

FIVE-YEAR PROJECTIONS

Five-Year Projections focus on major funds, which fall into each of Polk County's seven Result Areas. Monitoring and forecasting these major funding sources is important to achieve our mission of enhancing the quality of life for Polk County residents. Five-Year Projections incorporate our yearly revenue and expense assumptions based primarily on historic trends, economic conditions, and population estimates. This section will outline our assumptions included in our projections of each major funding source. The projections shown for each fund represent 100% of anticipated revenue and expense.

Projection assumptions:

Salary: A 3.5% salary increase is included as an assumption for Fiscal Year (FY) 2020/2021 and 3.5% for each of the following years starting in January.

Health Insurance: The employer cost of health insurance is included as a 10% increase in FY 2020/2021, and 6% increase thereafter.

Interest Revenue: The interest based on fund balance is included as 0.75% of fund balance in FY 2020/2021 and 0.50% thereafter.

Fuel Cost: Assumptions include \$2.75 Unleaded and \$3.20 Diesel for each year.

Basic Needs

Indigent Health Care Fund (Health and Human Services Division): This fund is supported by revenue from the voter-approved one-half Cent Sales Surtax for the purpose of funding healthcare services for qualified indigent residents in Polk County. In November 2016, voters approved an extension of the one-half cent sales tax for 25 years.

FISCAL YEAR	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25
BEGINNING FUND BALANCE	32,881,081	28,352,357	22,830,911	17,739,195	12,783,060
Sales Surtax	53,209,732	54,429,007	56,606,167	58,870,414	61,225,231
Other Revenue	1,586,384	1,508,333	1,508,058	1,524,416	1,542,706
TOTAL REVENUE	\$87,677,197	\$84,289,697	\$80,945,136	\$78,134,025	\$75,550,997
Indigent Health Care (53)	43,242,760	43,813,946	44,303,163	45,125,651	44,544,032
Indigent Health Care Mandates (146)	15,956,035	17,514,190	18,767,555	20,085,358	22,999,627
Other Program (FR/ Comm.)	126,045	130,650	135,223	139,956	144,854
TOTAL EXPENSE	\$59,324,840	\$61,458,786	\$63,205,941	\$65,350,965	\$67,688,513
ENDING FUND BALANCE	\$28,352,357	\$22,830,911	\$17,739,195	\$12,783,060	\$7,862,484

Major Revenue Impacts

Sales Surtax: FY 2020/2021 is projected to recoup an 17.72% loss in revenue from prior year due to the pandemic and continue with 2.29% growth in FY 2021/2022 and 4.00% thereafter. As with all of our funds that are impacted by COVID-19, we will watch our revenue projections closely to ensure we can take action quickly if it looks like we need to make any budgetary adjustments.

Major Expense Impacts

Indigent Health Care addresses the Citizens Health Care Oversight Committee recommendation to gradually reduce excess in Reserves and continue with the \$8 million funding increase to priority areas of Primary Care, Specialty Care, Dental, Prevention and Wellness, and Behavioral Health.

Indigent Health Care Mandates: Mandates funded by the Indigent Healthcare one-half cent tax include Medicaid, behavioral health and substance abuse, Health Care Responsibility Act, and Florida Department of Health. Polk County's share of costs for Medicaid increased 10.8% from prior year (based on enrollment) and projected to increase to \$17.5 million by 2024.

Reserves: If the same level of increased expense over recurring revenue continue, non-mandated Reserves will be fully exhausted by FY 2023/2024.

Good Government

General Fund covers numerous Board of County Commissioners divisions and Elected Officials. The primary sources of revenue are taxes, including Property Tax, Sales Tax, Communications Services Tax, and Public Service Tax. Most revenue in this fund can be utilized for any Polk County function.

