

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 the mission of enhancing the quality of life for Polk County residents. Five-year projections incorporate yearly revenue and expense assumptions based primarily on historic trends, economic conditions, and population estimates. This section will outline the assumptions included in projections of each major funding source. The projections shown for each fund represents what each division anticipates receiving and expending over the next five years.

Projection assumptions:

Salary: A 3.5% salary increase is effective January 1st of each projection year. FICA and FRS rates are based on current statute.

Health Insurance: A 5.0% health insurance increase is effective October 1st of each projection year

Interest Revenue: Interest is calculated on fund balance at 0.25% in FY 21/22 and 0.50% each year thereafter.

Fuel Cost: Unleaded fuel is estimated at \$3.20 per gallon and diesel fuel is estimated at \$4.00 per gallon in each projection year.

Basic Needs

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

Indigent Healthcare Fund

Five Year Projection Summary

FISCAL YEAR	Budget FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25	Projection FY25/26
BEGINNING FUND BALANCE	\$ 43,797,794	\$ 37,649,950	\$ 32,755,881	\$ 27,643,725	\$ 22,219,590
Sales Surtax	55,020,730	59,248,639	60,729,855	62,248,101	62,129,441
Other Revenue	1,484,736	1,573,317	1,682,769	1,697,007	3,373,063
TOTAL REVENUE	\$ 56,505,466	\$ 60,821,956	\$ 62,412,624	\$ 63,945,108	\$ 65,502,504
Indigent Health Care (53)	50,077,350	49,493,247	50,540,761	51,511,913	52,623,238
Indigent Health Care Mandates (146)	15,418,142	16,086,182	16,842,642	17,711,005	18,861,415
Other Program Expense (Fire Rescue and Communications)	131,790	136,596	141,377	146,325	151,446
TOTAL EXPENSE	\$ 65,627,282	\$ 65,716,025	\$ 67,524,780	\$ 69,369,243	\$ 71,636,099
RESERVES	34,675,978				
ENDING FUND BALANCE	\$ -	\$ 32,755,881	\$ 27,643,725	\$ 22,219,590	\$ 16,085,995

Major Revenue Impacts

Sales Surtax is projected to increase 2.3% in FY 21/22 and FY 22/23 and 2.5% in each year thereafter.

Major Expense Impacts

Indigent Health Care-Mandates includes a 0.5% decrease for Medicaid in FY 21/22, with a projected increase to \$16.2 million by 2026. There is also an increase of 3.0% each year for the Peace River Center and Tri-County Human Services mandated mental health and substance abuse programs.

Indigent Health Care includes a cost decrease of 3.1% in the Polk HealthCare Plan in FY 21/22, based on a monthly enrollment of 5,500 member at \$361 per member per month and a 2% increase thereafter. Community partner funding projected expenses are based on historical trends.

Good Government

General Fund covers numerous Board of County Commissioners divisions and the 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 County function.

FISCAL YEAR	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25	Projection FY25/26
BEGINNING FUND BALANCE	94,197,851	72,598,453	88,405,096	102,992,215	108,829,810
Property Tax	230,254,878	239,434,600	244,223,292	249,107,758	254,089,913
Other Taxes	96,066,620	97,991,828	100,145,498	102,267,910	104,445,729
Other Revenue	83,017,040	79,702,088	88,094,651	89,591,185	91,128,674
TOTAL REVENUE	\$ 503,536,389	\$ 489,726,969	\$ 520,868,537	\$ 543,959,069	\$ 558,494,125
Board of County Commissioners	213,588,734	171,250,974	173,771,282	179,524,325	185,509,895
Other Elected Officials	\$ 217,349,202	\$ 230,070,900	\$ 244,105,040	\$ 255,604,934	\$ 267,658,662
TOTAL EXPENSE	\$ 430,937,936	\$ 401,321,874	\$ 417,876,322	\$ 435,129,259	\$ 453,168,558
Ending Fund Balance	-	-	-	-	-
ENDING FUND BALANCE	\$ 72,598,453	\$ 88,405,096	\$ 102,992,215	\$ 108,829,810	\$ 105,325,567

Property Tax and Other Tax Revenue Projections are based on a 9.03% property value increase for FY 21/22, 4.0% increase in FY 22/23, and a 2.0% increase in FY 23/24 through FY 24/26. Other taxes are projected based on historical trends.

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

Board of County Commissioners Expenditures reflect a 5.0% increase in personnel costs, a 2.0% increase in operating costs, and increases for the Board's goals for needed capital expenditures and grant sharing costs.

