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July 14, 2020

Honorable Commissioners:

I am pleased to present to you the Fiscal Year (FY) 2020/2021 Proposed Balanced Budget. In creating this proposed budget, we have taken into account the Board's continued priorities from your February Retreat that assure our residents a safe community, improved transportation mobility, higher wage jobs in a vibrant economy and an even better quality of life.

Our Budget process began shortly after the Retreat with four key discussion points: Continue to fund capital improvements for the Sheriff and create a reserve account for the Tax Collector; Explore scenarios to expedite construction of the Northeast Government Center; Utilize excess General Fund balance from the previous fiscal year to fund the next four priority fire stations; and Consider options/scenarios to shift fire service expenses from the General Fund to the Fire Fund.

Global Pandemic effect on the Proposed Budget

The COVID-19 virus shifted our approach in preparing this budget. Dealing with changing economic conditions is not new to Polk County. We are continually evaluating economic impacts and service expectations in our community.

Less than a month after your Retreat, and for the first time in recent history, a global pandemic crisis has impacted public health and the economic security of our citizens. State government mandates forced closing all but the most essential businesses for more than a month, and the Governor's safe, smart and step-by-step reopening plan has yet to be fully implemented.

In late April, the county received \$126,467,997 from the federal government's Coronavirus Aid, Relief, and Economic Security (CARES) Act grant to provide funding for necessary expenditures incurred with respect to COVID-19 from March 1 to December 30, 2020. When distributing the CARES Act grant, the Department of the Treasury limited the permissible use of fund payments. Although a broad range of uses are allowed, revenue replacement was not a permissible use of fund payments. With the shutdown of businesses, our revenue has been impacted, so we utilized \$11.5 million of our prior year available ending fund balance to help offset any loss in revenue in the current year.

Consistent with Board guidance, this budget plans for COVID-19-related revenue reductions, especially in the General Fund, based upon actual revenue received to date, and anticipated reductions through the end of the current fiscal year. The budget also anticipates reduced revenues in FY 2020/2021; however, if the pandemic severely impacts the economy beyond October 2020, FY 2020/2021 revenues are likely to be lower than anticipated and mid-year adjustments may be needed.

