues is imminent, and the County hopes to move forward with design in earnest. Bids on the proposed \$9 million first phase of the system may be solicited before the end of the next fiscal year.



ECONOMIC CONDITION AND OUTLOOK

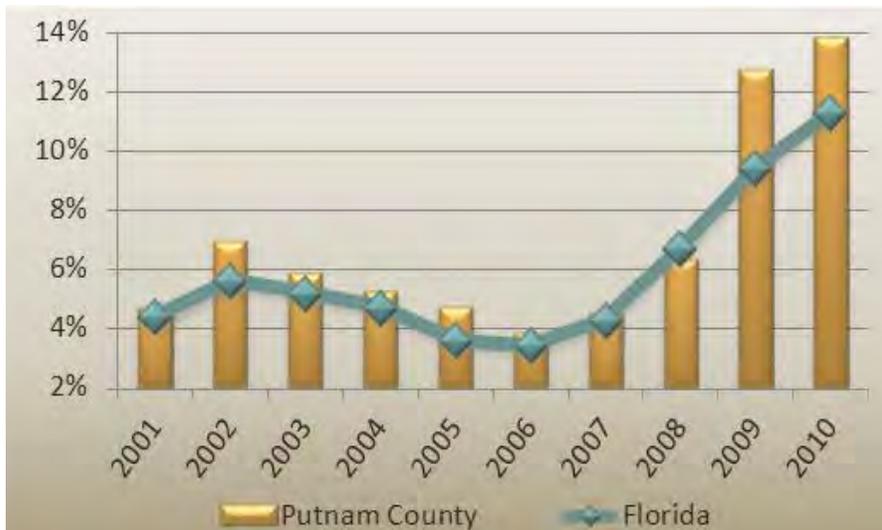


PER CAPITA INCOME

Per capita income in Putnam County increased by 4.3% during the 2010 fiscal year, although remaining about 2/3 of the Florida State and National per capita income averages.

Property tax reform and the passage of Amendment 1 both resulted in annual revenue reductions, making it difficult for the county to move forward on critical infrastructure projects and those which would improve quality of life. This makes it even more important that the County broaden its tax base through economic development and the creation of jobs. The Business Park on St. John's Avenue should be a major attraction to companies and businesses considering relocation. See Major Initiatives for an update on this building.