Other Elected Officials reflect an average increase of 3.0% with the exception of the Sheriff which is projected at 5.0%.

Ending Fund Balance represents the sum of forecasted revenue and expenditures. It is important to note that these unrestricted funds are used to maintain a reserve equal to 12.0% of operating expenses according to the Reserve Policy. The balance then can be utilized by the Board of County Commissioners through formal action.

Economic Development

Tourism Tax Fund Tourism revenue is generated by 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 FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25	Projection FY25/26
BEGINNING FUND BALANCE	7,409,816	6,119,051	6,553,393	7,707,365	9,415,326
Tourism Tax (1,2,3 pennies)	9,100,270	9,646,286	10,128,601	10,533,745	10,955,094
Tourism Tax 4th & 5th Penny	6,066,846	6,430,857	6,752,400	7,022,496	7,303,395
Other Revenue	200,929	197,740	215,227	221,014	229,572
TOTAL REVENUE	\$ 22,777,861	\$ 22,393,934	\$ 23,649,620	\$ 25,484,620	\$ 27,903,388
Tourism Development (399)	9,925,888	10,029,811	10,110,546	10,221,605	10,336,491
Visitor Services/Outpost 27 (406)	1,250,668	1,266,877	1,283,520	1,300,885	1,318,944
Debt Service (4th & 5th Penny)	4,026,005	3,087,603	3,091,939	3,090,554	3,093,451
Other Expense	\$ 1,456,250	\$ 1,456,250	\$ 1,456,250	\$ 1,456,250	\$ 1,456,250
TOTAL EXPENSE	\$ 16,658,811	\$ 15,840,541	\$ 15,942,255	\$ 16,069,294	\$ 16,205,136
ENDING FUND BALANCE	\$ 6,119,051	\$ 6,553,393	\$ 7,707,365	\$ 9,415,326	\$ 11,698,251

Major Revenue Impacts

Tourism Tax Revenue was improving during the first three months of FY 20/21, but Polk County Tourism and Sports Marketing (PCTSM) was still experiencing some negative impacts from COVID. PCTSM did experience a speedy and steady improvement each month thereafter; PCTSM significantly outperformed neighboring counties and the State as a whole. In March, PCTSM began a seven-month record-setting trend, setting all-time monthly records. The entire County witnessed the economic fruits of PCTSM’s strategic plan and efforts. March generated the highest monthly revenue in Polk County’s history, and July was a close second. For FY 20/21 as a whole, PCTSM generated a record amount of tourism revenue, which was approximately 51.0% more than FY 19/20; it was 14.0% above FY 18/19, PCTSM’s last record year. There are numerous outside factors that have the potential to negatively impact Polk’s tourism revenue in the future, including COVID variants, lower Gross Domestic Product (GDP), inflation, increased federal debt, and taxes.

PCTSM is continuing to drive increases in leisure tourism and sports events, which has now exceeded pre-COVID levels. In addition, increased supply of accommodations and attractors and effective demand-driving strategies will continue to produce economic dividends for the County. On the supply-side of PCTSM’s strategic efforts will be four new or enhanced facilities, which will bolster PCTSM’s revenue-generating capabilities, including the new championship lake and multipurpose stadium (June 2022) at Lake Myrtle, a new Chain of Lakes Baseball quad, and a new four-field baseball quad at the North East Regional Park (NERP) Sports Complex in Davenport (March 2022). These economic development initiatives and five new accommodations projects in the pipeline are a direct result of PCTSM’s effective supply-side development strategies.

Major Expense Impacts

Debt service obligations will remain steady despite the start of two new projects, as these were planned and budgeted for several years. There will be a reduction in the debt obligation to the

City of Auburndale in FY 22/23. Dedicated reserves were established for PCTSM's debt obligations and operating revenue, which were depleted due to the significant impact that COVID had on Polk's tourism industry. As a result of PCTSM's record-breaking year in FY 20/21, the resulting unobligated carryforward which accrues to FY 22/23, will be used to replenish PCTSM's debt service and operating reserves. In addition, \$1.0 million of the unobligated carryforward will be set aside for an airline recruiting revenue guarantee, as prospects in this area have showed promise in recent months.