Budget Overview

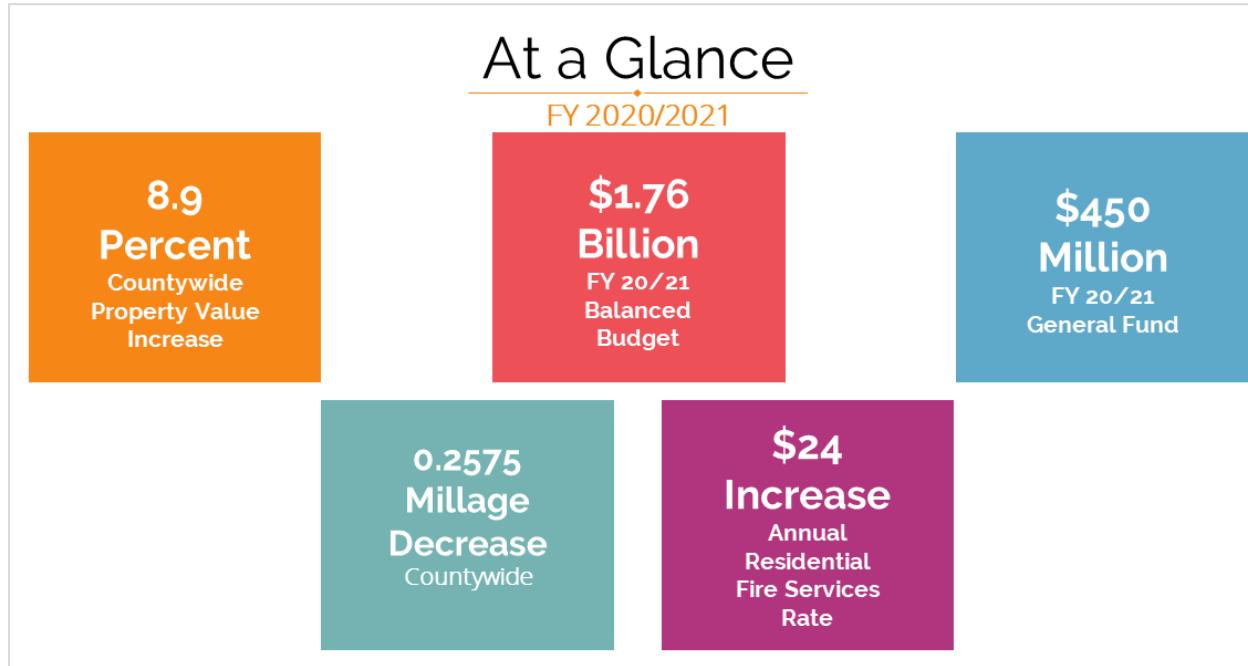


Figure 1 Budget Overview

Overall County Budget

The proposed FY 2020/2021 balanced budget totals \$1.76 billion. This is about 4 percent, or \$73 million, more than the current year adopted budget of \$1.69 billion. The proposed budget achieves the majority of your goals, including:

- Reducing the countywide millage rate and increasing the Fire Fund for residents in unincorporated Polk, including the municipalities for which we provide services, to shift expenses from the General Fund into the Fire Fund;
- Expend \$12 million of the prior year's ending balance and unspent appropriations to expedite construction of the Northeast Government Center;
- Allocating \$11.5 million from the prior year's available General Fund balance to offset the impacts of lost revenue from the coronavirus pandemic; and
- Maintains the General Fund reserve fund consistent with Board policy.

During budget development, county staff was challenged with retaining levels of service standards while contemplating the potential impacts of reduced revenues due to the pandemic. We also balanced

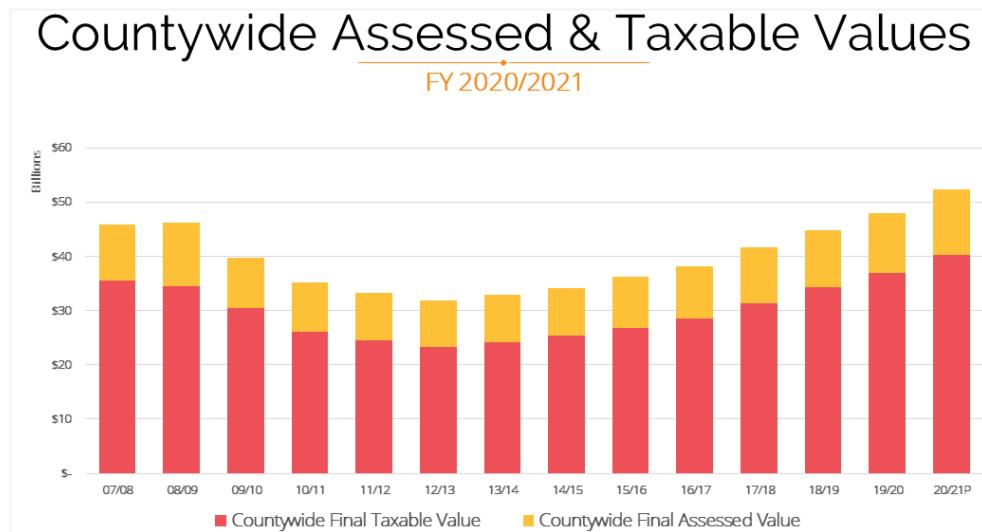
the demand for increased levels of service relating to public health and safety, and population growth, with consideration to the cost impacts of new projects and initiatives.

Countywide Operating Millage

The proposed total countywide operating millage rate is reduced from 7.1565 to 6.8990 in the FY 2020/2021 proposed budget. The General Fund operating millage is 5.5490 mills, a reduction of 0.1325. Revenue from millage in this budget includes the third year of levies for emergency medical services and millage for transportation; however, it eliminates the millage for construction of a new Northeast Government Center.

Countywide taxable property values on July 1, 2020 were certified by the Property Appraiser at \$40,028,214,169. New residential and commercial construction accounts for more than \$1.12 billion of the growth.