FISCAL YEAR	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25
BEGINNING FUND BALANCE	81,419,434	67,545,539	74,652,117	82,329,270	80,960,605
Property Tax	215,104,324	223,678,022	232,625,143	237,277,646	242,023,199
Other Taxes	85,838,843	92,298,883	94,219,858	96,170,708	98,171,996
Other Revenue	77,317,344	75,979,743	81,130,723	81,934,172	82,749,128
TOTAL REVENUE	\$ 459,679,945	\$ 459,502,187	\$ 482,627,840	\$ 497,711,797	\$ 503,904,928
Board of County Commissioner	182,220,825	167,961,909	173,157,947	178,863,242	184,800,568
Other Elected Officials	209,913,581	216,888,161	227,140,623	237,887,950	249,154,352
TOTAL EXPENSE	\$ 392,134,406	\$ 384,850,070	\$ 400,298,570	\$ 416,751,192	\$ 433,954,919
ENDING FUND BALANCE	\$ 67,545,539	\$ 74,652,117	\$ 82,329,270	\$ 80,960,605	\$ 69,950,009

Property Tax and Other Tax Revenue Projections are based on an 8.9% property value increase for Fiscal Year 2020/2021, a 4% increase in Fiscal Year 2021/2022, and a 2% increase in Fiscal Years 2022/2023 through 2024/2025. Other taxes reflect the effects of COVID-19 on State and Local taxes in fiscal year 2020/2021 and a slight regulated increase in the outer years.

Other Revenue reflects expected revenue for other charges for services and fine collections, as well as transfers in from other funds.

Board of County Commissioners Expenditures reflect a 5% increase in Personnel costs, a 2% increase in operating costs, the Board's goal for needed capital expenditures, and grant sharing costs.

Other Elected Officials reflect an average increase of 3% for all Elected Officials, except the Sheriff, which we are projecting a 5% annual increase.

Ending Fund Balance represents the sum of forecasted revenue and expenditures. It is important to note that unrestricted funds help to maintain a Reserve balance equal to a 12% of operating expenses according to our Reserve Policy. The allocation of Reserves balance is by formal action of the Board of County Commissioners.

Economic Development

Tourism Tax Fund (Tourism Division): Revenue is from the five-cent tourism tax on hotels and motels, also known as the “Bed Tax.” Tourism taxes are restricted by Florida Statute and must be used to promote tourism in Polk County.

FISCAL YEAR	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25
BEGINNING FUND BALANCE	8,404,476	4,707,935	3,782,415	4,361,668	5,402,221
Tourism Tax (1,2,3 pennies)	6,943,199	7,637,519	8,095,770	8,419,601	8,756,385
Tourism Tax 4th & 5th Penny	4,628,799	5,091,679	5,397,180	5,613,067	5,837,590
Other Revenue	322,504	283,040	278,443	281,369	286,603
TOTAL REVENUE	\$ 20,298,978	\$ 17,720,173	\$ 17,553,807	\$ 18,675,705	\$ 20,282,798
Tourism Development (399)	8,114,622	7,889,517	8,072,085	8,133,869	8,230,001
Visitor Services/Outpost 27 (406)	1,046,750	1,061,650	1,071,864	1,087,090	1,102,958
Debt Service (4th & 5th Penny)	4,019,083	4,026,004	3,087,603	3,091,939	3,090,554
Other Expense	\$ 2,410,587	\$ 960,587	\$ 960,587	\$ 960,587	\$ 960,587
TOTAL EXPENSE	\$ 15,591,042	\$ 13,937,758	\$ 13,192,139	\$ 13,273,485	\$ 13,384,100
ENDING FUND BALANCE	\$ 4,707,935	\$ 3,782,415	\$ 4,361,668	\$ 5,402,221	\$ 6,898,697

Major Revenue Impacts

Tourism Tax Revenue projections have been significantly impacted by COVID-19. FY 2020/2021 new revenue is 22% below FY 2018/2019 collections. This establishes a new revenue baseline with increases of 10% in FY 2021/2022, an additional 6% in FY 2022/2023, and 4% each successive year through FY 2024/2025, which will return tourist development tax collections in Polk County to FY 2018/2019 normal collection levels. There are many factors that could influence the level of tourism revenue in the future. Polk County Tourism Sports Marketing (PCTSM) is already seeing increases in leisure tourism and sports events, which has returned to pre-COVID levels. In addition, increased supply (accommodations and attractors) and very effective demand driving strategies will continue to produce dividends for the county. Several new or enhanced attractors will continue to bolster PCTSM's revenue, including the new Water Sports Complex at Lake Myrtle, the Advent Health Fieldhouse and Conference Center, the new Lake Myrtle Multipurpose Stadium (2021), and a new four-field baseball quad at the North East Regional Park (NERP) Sports Complex in Davenport (2021). These economic development initiatives and those projects in the pipeline are a direct result of PCTSM's effective demand driving strategies, including larger and more impactful sports and special events.