Growth/Infrastructure

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

FISCAL YEAR	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26
BEGINNING FUND BALANCE	11,443,980	8,468,741	9,074,947	9,620,951	10,092,490
Building Permits	8,227,205	10,825,271	10,987,650	11,152,464	11,319,751
Building Municipal Inspections	151,316	153,586	155,890	158,228	160,601
Other Revenue	221,831	224,650	227,513	230,419	233,367
TOTAL REVENUE	\$ 20,044,332	\$ 19,672,248	\$ 20,446,000	\$ 21,162,062	\$ 21,806,209
Building Division (31)	9,283,995	9,555,705	9,783,453	10,027,976	10,279,344
Other Expense	2,291,595	1,041,595	1,041,595	1,041,595	1,041,595
TOTAL EXPENSE	\$ 11,575,590	\$ 10,597,300	\$ 10,825,048	\$ 11,069,571	\$ 11,320,939
ENDING FUND BALANCE	\$ 8,468,741	\$ 9,074,947	\$ 9,620,951	\$ 10,092,490	\$ 10,485,269

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 the County.

Building Municipal Inspections: This revenue is generated from interlocal agreements with Fort Meade and Polk City to complete inspections for work done on permits filed within the 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 21/22, building funds will be used to fund a portion of the new NE Government Center, where Building Division staff currently located in the Dundee satellite will relocate. Funds will also be used to enhance current technology to provide more tools to the customer and be more efficient in daily operations. These types of investments would serve customers to a higher level, free up staff time, and enhance efficiency.

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 FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25	Projection FY25/26
BEGINNING FUND BALANCE	132,871,812	141,292,916	112,918,559	83,388,905	56,453,520
Gas Tax	40,666,739	42,807,094	40,666,739	42,807,094	40,666,739
Ad Valorem Tax-0064	49,754,257	51,744,427	53,057,430	54,118,579	55,200,950
Other Revenue	63,062,666	46,130,528	1,995,091	1,954,784	1,914,899
TOTAL REVENUE	\$ 286,355,475	\$ 281,974,965	\$ 208,637,819	\$ 182,269,361	\$ 154,236,108
Survey and Mapping - 1559	1,530,973	1,602,756	1,650,839	1,700,364	1,751,375
Inspection and Testing - 1560	1,244,598	1,246,783	1,287,709	1,326,340	1,366,131
Roads and Drainage Engineering - 1558	1,187,991	1,227,486	1,264,311	1,302,240	1,341,307
Roadway Maintenance - 1561	17,441,089	17,778,588	18,311,946	18,861,304	19,427,143
GIS Asset Management - 1710	833,247	1,069,906	1,102,003	1,135,063	1,169,115
Traffic - 202	4,980,767	4,847,026	4,992,437	5,142,210	5,296,476
Administration - 1557	1,505,486	1,550,641	1,597,160	1,645,075	1,694,427
Drainage - 1163	-	-	-	-	-
Real Estate Services - 193	409,384	300,377	305,866	315,042	324,493
Other Expense-Millage	6,172,747	6,466,626	6,693,726	6,934,936	7,195,651
Other Expense-TTF	49,574,217	49,574,217	5,624,217	5,624,217	5,658,845
Community Investment Program (CIP)	60,182,060	83,392,000	82,418,701	81,829,050	39,817,000
TOTAL EXPENSE	\$ 145,062,559	\$ 169,056,406	\$ 125,248,914	\$ 125,815,841	\$ 85,041,962
ENDING FUND BALANCE	\$ 141,292,916	\$ 112,918,559	\$ 83,388,905	\$ 56,453,520	\$ 69,194,146

Major Revenue Impacts

Gas Tax: Due to the continued uncertainty of COVID and in the increase in electric vehicles, County gas taxes will maintain with no increases for the next five years. Gas taxes will be monitored each year should a trend begin to emerge.

Ad Valorem Tax: The Transportation Millage Fund revenue is projected to increase by 7.5% in FY 21/22, 4.0% in FY 22/23 and FY 23/24, and 2.0% in FY 24/25 and FY 25/26.

Major Expense Impacts:

New Positions: Added (one) Lead Construction Inspecting Inspector to help with the increasing Pavement Management Program and added (one) Signal Technician to the Traffic Operations Section to assist with the increasing Signal count within Polk County.

Community Investment Program (CIP):

Recurring CIP Projects:

Major Funded Capacity Projects: Thompson Nursery Road Phase one, Segments one, two, and four, Lake Wilson Road (CR54 to CR532), West Pipkin Road (Medulla Road to Harden Boulevard), Marigold Avenue, Cypress Parkway (West Solivita to Solivita Boulevard), Wabash Avenue, and Northridge Trail Phase One.