While Polk County has seen eight consecutive years of robust property value increases, I remain cautiously optimistic that this can be



sustained in the second year of this biennial budget. Our projections for the FY 2021/2022 budget slow this valuation growth down to 4 percent, mostly dependent upon economic recovery from the COVID-19 pandemic.

General Fund

The General Fund budget in the FY 2020/2021 proposed budget totals \$450.1 million, which is an increase of approximately \$20.1 million from the current adopted budget.

In prior years, approximately 24 percent of our General Fund revenue came from Other Taxes. These include:

- Public Service Tax;
- State Revenue Sharing;
- Sales Tax; and
- Communications Service Tax.

Throughout our budget work sessions, staff presented various scenarios showing the potential decreased revenues from the other tax sources for the remainder of the current fiscal year, depending on the ability of our economy to rebound from the COVID-19 business closures. Using these scenarios,

this proposed budget plans for a prolonged economic recovery. With your direction, we are utilizing \$11.5 million of the FY 2018/2019 available fund balance to fill a current year shortfall that will be created from these Other Tax revenue losses.

Service improvements within the General Fund of this proposed budget align with the Board's goals and public policy direction, including increased Code Enforcement, shortening wait time for veteran services appointments and providing more affordable housing to the county's very low to moderate income families through the State Housing Initiatives Partnership Program (SHIP).

Community Investment Program (CIP)

At your annual Retreat in February, our facilitator led the Board, senior county management staff, and Constitutional Officers through a strategic visioning exercise. The recurrent themes in the exercise were that Polk is growing and urbanizing, but challenged to remain financially stable facing the increased service expectations of our increasingly diverse residents.

In the current fiscal year, the Board implemented a sizeable CIP to improve our road capacity and maintenance, expand water supply and wastewater services, improve our parks, build new Fire Rescue stations and the new northeast government facility. The proposed CIP budget for FY 2021-2025 includes more than \$720 million of projects (\$406 million for capital expansion), of which \$289.7 million will be implemented in the northeast quadrant of Polk County.

\$720 Million Total CIP to Capital Expansion

FY 2021/2025



While the CIP for FY 2021-2025 "stays the course" for the Parks and Natural Resources, Roads and Drainage and Utilities divisions, the COVID-19 economy has changed the direction of our fire station replacement initiative.

Implementing Board Priorities for FY 2020/2021

With your direction, staff has addressed Board priorities for FY 2020/2021 in this proposed balanced budget.

Fire Fund/Fire Operations

Goal: Shift the fire services expenses out of the General Fund into the Fire Fund

Goal: Utilize \$8 million from the General Fund ending balance to build the next four fire stations

The proposed balanced budget includes a \$24 increase in the Fire Fee, corresponding with a proposed countywide millage reduction in the General Fund. This moves approximately \$5 million in expenses incurred by Fire Rescue to the Fire Fund from the General Fund without a significant revenue reduction to the county. The rate of a single-family residence in unincorporated Polk, and the communities served by Polk County's fire services, will increase from \$206 to \$230 for FY 2020/2021; however, all residents will see a tax reduction from a 0.1325 millage decrease.

Other board-directed Fire Rescue initiatives that will continue into FY 2020/2021 include:

- Continuing implementation of recommendations in the Emergency Services Consulting International (ESCI) Post Incident Analysis report from May 2020;
- Proceeding with changing the previous paramedic career path model to fill more cost-effectively the Fire Rescue positions needed for ALS care and call volume; and
- Beta-testing Mini-Pumper fire apparatus for cost savings and call response efficiencies.

Polk County will not be able to move forward toward construction of the next four priority fire stations in FY 2020/2021. General Fund excess revenues that were directed to be used for the fire stations must now be kept in General Fund Reserves to cover lost revenue from tax and revenue sharing sources severely impacted by COVID-19 business closures.

Northeast Government Center

Goal: Utilize up to \$12 million from the General Fund ending balance from FY 2018/2019 to expedite construction of the Northeast Government Center.