Major Expense Impacts

Based on the current projections, the Tourism marketing and sales efforts will be supplemented by reserves and new revenue from the Fourth and Fifth penny tax. This will result in reserves declining through FY 2021/2022, but will start increasing again in FY 2022/2023, unless other commitments are made. The Other Expense line item will decrease in FY 2021/2022 after the second \$1.25 million payment for the Northeast Regional Park Baseball Complex. Debt service obligations will remain steady with a reduction of debt from the City of Auburndale commitment in FY 2022/2023. Dedicated reserves were established for PCTSM's debt obligations and Operating Revenue.

Growth/Infrastructure

Building Fund (Building Division): The primary source of revenue is from issuance of building permits, contractor licenses, plan reviews, field inspections. Revenue is restricted by Florida Statute for the purpose of solely carrying out the local government's responsibilities in enforcing the Florida Building Code.

FISCAL YEAR	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25
BEGINNING FUND BALANCE	7,560,824	5,250,475	3,124,700	1,881,016	1,010,151
Building Permits	7,602,297	7,754,343	7,870,658	7,988,715	8,108,549
Building Municipal Inspections	154,064	160,288	162,693	165,133	167,610
Other Revenue	88,881	87,515	88,778	90,064	91,362
TOTAL REVENUE	\$ 15,406,066	\$ 13,252,621	\$ 11,246,829	\$ 10,124,928	\$ 9,377,672
Building Division (31)	6,691,159	6,936,805	7,144,909	7,359,256	7,580,034
Other Expense	3,464,431	3,191,115	2,220,903	1,755,520	654,568
TOTAL EXPENSE	\$ 10,155,590	\$ 10,127,920	\$ 9,365,812	\$ 9,114,776	\$ 8,234,602
ENDING FUND BALANCE	\$ 5,250,475	\$ 3,124,700	\$ 1,881,016	\$ 1,010,151	\$ 1,143,069

Major Revenue Impacts:

Building Permits: This revenue is generated from the filing of permits required to construct, enlarge, alter, repair, move, demolish or change the occupancy or occupant content of a building or structure or to erect, install, enlarge, alter, repair, remove, convert or replace any electrical, gas, mechanical or plumbing system. Single-family permits have historically been an accurate indicator of the strength of the construction activity in Polk County.

Building Municipal Inspections: This revenue is generated from interlocal agreements with Ft. Meade and Polk City to complete inspections for work done on permits filed within their respective municipalities. Because these municipalities do not have the personnel available to complete the inspections, the Polk County Building Division does it on their behalf for a fee.

Major Expense Impacts:

Building Program: In recent years, the Building Division has implemented a new electronic permitting system, opened a second permitting office, implemented a new lobby queue system, and began performing virtual inspections for certain permit types. In FY 2020/2021, building funds will offset expenses for Code Investigators and Code support staff for those portions of their responsibilities that can be tied to upholding the provisions of the Florida Building Code.

Transportation Millage and Transportation Trust Fund (Roads and Drainage Division)

Transportation Millage Fund revenue is committed by the Board via approval of the general ad valorem millage rate and allocation thereof for funding transportation construction and maintenance in Polk County.

Transportation Trust Fund: Revenue is from various gas taxes, which are restricted by statute to build and maintain roads.