Utilities Funds (Utilities Division): Annual water and wastewater rates are established by the Board of County Commissioners via adopted rate resolutions. As of FY 16/17, 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.

Utilities Division					
(All Utilities Funds)					
Five Year Projection Summary					
FISCAL YEAR	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25	Projection FY25/26
BEGINNING FUND BALANCE	96,221,868	70,192,740	62,948,052	67,511,606	77,357,771
Alternative Water Supply (AWS) Surcharge	1,725,168	1,751,046	1,777,311	1,803,971	1,831,031
Water & Wastewater Rates	76,915,323	78,219,629	78,107,846	79,521,635	80,961,474
Water & Wastewater Connection Fees	16,205,959	16,530,078	16,774,843	17,075,747	17,382,151
Other Revenue	22,060,479	21,546,753	21,610,220	21,668,895	21,782,236
TOTAL REVENUE	213,128,797	188,240,246	181,218,272	187,581,854	199,314,662
Customer Service - 213	2,044,964	2,174,321	2,204,207	2,281,712	2,362,371
SCADA (Plant Monitoring) - 216	1,811,823	1,905,387	1,968,073	2,032,769	2,099,678
Utilities Metering - 437	4,994,617	5,106,394	5,137,683	2,998,135	3,098,024
Utilities Back Flow/Large Meters - 412	889,883	918,297	939,926	966,245	997,864
Water Resource Enforcement - 1511	1,181,489	1,234,307	1,273,261	1,313,715	1,355,554
Infrastructure Information Section - 214	1,918,368	2,305,008	2,388,046	2,472,582	2,560,587
Regulatory Affairs - 403	3,076,694	3,202,839	3,215,898	3,321,377	3,430,527
Electrical and Mechanical Maintenance - 76	13,025,078	14,516,143	14,495,975	14,926,147	15,371,257
Water and Wastewater Plant Operations - (401 & 402)	15,241,066	15,022,981	15,332,065	15,802,701	16,288,433
Underground Maintenance - 1222	5,812,840	5,505,194	5,644,066	5,806,834	5,975,776
Utilities CIP Inspection - 1644	360,015	367,950	336,965	347,119	357,661
Other Expense	35,201,887	35,167,482	32,649,094	35,350,236	35,935,781
Community Investment Program (CIP)-Expansion/Renewal & Replacement (320 & 77)	57,377,333	37,865,893	28,121,408	22,604,510	16,647,250
TOTAL EXPENSE	\$ 142,936,057	\$ 125,292,194	\$ 113,706,666	\$ 110,224,083	\$ 106,480,764
ENDING FUND BALANCE	\$ 70,192,740	\$ 62,948,052	\$ 67,511,606	\$ 77,357,771	\$ 92,833,898

Major Revenue Impacts

Polk Water Resource Initiatives/Alternative Water Supply (AWS): Funds from this surcharge are restricted to developing and paying for Alternative Water Supply projects and initiatives.

Service fees: Growth is anticipated to provide sufficient revenue to cover expenses. No rate increases are anticipated over five years. It is anticipated that growth will remain at 1.5% to 3.0% for several more years due to growth in the Northwest Service Area. These fees provide the resources for operating, capital investment, and debt service.

Connection Fees: Connection Fees are restricted for expanding the utility system capacity. Better than anticipated growth has brought in higher than anticipated connection fees. However, faster growth necessitates the need for plant expansion sooner, and are speeding up some master planning efforts to stay ahead of growth. This source of funds will be critical to funding the needed projects.

Major Expense Impacts

Personnel Changes: In order to address additional maintenance and operating requirements due to system growth, eleven new positions were added in FY 21/22.

Operating Expenses: Operating expenses will be higher in the upcoming fiscal year due to the need for some significant maintenance and safety improvements, as well as ongoing maintenance due to continued system expansion related to growth.

Alternative Water Resources: The Utilities Division participates in several cooperatives that are collaboratively planning and implementing projects to provide future water from nontraditional resources. These projects will have a significant impact on future water supply infrastructure and operating costs.

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 programmed into the Community Investment Plan over the five-year period.

Natural Resources and Environment

Waste & Recycling Division: The division operates an Enterprise Fund and its major revenue sources for the Solid Waste Operations Fund include Landfill Tipping Fees, Non-Ad Valorem Assessments to residential customers in the unincorporated areas of the County, and the sale of scrap metals and other recyclables. In addition to disposal and collection services, the division operates the County's Household Hazardous Waste Facility and funds the Small Quantity Generator Hazardous Waste Program.