UNEMPLOYMENT RATE



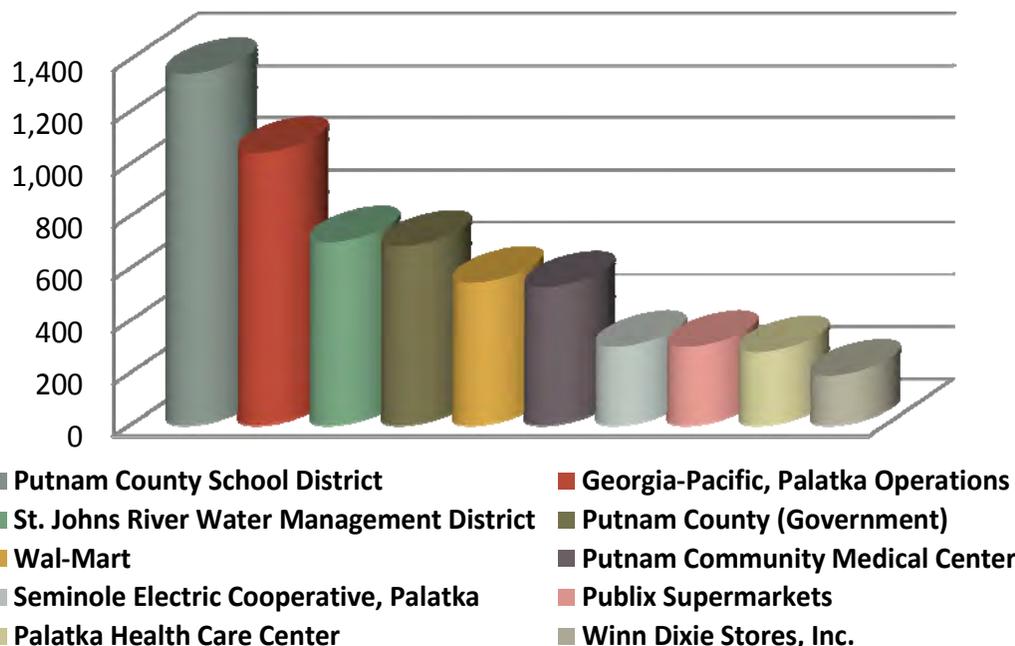
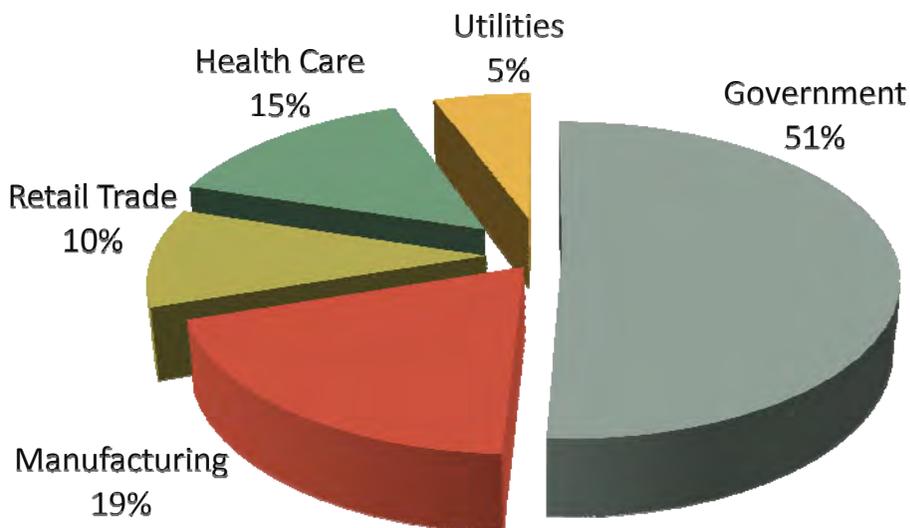
The unemployment rate for the County for September 2010 was 13.8% an increase of 8.7% over last year's unemployment rate of 12.8%. This rate is also higher than the State of Florida average of 11.3%. The unemployment rate in Putnam County was 6.3% in 2008, less than half what it was in September 2010. This is indicative of the recent downturn in the economy.

The outlook for future economic growth in the County has moderated from previous years. The largest taxpayer in the County is Georgia-Pacific Corporation, a paper products manufacturer, contributing approximately 7.1% of total ad valorem taxes. The top ten taxpayers, including Georgia-Pacific Corporation, contribute approximately 23% of County ad valorem taxes. Ten years ago, this number was closer to 39%.

The Putnam County School District, with slightly less than 1,400 employees, remains the single largest employer in the County. The school district, along with other governmental organizations, has maintained a significant portion of the employment market over the last ten or more years. Second as a principal employer is Georgia-Pacific Corporation with just over 1,000 employees. Georgia-Pacific together with Seminole Electric Cooperative, make manufacturing the second largest industry employing workers in Putnam County. The top ten employers, including the school district and Georgia Pacific Corporation, employed almost 22% of the County's labor force in 2009, down from over 25% ten years ago.