FISCAL YEAR	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25
BEGINNING FUND BALANCE	112,626,918	76,875,310	46,996,801	36,714,816	38,836,818
Gas Tax	35,239,713	35,592,110	35,594,130	35,596,170	35,598,231
Ad Valorem Tax-0064	42,413,773	44,110,324	45,874,737	46,792,232	47,728,077
Other Revenue	6,569,130	1,625,191	1,475,799	1,424,388	1,434,999
TOTAL REVENUE	\$ 196,849,534	\$ 158,202,935	\$ 129,941,467	\$ 120,527,606	\$ 123,598,125
Survey and Mapping - 1559	1,597,357	1,559,137	1,605,911	1,654,088	1,703,711
Inspection and Testing - 1560	1,137,037	1,144,081	1,178,403	1,213,756	1,250,168
Roads and Drainage Engineering - 1558	865,767	891,397	918,139	945,683	974,054
Roadway Maintenance - 1561	16,603,496	16,643,797	17,143,111	17,657,404	18,187,126
GIS Asset Management - 1710	840,902	778,052	801,394	825,435	850,198
Traffic - 202	4,678,032	4,788,090	4,931,733	5,079,685	5,232,075
Administration - 1557	1,344,754	1,314,403	1,353,835	1,394,450	1,436,284
Drainage - 1163	302,322	313,468	322,872	332,558	342,535
Real Estate Services - 193	249,891	258,302	266,051	274,033	282,254
Other Expense-Millage	5,447,643	5,700,971	5,668,842	5,874,604	6,083,142
Other Expense-TTF	5,317,436	5,317,436	5,394,360	5,422,092	5,335,690
Community Investment Program (CIP)	81,589,587	72,497,000	53,642,000	41,017,000	47,479,050
TOTAL EXPENSE	\$ 119,974,224	\$ 111,206,134	\$ 93,226,651	\$ 81,690,788	\$ 89,156,287
ENDING FUND BALANCE	\$ 76,875,310	\$ 46,996,801	\$ 36,714,816	\$ 38,836,818	\$ 34,441,838

Major Revenue Impacts

Gas Tax: Due to COVID-19 gas taxes are estimated to receive only 80% of the previous anticipated amount of revenue for FY 2020/2021, a modest 1% increase in FY 2021/2022 and no projected increase for the next three years thereafter.

Ad Valorem Tax: The Transportation Millage Fund revenue is projected to increase by 8.2% for FY 2020/2021, 4% in FY 2021/2022 and FY 2022/2023, and 2% in FY 2023/2024.

Major Expense Impacts:

New Positions: A Construction Testing Inspector was added to support additional Pavement Management work and assist with other CIP Projects as needed.

Community Investment Program (CIP):

Recurring CIP Projects:

Major Capacity Projects Funded include: Lake Wilson Road (CR54/Ronald Reagan Pkwy to CR532/Osceola-Polk County Line), West Pipkin Road Widening (Medulla to Hwy 37/South Florida Avenue), CR 557 Widening (I-4 to W. Alfred St.), Marigold Avenue Widening (Cypress Pkwy to Palmetto Avenue), Cypress Parkway Widening (Poinciana Pkwy to Marigold Avenue), North Lake Ready Blvd Bridge Replacements (164302 and 164303), Thornhill Road Bridge Replacement and Walk-in-the-Water Road Bridge Replacement.

Utilities Funds (Utilities Division): Annual water and wastewater rates are established by the Board of County Commissioners per adopted rate resolutions. As of Fiscal Year 2016/2017, an Alternative Water supply surcharge of \$0.30 per 1,000 gallons was established to fund alternative water supply projects and utility system interconnection initiatives.

FISCAL YEAR	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25
BEGINNING FUND BALANCE	101,808,800	69,664,231	59,209,934	65,236,303	76,736,541
Alternative Water Supply (AWS) Surcharge	1,761,766	1,797,001	1,823,956	1,851,316	1,785,131
Water & Wastewater Rates	72,049,953	73,635,911	73,441,897	74,771,952	76,220,480
Water & Wastewater Connection Fees	15,615,297	15,860,577	15,067,548	15,860,577	15,304,690
Other Revenue	26,926,193	25,111,819	25,291,204	24,601,357	25,408,550
TOTAL REVENUE	218,162,009	186,069,539	174,834,540	182,321,505	195,455,391
Customer Service - 213	2,239,717	2,321,356	2,369,896	2,450,952	2,535,195
SCADA (Plant Monitoring) - 216	1,770,009	1,843,577	1,904,350	1,967,207	2,032,226
Utilities Metering - 437	7,907,009	5,258,275	3,081,516	3,182,937	3,288,098
Utilities Back Flow/Large Meters - 412	824,466	829,724	859,894	887,939	917,052
Water Resource Enforcement - 1511	1,267,479	1,326,482	1,364,971	1,409,078	1,454,743
Infrastructure Information Section - 214	1,610,704	1,595,185	1,642,746	1,695,805	1,750,925
Regulatory Affairs - 403	2,959,426	3,065,097	3,136,976	3,239,244	3,345,051
Electrical and Mechanical Maintenance - 76	12,825,589	12,743,164	12,866,828	13,265,302	13,677,839
Water and Wastewater Plant Operations - (401 & 402)	15,424,342	15,163,173	15,374,450	15,847,006	16,334,765
Underground Maintenance - 1222	5,310,558	5,392,134	5,565,017	5,725,356	5,891,810
Utilities CIP Inspection - 1644	336,867	346,282	340,192	350,694	361,613
Other Expense	37,276,537	37,920,682	36,075,619	35,649,544	37,578,082
Community Investment Program (CIP)- Expansion/Renewal & Replacement (320 & 77)	58,745,075	39,054,474	25,015,783	19,913,900	14,435,449
TOTAL EXPENSE	\$ 148,497,778	\$ 126,859,605	\$ 109,598,237	\$ 105,584,964	\$ 103,602,847
ENDING FUND BALANCE	\$ 69,664,231	\$ 59,209,934	\$ 65,236,303	\$ 76,736,541	\$ 91,852,544