Waste & Recycling Division

(All Waste & Recycling Funds)

Five Year Projection Summary

FISCAL YEAR	Projection FY 21/22	Projection FY 22/23	Projection FY 23/24	Projection FY 24/25	Projection FY 25/26
BEGINNING FUND BALANCE	182,305,461	165,910,880	168,359,208	172,390,973	177,124,094
Collections & Disposal Assessment Revenue	31,099,099	31,423,243	30,450,534	31,344,210	31,387,902
Landfill Tipping Fees	14,562,653	13,395,474	13,516,229	13,516,229	19,082,530
Other Revenue	8,561,751	9,538,916	10,706,250	10,850,810	11,131,043
TOTAL REVENUE	\$ 236,528,964	\$ 220,268,514	\$ 223,032,221	\$ 228,102,223	\$ 238,725,570
Landfill Operations	11,989,543	12,513,114	9,657,549	9,887,940	10,129,782
Residential Waste Management Collection	32,622,637	30,768,991	33,120,498	33,162,987	33,207,601
Community Clean-up	-	-	-	-	-
Community Investment Program (CIP)-Operations	26,005,904	8,627,201	7,863,201	7,927,201	8,827,201
TOTAL EXPENSE	\$ 70,618,084	\$ 51,909,306	\$ 50,641,248	\$ 50,978,128	\$ 52,164,584
ENDING FUND BALANCE	\$ 165,910,880	\$ 168,359,208	\$ 172,390,973	\$ 177,124,094	\$ 186,560,987

Major Revenue Impacts

Collections & Disposal Assessment Revenue: The FY 21/22 annual assessment is \$144.50 and \$62.00 per dwelling unit for collection and disposal, respectively. The disposal assessment for an additional cart is \$52.50.

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 21/22 budget include approximately \$3 million for leachate disposal. Plans are being designed for alternative processing and is anticipated prior to FY 22/23.

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 & Recycling provides 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 Investment Program (Operations): The FY 21/22 budget includes projects such as the design, permit, and construction of an alternate leachate disposal system and the construction of a new disposal area.

Challenges: Although the last quarter shows improvements in demand, post-consumer recycling market volatility has had an adverse impact on the division's ability to expand the program. The division is working on multiple levels with start-up companies to develop long-term sustainability strategies.

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.

Parks and Natural Resources Division

(Leisure Services MSTU)

Five Year Projection Summary

FISCAL YEAR	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25	Projection FY25/26
BEGINNING FUND BALANCE	12,003,557	9,942,432	10,295,018	10,781,575	8,748,232
Property Tax	14,089,915	14,653,511	15,239,652	15,544,445	15,855,334
Fees (Camping/Parks/Summer Rec)	641,775	654,611	664,430	674,397	684,513
Other Revenue	1,961,487	87,461	127,101	130,240	120,794
TOTAL REVENUE	\$ 28,696,734	\$ 25,338,016	\$ 26,326,201	\$ 27,130,657	\$ 25,408,874
Parks Maintenance	8,831,530	8,921,642	9,134,478	9,386,645	9,619,467
Recreation Activities	1,311,358	1,324,390	1,367,730	1,412,603	1,459,022
Resource Centers	684,024	697,551	720,054	743,389	767,524
Other Program Expense*	3,602,315	3,499,415	3,722,364	3,964,788	4,010,653
Community Investment Program (CIP)	4,325,075	600,000	600,000	2,875,000	2,875,000
TOTAL EXPENSE	\$ 18,754,302	\$ 15,042,998	\$ 15,544,626	\$ 18,382,425	\$ 18,731,666
RESERVES	-	-	-	-	-
ENDING FUND BALANCE	\$ 9,942,432	\$ 10,295,018	\$ 10,781,575	\$ 8,748,232	\$ 6,677,208

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

Major Revenue Impacts

Property Tax: The Leisure Services MSTU projections utilize the same valuation assumptions as other County MSTU Funds, which is an 8.7% increase in FY 21/22 and a 4.0% increase is included for FY 22/23 and FY 23/24. A 2.0% increase is included starting FY 24/25 due to anticipated future economic downturn.

Major Expense Impacts

Parks Maintenance Program: The standard County assumptions were used in future projections after consideration of historical expenditure rates and labor resources changes/increases requested in the budget. Recurring expenditures exceed recurring budgeted revenues given the statute requires the County 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 \$600,000 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.