PRINCIPAL EMPLOYERS

By Industry & By Number of Employees



OPERATING INDICATORS

Function/Program	2008	2009	2010
Court Related			
New Cases Opened	24,640	24,801	25,384 ^a
Cases Closed	20,913	19,270	20,888
Culture & Recreation – Library			
Registered Borrowers	36,620	38,817	40,710
Volumes in Collection	128,547	125,232	131,940
Volumes Borrowed	111,460	109,349	104,558
Culture & Recreation – Parks & Recreation			
Program Participants	15,906	19,258	17,092
Program/Events Offered	37	41	25
Economic Environment – Veterans Services			
Claims Processed	1,905	1,969	2,168
General Government - Supervisor of Elections			
Registered Voters	45,566	47,929	43,773
Human Services – Animal Control			
Complaints Answered	7,533	6,703	6,541
Citations Issued	207	58	26
Human Services – Mosquito Control			
Complaints Answered	1,177	685	209
Human Services – Welfare Administration			
Nursing Home Verifications	0	0	0
HCRA Cases ^d	166	207	239
Physical Environment – Solid Waste Control * Tons			
Solid Waste Collections*	90,482	78,816	73,748
Recycling Rate (Recycled/Collected)*	0	0	0
Physical Environment – Water & Sewer Utilities **Average in gallons			
Water Service Connections	136	136	1,036 ^e
Daily Water Consumption**	37,465	45,638	176,469 ^e
Peak Water Consumption**	59,933	103,857	269,452 ^e
Daily Wastewater Treatment**	16,809	20,379	118,316 ^e
Public Safety – Buildings & Inspections			
Permits Issued: Commercial - New	11	7	10
Commercial - Existing	430	532	574
Residential - New	255	112	134
Residential - Existing	6,026	5,134	4,219
Inspections	20,154	12,256	14,114
Public Safety – Codes Enforcement			
New Case Opened	1,278	970	1,544
New Case Inspections	4,031	2,820	6,003
Public Safety – EMS & Fire Control			
Ambulatory Transports	8,707	8,831	9,516
Emergency Responses ^{a,g}	13,686	16,531	18,205 ^h
Fires Serviced ^{a,g}	601	588	634 ^h
Public Safety – Law Enforcement (Sheriff)			
Violations	3,503	3,212 ^{a,g}	3,325 ^{a,h}
Arrests	3,355	3,406 ^{a,g}	3,402 ^{a,h}
Transportation/Roads & Bridges			
Roads Graded (miles)	3,004	3,507	3,568
Roads Paved/Resurfaced (miles)	22	21	8 ⁱ
Transportation – Ports & Docks			
Dockage Days	365	365	365

Sources:

Public Safety – EMS & Fire Control information represents data extracted from the State of Florida Fire Marshal Reports for all years and converted to fiscal year estimates.

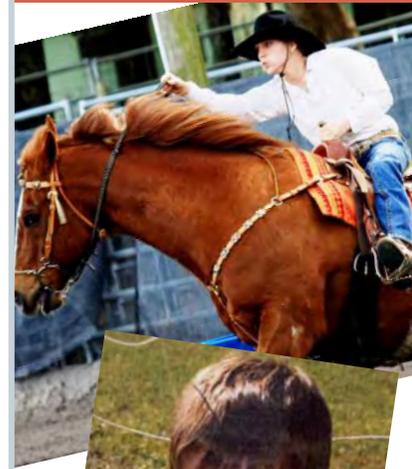
Fiscal year 2010 is a projected estimate calculated by adding the average net change occurring over the fiscal years reported to the fiscal year estimates for 2009.

Putnam County Sheriff's Office violation and arrest data has been taken from the Florida Department of Law Enforcement (FDLE) on-line Uniform Crime Reports (UCR) for all years. UCR data is reported on a calendar year basis and, therefore, has been converted to fiscal year estimates.

Notes:

- Annualized estimates were made when data received was incomplete or inconsistent with the County's fiscal year end.
- Participation increase is largely attributable to the opening of a new Senior Citizen Center in fiscal year 2006.
- Nursing home verifications are no longer performed by the County's Human Resources Department.
- HCRA (Health Care and Responsibility Act) obligates counties to pay out-of-county health care for county residents that meet eligibility requirements.
- East Putnam Regional Water System became operational November 1, 2010 resulting in an increase in the number of accounts serviced and related utility activity.
- Categories were modified effective with FYE 2007 to reflect new and existing commercial and residential permits issued.
- Revised figures based on newly acquired data.
- Projected estimates – based on prior year's reports.
- Road paving and resurfacing activity has decreased since FYE 2008 due to limited cash flow.