In FY 2018/2019, the Board approved a countywide 0.1250 millage, to be assessed for five years, for construction of a new northeast government center to replace the Gil Jones facility in Winter Haven. Through responsible financial stewardship of taxpayer resources, the county has been able to accumulate unspent appropriations that would allow the Board to end the millage assessment after two years.

This proposed balanced budget includes eliminating the Northeast Government Center millage, and allocating \$12 million from the General Fund ending balance, which would complete construction nearly two years earlier than projected.

Constitutional Officer Requests

Goal: Fund the Polk County Sheriff Office's capital construction and equipment requests and the Tax Collector's capital reserve account.

The FY 2020/2021 proposed budget includes \$1.3 million in reserve for future capital emergencies for the Tax Collector, and \$2.9 million for the Sheriff. The Sheriff's capital needs include helicopter

replacement (\$300,000) and partial funding for improvements to the Burnham McCall Training Center (\$2.6 million).

Major Initiatives

Road System

The Roads & Drainage Division's five-year Community Investment Program (CIP) includes \$401.8 million in road widening, alignment studies, intersection improvements (10), bridge replacement (5) and drainage (18) projects.

For the current fiscal year, this Board approved numerous contracts for alignment studies and design of major collector roads and the purchase of millions of dollars of right of way along those corridors. Your CIP in the FY 2020/2021 includes funding that:

- Completes the right of way acquisition and begins construction of Lake Wilson Road in 2021;
- Continues right of way acquisition and design for the CR 557 expansion project;
- Finalizes design for construction that will begin in September 2021 that adds a third lane to West Pipkin Road from SR 37 to Harden Boulevard and expands the road to four lanes from Harden to Medulla Road;
- Continues design to widen Cypress Parkway and Marigold Avenue in Poinciana; and
- Continues alignment studies on adjacent county roadways to alleviate congestion on US 27 in northeast Polk.

While this investment is significant, there remains approximately 90 unfunded roadway projects that would cost another estimated \$1.1 billion to complete.

Water & Wastewater

Polk County Utilities' water and wastewater systems continue to grow, which is evidenced by the number of new subdivisions and commercial businesses coming on line every year. In order to better serve our customers, the division will continue to remove older, less efficient water systems and replace them with regional facilities. The Gibson Oaks water production facility, scheduled to be completed in 2021, will allow the county to decommission five smaller potable water plants.

The current rate structure supports all initiatives of Polk County Utilities, including the implementation of our SCADA (supervisory control and data acquisition) system master plans and other IT initiatives within Polk County Utilities.

Future Water Supply

The Florida Department of Environmental Protection has recently rolled out a draft rule which, among other things, would require annual conservation goals and would establish a framework for the reduction of traditional water supply permits within the Central Florida Water Initiative. This rule would impact all Polk Regional Water Cooperative (PRWC) member governments. If adopted, these rules

would restrict traditional, upper Floridan supplies to 2025 demand thresholds, and require alternative water supplies to meet demands beyond 2025. This rule will place even more emphasis on the need to implement Alternative Water Supplies (AWS) projects for the growing water demands of our county.

Polk County continues to work with its municipal partners to develop alternative water supplies through the PRWC. The PRWC is pursuing combined projects proactively to protect Polk County's water resources and the environment while providing safe, reliable and long-term drinking water supplies. The Southwest Florida Water Management District has committed to fund 50 percent of the planning and implementation of projects.

Behavioral Health

We know that Polk County is doing great work in increasing behavioral health programs and services in our community. We also know that we can do better. Through the Indigent Healthcare Program, the county, in conjunction with Polk Vision and a Behavioral Health Exploratory Team, is implementing a Comprehensive Behavioral Health Strategic Plan. This private-public partnership has contracted with Crescendo to perform a behavioral health community needs assessment for Polk County. In FY 2020/2021, with data from the needs assessment, Polk County will be better equipped to improve gaps in service, prioritize efforts to improve patient care and overall access to needed services.

Affordable Housing

For many years, the Board has lobbied the Florida Legislature to appropriate all money in the State Housing Initiatives Partnership Program (SHIP) for affordable housing and eliminate the cap on those Funds.