Five Year Projection Summary

Fiscal Year	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25	Projection FY25/26
Beginning Fund Balance	4,177,424	1,951,216	1,479,966	1,952,587	2,737,166
Fire Assessments*	53,123,451	55,757,671	58,391,890	61,026,112	63,660,332
Fire Inspections	308,326	308,326	308,326	308,326	308,326
Other Revenue	1,069,900	1,066,947	1,078,069	1,096,864	1,118,348
TOTAL REVENUE	\$ 58,679,101	\$ 59,084,160	\$ 61,258,252	\$ 64,383,889	\$ 67,824,172
Fire Operations (158)	48,426,968	49,085,777	50,649,793	52,751,574	54,883,669
Fire Prevention (161)	1,378,550	1,426,249	1,440,818	1,490,028	1,528,158
Fire Support Services (1244)	2,064,750	2,127,237	2,152,766	2,219,692	2,278,486
Other Expense	4,857,617	4,964,931	5,062,288	5,185,429	5,323,264
TOTAL EXPENSE	\$ 56,727,885	\$ 57,604,194	\$ 59,305,665	\$ 61,646,723	\$ 64,013,577
ENDING FUND BALANCE	\$ 1,951,216	\$ 1,479,966	\$ 1,952,587	\$ 2,737,166	\$ 3,810,595
GENERAL FUND SUBSIDY EXPENSE	\$ 5,528,219	\$ 5,529,206	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000
REVENUE VS. TOTAL EXPENSE	\$ (3,577,003)	\$ (4,049,240)	\$ (3,547,413)	\$ (2,762,834)	\$ (1,689,405)

*Fire Assessment total includes General Fund payment for exempted structures

Major Revenue Impacts

Fire Assessment Revenue: This revenue is generated by 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 21/22, the Board approved a 5.0% indexing, which equates to a recurring \$12 Single Family Residence (SFR) Fire Assessment increase to cover Fire operations improvements and decrease the General Fund subsidy to approximately \$5.5 million per year.

Major Expense Impacts

Fire Rescue Operations Program: The FY 21/22 budget includes three additional Driver Engineers to provide staff for coverage on water tenders. The Board also approved budget for replacement of outdated equipment, additional breathing air refilling systems to be placed throughout the County, and much-needed improvements to some older stations. One of the biggest challenges for the Fire fund was not covering all current cost of operations. This program's funding was increased to address needed Fire operations improvements.

General fund Subsidy: The FY 21/22 budget includes payments to debt for part of the Fire station cost, recurring capital gear and equipment, and funding that supports operations training. Polk County Fire Rescue budget includes funding for employee's mental health wellness program. The FY 21/22 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. With the indexing of the Fire Assessment, Fire Rescue we maintain a General Fund subsidy of approximately \$5.5 million per year with current expenses.

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

Fiscal Year	Projection FY21/22	Projection FY22/23	Projection FY23/24	Projection FY24/25	Projection FY25/26
BEGINNING FUND BALANCE	718,738	279,055	826,592	1,545,611	2,419,365
Court Fines	558,368	558,368	558,368	558,368	558,368
Radio User Fees	3,596,945	3,899,568	4,143,840	4,388,112	4,632,384
Rents	210,526	210,526	210,526	210,526	210,526
Other Revenue	1,797	699	2,067	3,865	6,049
TOTAL REVENUE	\$5,086,374	\$4,948,216	\$ 5,741,393	\$ 6,706,482	\$ 7,826,692
Radio Systems Management	27,498	27,897	28,676	29,107	29,553
Radio Communications	3,757,910	2,983,521	2,987,488	3,009,067	3,035,781
Radio Replacement	1,019,588	1,107,840	1,177,080	1,246,320	1,315,560
Radio Maintenance & Ops	2,323	2,366	2,538	2,623	2,712
TOTAL EXPENSE	\$4,807,319	\$4,121,624	\$ 4,195,782	\$ 4,287,117	\$ 4,383,606
ENDING FUND BALANCE	\$ 279,055	\$ 826,592	\$ 1,545,611	\$ 2,419,365	\$ 3,443,086

Major Revenue Impacts

Radio User Fees: These user fees are collected from Board entities, the Sheriff's Office, and other outside agencies to have system access, maintenance, and replacement for over 4,000 radios. The Board approved a five-year index of user fees which will be effective FY 21/22 through FY 25/26.

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 FY 21/22 budget increase is mostly attributed to funding new capital equipment and replacements. This budget also includes \$805,000 in one-time capital for much needed maintenance and replacement of older equipment used to maintain the structure of the radio system.