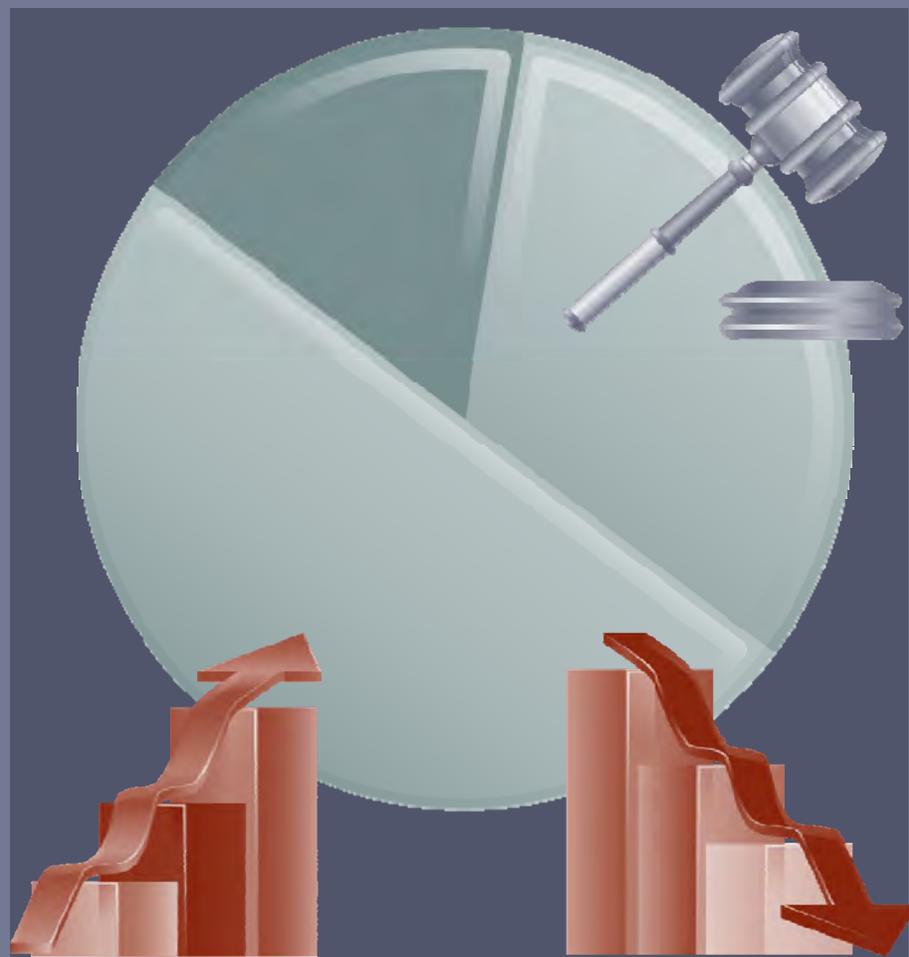
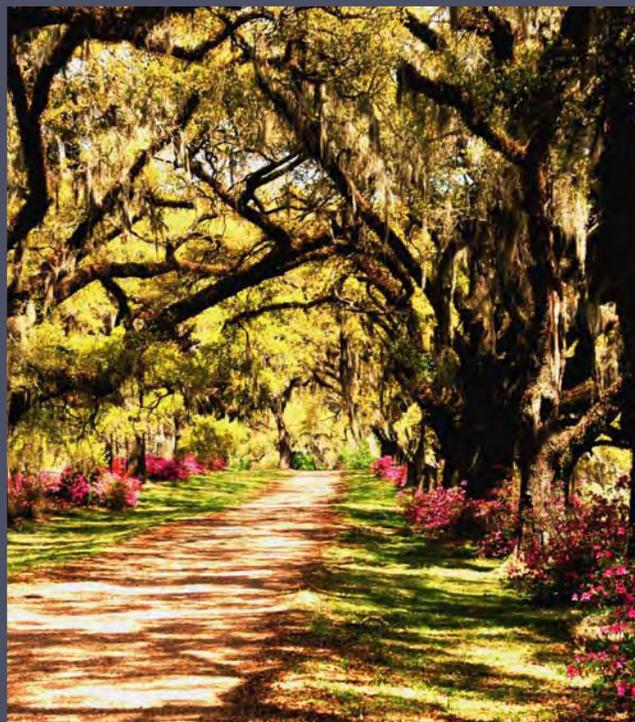
Things To Do In Putnam County



OUTDOOR SPORTS

Youth rodeo events and team sports are some of Putnam County's outdoor activities the entire family can enjoy.

Photos of Sarah Ogle (top)
Jason Purcell (bottom)



WHERE DO I FIND...?

LOOK FOR THESE ITEMS OF INTEREST...

- ...Which County Commissioner is in charge of my District? PAGE 3
- ...Contact information for and duties of County elected officials? PAGE 4
- ...Productivity data for the last 3 years, including the number of court cases opened, building permits issued, arrests, and miles of road paved? PAGE 11
- ...The state of the economy in Putnam County including unemployment rate, income, and major employers? PAGE 10
- ...County financial data including Revenues , Expenses, Liquidity and Debt? PAGES 6 & 7
- ...County project information and updates, including court expansion plans, the impact fee moratorium, Putnam County's first skateboard park? PAGES 8 & 9

City dock and tree reflection photos courtesy of Mary Pine.