This year, for the first time since 2001, the Legislature fully funded Florida's housing program; however, due to COVID-19 impacts at the State level, the Governor vetoed \$225 million from SHIP, and will hold these funds back, keeping it in reserve. With this funding in limbo, and hints that the federal government may provide Florida more COVID-19 impact money because of the pandemic, Polk's Housing and Neighborhood Development (HND) program has included a multi-year plan in the FY 2020/21 budget that would allow the county to provide more affordable housing opportunities to Polk's extremely low to moderate income-level families. Additional State funds will necessitate a need for several positions within the HND program to administer the expanded program. There are two positions in this budget to address expanded state funding.

Economic Development

One of the earliest signs that the coronavirus pandemic was about to significantly impact the county's economy came in mid-March, when LEGOLAND and other Central Florida tourism attractions closed indefinitely, furloughing thousands of employees. Hotel bookings plummeted, and soon, restaurants

were forced to close their dining rooms. Polk County's Tourism and Sports Marketing division, dependent on the county's Tourist Development Tax, took the hardest hit of all divisions.

Polk County Tourism and Sports Marketing (PCTSM) was on track to set its seventh consecutive revenue record in FY 2019/2020, until COVID-19 started taking a significant toll on Polk's tourism industry in March. A significant drop in revenue necessitated a reduction in PCTSM's revenue forecast for the current fiscal year by 30 percent, or \$4.2 million. PCTSM's budget forecast for FY 2020/2021, is 25 percent below the current budget or \$6.4 million.

PCTSM staff developed and has implemented a three phase strategic plan, which has ultimately become the foundation of their recovery efforts. It will also carry them through the next fiscal year in stages; it's a dynamic document that will allow them to adjust fluidly to the obstacles ahead.

With the exception of Tourism and Sports Marketing's sales and recruiting efforts, Polk County does not directly manage economic development. The Board will continue to look to the Central Florida Development Council (CFDC) to provide support for economic development in FY 2020/2021. This includes the potential establishment of a research and development authority in conjunction with Florida Polytechnic University and related activities surrounding a conceptual Central Florida Innovation District, bounded by Florida Poly and the SunTrax facility.

In November 2020, Polk residents will have the opportunity to vote to continue the Ad Valorem Tax Exemption (AVTE) program. The AVTE, Qualified Target Industry and Polk County Business Incentive programs, since 2013, have attracted more than 30 businesses to Polk paying above average wages. Should the referendum fail, the county will continue the AVTE program until it sunsets in November 2022.

Technology Improvements

We have become a digital society and today, the public sector and our employees expect government leaders to find ways that technology can reduce costs, create efficiencies and improve outcomes for residents and businesses. While Polk County has made great strides in expanding our digital capabilities in the recent past, more is needed. Implementing a digital government strategy will overlap multiple budget cycles.

This budget continues to invest in a multi-level Utilities Technology Initiatives that includes:

- Customer Information System Software;
- Asset management tracking and inventory condition software;
- Intelligent Meter Technology;
- Supervisory Control And Data Acquisition (SCADA) systems; and
- Geographic Information System (GIS) upgrades.

GIS upgrades also benefit Fire Rescue, Emergency Management, Planning and Development, Parks and Natural Resources, Roads and Drainage, and Waste and Recycling.

Roads and Drainage is implementing AgileAssets, a new maintenance management software system levering technology to help manage more than 30 different roadway categories of assets using cloud-based software accessible on desktops and field mobile devices. In addition to managing our inventory, this system will:

- Strategize and prioritize roadway and drainage maintenance work;
- Provide opportunity to schedule preventative tasks;
- Track work orders; and
- Record asset condition history.

While some aspects of these technology initiatives are currently in the discovery phase, the county will begin full implementation of these management systems in FY 2020/21 to be fully functional in 2022.

Information Technology began a \$5 million multiple-year project that will upgrade Oracle, the county's enterprise management application. This is budgeted in the current fiscal year. At a recent board meeting, funding was approved to move the county from Microsoft Office 2016 to Microsoft Office 365, also a cloud-based program that will allow our employees to work from anywhere, on any device, as long as they have an internet connection. Office 365 will roll out in FY 2020/2021.