Major Revenue Impacts

Polk Water Resource Initiatives/Alternative Water Supply (AWS) and Other Revenue: Funds from this surcharge are restricted to developing and paying for Alternative Water Supply sources. User fees fund operations and capital investment of each utility system. Connection Fees revenue support the expansion of the systems and are restricted for that purpose.

Service fees: Growth is anticipated to provide sufficient revenue to cover expenses. No rate increases are anticipated over five years.

Major Expense Impacts

Utilities Metering Program: The Advanced Metering Infrastructure (AMI) change-out program is being funded to install AMI equipment throughout the utility system and is anticipated to be completed by FY 2021/2022.

Personnel Changes: In order to address additional maintenance and operating requirements due to system growth, nine new positions were added in FY 2020/2021.

Community Investment Program (Major Projects): Significant investments in information technology, alternative water supplies, reclaimed water system expansion, improved emergency response capabilities, water quality improvement and regionalization projects, and wastewater plant reliability projects are programed into the Community Investment Plan over the five-year period.

Natural Resources and Environment

Waste and Recycling Funds (Waste and Recycling Division): An annual rate resolution is adopted by the Board of County Commissioners for Collection and Disposal fees. Landfill Tipping Fees are adopted periodically based on Ordinance requirements to support operation costs.

FISCAL YEAR	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25
BEGINNING FUND BALANCE	166,887,453	154,854,282	161,093,868	168,259,046	177,382,426
Collections & Disposal Assessment Revenue	29,949,963	30,396,707	30,850,140	31,310,362	32,214,393
Landfill Tipping Fees	17,347,127	17,697,978	17,963,448	18,232,802	18,506,393
Other Revenue	3,401,971	3,198,434	3,303,344	3,422,305	3,577,909
TOTAL REVENUE	\$ 217,586,514	\$ 206,147,403	\$ 213,210,799	\$ 221,224,515	\$ 231,681,122
Landfill Operations (1187)	8,850,725	8,854,742	9,308,652	9,789,389	10,299,673
Residential Waste Management Collection (1188)	29,411,527	30,840,063	32,987,461	33,152,700	33,321,971
Community Clean-up (98)	-	-	-	-	-
Community Investment Program (CIP)-Operations	24,469,979	5,358,730	2,655,641	900,000	836,000
TOTAL EXPENSE	\$ 62,732,232	\$ 45,053,535	\$ 44,951,754	\$ 43,842,089	\$ 44,457,645
RESERVES					
ENDING FUND BALANCE	\$ 154,854,282	\$ 161,093,868	\$ 168,259,046	\$ 177,382,426	\$ 187,223,477

Major Revenue Impacts

Collections & Disposal Assessment Revenue: The FY 2020/2021 Annual Assessment is \$144.50 and \$52.00 per dwelling unit for collection and disposal, respectively. The disposal assessment for an additional cart is \$38.00.

Landfill Tipping Fees: Landfill tipping fees remain at \$36.50 per ton for garbage and \$22.00 per ton for yard trash.

Major Expense Impacts

Landfill Operations Program: The FY 2020/2021 budget include approximately \$3 million for leachate disposal. Plans are being designed for alternative processing and is anticipated prior to FY 2021/2022.

Landfill Closure Reserve requirement is approximately \$50 million of the fund balance to maintain the landfill after its closure.

Annual Dividend to General Fund: Waste and Recycling is able to provide an annual dividend to the General Fund because of continuing improvements to best management practices, efficiencies and right-sizing of its workforce to meet core business needs and control of operating costs without sacrificing service to customers.

Community Cleanup Fund: These expenditures were moved to the General Fund and are currently paid for by annual dividends.

Community Investment Program (Operations): The FY 2020/2021 budget includes projects, such as the design, permit, and construction of an alternate leachate disposal system and the construction of a new disposal area.

Recreation and Cultural Arts

Leisure Services Municipal Services Taxing Unit (MSTU) Fund (Parks and Natural Resources Division): The primary revenue source is from MSTU Ad Valorem Tax Revenues for the purpose of funding recreation services, parks maintenance, and improvement of facilities in Polk County in accordance with Florida Statute and Board Resolution.

FISCAL YEAR	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25
BEGINNING FUND BALANCE	10,455,136	7,275,083	7,458,436	7,430,518	7,172,590
Property Tax	12,968,168	13,486,895	14,026,370	14,306,898	14,593,036
Fees (Camping/Parks/Summer Rec)	572,115	583,558	592,311	601,196	610,213
Other Revenue	1,461,206	114,448	116,661	117,185	116,570
TOTAL REVENUE	\$25,456,625	\$21,459,984	\$22,193,778	\$22,455,797	\$22,492,409
Parks Maintenance (35)	8,032,595	8,001,323	8,475,450	8,689,388	8,938,945
Recreation Activities (36)	1,188,123	1,286,774	1,345,155	1,390,403	1,437,294
Resource Centers (1409)	630,240	717,003	729,074	753,622	779,080
Other Program Expense*	3,763,065	3,378,448	3,595,581	3,831,794	3,875,651
Community Investment Program (CIP)	4,567,519	618,000	618,000	618,000	1,118,000
TOTAL EXPENSE	\$18,181,542	\$14,001,548	\$14,763,260	\$15,283,207	\$16,148,970
ENDING FUND BALANCE	\$ 7,275,083	\$ 7,458,436	\$ 7,430,518	\$ 7,172,590	\$ 6,343,439

*Note: Includes Indirects, Parks Administration, and other expenditures not directly related to a Park specific program.

Major Revenue Impacts

Property Tax: The Leisure Services MSTU projections utilize the same valuation assumptions as other County MSTU Funds, which is an 8.68% increase in Fiscal Year 2020/2021 and a 4% increase is included for Fiscal Year 2021/2022 and Fiscal Year 2022/2023. A 2% increase is included for Fiscal Years starting 2023/2024 due to anticipated economic downturn.

Major Expense Impacts

Parks Maintenance Program: The standard County assumptions were used in future projections after consideration of historical expenditure rates. Recurring expenditures exceed recurring budgeted revenues given the statute requires us to budget 95% of projected revenue. However, full-anticipated revenue exceeds projected expenditures for the foreseeable future. This would include covering debt service appropriated for most of the Northeast Regional Park (NERP) Baseball field buildout.

Community Investment Program (CIP): After completion of current projects, using a multiple funded approach to complete the last phase of NERP, and planning for artificial turf replacement, the only funded recurring CIP project stems from the Parks Master Plan and earmarks \$618,000 to larger maintenance and facility repurpose type projects.

Safety

Fire Fund (Fire Rescue Division): The primary revenue for the Fire Rescue Fund is from non-ad valorem special assessments levied upon real estate parcels containing any building or structure in the unincorporated areas of Polk County, as well as some cities that contract with the County. Use of these funds are restricted by Florida Statute and Board Resolution.