Employee Resources

Population growth continues to increase the demand for county services. During the first five months of the current fiscal year, all trends pointed to another year of increasing building permits for new construction. Single family home sales in Polk County were above the state average, as well as indicators of a reduced inventory of homes for prospective buyers. While COVID-19 caused sales to

slump in April and May 2020, according to real estate experts, related sales rebounded in June.



While this data, and staff's estimate of a 4 percent growth in Ad Valorem for the second year of this biennial proposed budget shows some optimism, I am reluctant to grow government except where public safety and public health needs demand more employees to maintain our current levels of service. Of the 37 new

positions created in the proposed budget, 29 are in the Fire Rescue, Utilities, Health and Human

Services and Code Enforcement divisions. Three positions are conversion of employees who are currently working for the county in a temporary class to permanent positions.

I am extremely proud of our high-performing employees that continue to serve our county in this stressful and rapidly-changing COVID-19 environment. We have included a 3.5 percent pay increase for all employees in the FY 2020/2021 proposed budget. At the same time, many of those employees will see a 10 percent increase in their health insurance contributions. Both the pay and health insurance increases will be effective in employee's first paycheck after January 1, 2021.

Addressing Continued Fiscal Challenges

Healthcare-Related Funding

Increasing healthcare costs continue to affect the county budget in multiple areas. Employee health insurance, Medicaid and inmate medical care costs have risen rapidly during the last few years and are projected to continue this growth pattern.

Employee Health-related Costs

- Continuing cost increases have again necessitated a proposed 10 percent increase in employer and employee premium contributions for 2021
- No plan design changes are proposed in the current health plan options to employees

Medicaid

- Mandated by the State
- Beginning in FY 2020/21 the county contribution will be 100 percent of growth, up from 50 percent. This equates to an increase of \$579,494 for the FY 2020/2021 Medicaid budget, bringing the county's total to more than \$13.5 million.

Outside Inmate Medical Costs

- Remains stable at \$11 million for FY 2020/2021

Conclusion

Looking back five months to the budget update we provided you at the February Board Retreat, our economic outlook has dramatically changed due to the COVID-19 pandemic. The rapid economic downturn was not the result of a recession or a changing political climate, but a forced shutdown of our economy intended to protect public health. Closing businesses and schools, asking residents to stay home and employees to work from home greatly affected our economy. Now, with the number of new COVID-19 cases reported growing exponentially, it is unknown how soon residents will feel comfortable resuming normal activities and lifestyles.

We are likely to be managing the effects of this public health crisis and economic downturn for some time to come.

I believe the FY2020/2021 Proposed Balanced Budget allows Polk County to be prepared for the future and funds priority and important areas of concern; however, should a prolonged economic downturn occur, the Board will need to address critical decisions regarding the levels of services we provide and the potential deferral of needed infrastructure improvements. Moving forward, we will continue to rely on Board input, dialogue and guidance as we navigate through uncharted waters.

On behalf of the men and women of our entire workforce, I respectfully submit this proposed budget for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "William D. Beasley".