	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25
Beginning Fund Balance	2,411,482	1,394,344	1,829,473	2,084,216	2,372,103
Fire Assessments*	50,459,668	51,216,562	51,984,810	52,764,582	53,556,051
Fire Inspections	308,326	308,326	308,326	308,326	308,326
Other Revenue	81,143	69,444	71,734	73,076	74,590
TOTAL REVENUE	\$ 53,260,619	\$ 52,988,676	\$ 54,194,343	\$ 55,230,200	\$ 56,311,070
Fire Operations (158)	44,663,285	43,689,423	44,416,452	44,973,445	45,590,930
Fire Prevention (161)	1,288,628	1,349,796	1,374,672	1,416,404	1,464,892
Fire Support Services (1244)	1,984,785	2,056,816	2,103,895	2,165,107	2,218,097
Other Expense	3,929,577	4,063,168	4,215,108	4,303,141	4,394,722
TOTAL EXPENSE	\$ 51,866,275	\$ 51,159,203	\$ 52,110,127	\$ 52,858,097	\$ 53,668,641
ENDING FUND BALANCE	\$ 1,394,344	\$ 1,829,473	\$ 2,084,216	\$ 2,372,103	\$ 2,642,429
GENERAL FUND SUBSIDY EXPENSE	\$ 5,902,018	\$ 8,031,707	\$ 9,233,132	\$ 10,723,695	\$ 11,908,368
REVENUE VS. TOTAL EXPENSE	\$ (4,507,674)	\$ (6,202,234)	\$ (7,148,916)	\$ (8,351,592)	\$ (9,265,939)

*Fire Assessment total includes General Fund payment for Exempted structures

Major Revenue Impacts

Fire Assessment Revenue: This revenue is from fees charged to residents in unincorporated areas of Polk County to support fire operations services provided. The fire assessment revenue is not enough to maintain service levels and cover expenditures for Fire Rescue Operations; therefore, the General fund subsidizes part of the cost of operations. This revenue source only increases with growth (more people and structures) or rate increases by the Board. For FY 2021, the Board approved a recurring \$24 Single Family Residence (SFR) Fire Assessment increase to cover Fire operations improvements and decrease some anticipated costs in General fund.

Major Expense Impacts

Fire Rescue Operations Program: The FY 2020/2021 budget includes three Safety Officers were added per Emergency Service Consulting Incorporated (ESCI) recommendations to support Fire Services and capital funding. One of the biggest challenges for the Fire fund was not covering all current cost of operations. This programs funding was increased to address needed Fire operations improvements.

General fund Subsidy: The FY 2020/2021 budget includes payments to debt for part of Fire station cost, recurring capital gear and equipment, and funding that supports operations training. Polk County Fire Rescue budget includes vital life-saving equipment and funding for our employee mental health wellness program. The FY 2021 General fund subsidy was reduced from last year's projected costs due to the approved Fire Assessment rate increase which allows more cost to be covered in Fire Fund. However, in FY 2020/2021 indirect expense allocation was added back to Fire Services budget and in FY 2021/2022 we start to phase in the tender staff 3 per year. The Fire Assessment increase of \$24 cannot sustain these future increases in Fire Services therefore increases the General Fund subsidy in outer years.

Radio Communications Fund (Emergency Management Division): The primary sources of funds are from Radio User Fees and court fines. The use of court of fines are restricted by Florida Statute.

Fiscal Year	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25
BEGINNING FUND BALANCE	569,227	125,085	136,973	656,918	1,369,136
Court Fines (\$12.50)	558,368	575,119	592,373	610,144	628,449
Radio User Fees	3,412,176	3,659,136	3,905,904	4,152,768	4,399,632
Rents (TYCO & State Leases)	188,000	188,000	188,000	188,000	188,000
Other Revenue	88,538	1,877	2,055	9,854	20,536
TOTAL REVENUE	\$ 4,816,309	\$ 4,549,217	\$ 4,825,305	\$ 5,617,684	\$ 6,605,753
Radio Systems Management	570,871	582,896	593,526	602,958	612,692
Radio Communications	2,857,685	2,494,147	2,167,431	2,183,767	2,200,703
Radio Replacement	1,190,602	1,260,706	1,330,810	1,383,014	1,453,118
Radio Maintenance & Ops	72,066	74,495	76,620	78,809	81,063
TOTAL EXPENSE	\$ 4,691,224	\$ 4,412,244	\$ 4,168,387	\$ 4,248,548	\$ 4,347,576
ENDING FUND BALANCE	\$ 125,085	\$ 136,973	\$ 656,918	\$ 1,369,136	\$ 2,258,177

Major Revenue Impacts

Radio User Fees: These user fees are collected from Board entities, the Sheriff's Office, and other outside agencies to cover replacement and maintenance of more than 4,000 radios.

Major Expense Impacts

Radio Communications Program: The radio capital replacement program was implemented with increases each year to fund bulk replacements and sustain the radio systems infrastructure. The Fiscal Year 2020/2021 budget increase is mostly attributed to funding new capital equipment and replacements.

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