William D. Beasley
County Manager

EXPENDITURES BY FUND GROUP

FUND TYPE	BUDGET FY	PROPOSED FY	PLAN FY 21/22
	19/20	20/21	
GENERAL FUND	\$ 430,044,920	\$ 450,088,462	\$ 451,834,118
SPECIAL REVENUE FUNDS	\$ 600,356,042	\$ 648,623,594	\$ 544,010,894
10100 County Transportation Trust Fund	\$ 103,202,697	\$ 120,997,444	\$ 115,202,933
10150 Special Revenue Grants	\$ 28,551,288	\$ 41,696,878	\$ 22,756,399
12160 Tourism Tax Funds	\$ 25,764,512	\$ 19,315,816	\$ 17,051,578
12180 Lake And River Enhancement Trust Funds	\$ 2,868,812	\$ 3,253,085	\$ 1,650,620
12190 Fire Rescue Funds	\$ 47,808,305	\$ 52,406,357	\$ 51,874,516
12240 Impact Fees	\$ 59,541,929	\$ 70,109,022	\$ 59,038,094
14350 Emergency 911 Funds	\$ 3,696,776	\$ 4,793,989	\$ 4,719,876
14370 Hazardous Waste Funds	\$ 238,922	\$ 148,555	\$ 162,053
14390 Radio Communications Funds	\$ 9,185,300	\$ 4,780,791	\$ 4,510,488
14400 Cares Act Coronavirus Relief Fund 2020	\$ -	\$ 25,200,000	\$ -
14490 Indigent Health Care Funds	\$ 86,508,228	\$ 84,937,392	\$ 81,500,175
14850 Hazard Mitigation Grant Program Irma FEMA-DR-4337-FL	\$ 557,370	\$ 3,846,348	\$ 2,282,209
14930 Leisure Services MSTU Funds	\$ 23,068,319	\$ 25,171,823	\$ 21,126,736
14950 Libraries MSTU Funds	\$ 5,710,182	\$ 6,192,127	\$ 6,212,664
14960 Rancho Bonito MSTU Fund	\$ 37,852	\$ 59,027	\$ 63,780
14970 Transportation Millage Fund	\$ 78,402,642	\$ 85,472,391	\$ 66,267,057
14980 Emergency Medical Millage Fund	\$ 13,275,407	\$ 19,944,296	\$ 16,145,026
14990 Law Enforcement Trust Funds	\$ 1,173,628	\$ 1,128,007	\$ 1,168,237
15010 Land Management Nonexpendable Trust Funds	\$ 40,624,401	\$ 41,697,988	\$ 40,394,481
15250 Eloise CRA Trust-Agency Funds	\$ 675,249	\$ 672,047	\$ 622,661
15290 Harden Parkway CRA Funds	\$ 1,399,540	\$ 1,545,639	\$ 1,524,961
15310 Building Funds	\$ 13,881,327	\$ 14,305,715	\$ 12,804,001
15350 Affordable Housing Assistance Trust Funds	\$ 4,355,093	\$ 6,992,500	\$ 6,992,500
15550 Hurricane Irma Fund	\$ 37,400,000	\$ 2,000,000	\$ -
16000 Street Lighting Districts	\$ 2,969,378	\$ 2,969,378	\$ 2,969,378
18000 Stormwater MSTU	\$ 9,458,885	\$ 8,986,979	\$ 6,970,471
DEBT SERVICE FUNDS	\$ 34,621,058	\$ 20,740,718	\$ 27,421,603
23300 Capital 2010	\$ 7,793,552	\$ -	\$ -
23400 Transportation 2010	\$ 11,330,177	\$ -	\$ -
23500 Public Facilities Rev Ref Bonds, Series 2014 (Ref 2005)	\$ 8,637,712	\$ 8,795,681	\$ 8,849,681
23700 Public Fac Rev Note, S2015(Ref CFT 2006)	\$ 3,821,104	\$ 3,837,161	\$ 3,790,611
23801 Promissory Note 2020A	\$ 3,038,513	\$ 2,351,178	\$ 4,180,174
23900 Promissory Note 2020B and 2020C	\$ -	\$ 5,756,698	\$ 10,601,137

FUND TYPE	BUDGET FY		PROPOSED FY		PLAN FY 21/22
	19/20	20/21	20/21	20/21	
CAPITAL FUNDS	\$ 71,208,715	\$ 68,658,607	\$ 18,127,662		
30200 Drainage and Water Quality Fund	\$ 9,388,311	\$ 9,052,852	\$ 1,310,603		
30800 General Capital Improvement Funds	\$ 23,228,916	\$ 28,883,126	\$ 11,396,522		
30900 2019 Capital Improvement Project Fund	\$ 27,192,902	\$ 22,470,313	\$ 4,151,247		
31200 Environmental Land Acquisition Funds	\$ 2,402,346	\$ 2,258,400	\$ 1,265,574		
31900 Northeast Polk Roadway Fund	\$ 8,996,240	\$ 5,993,916	\$ 3,716		
ENTERPRISE FUNDS	\$ 432,541,953	\$ 434,750,557	\$ 385,919,630		
41010 Solid Waste Funds	\$ 109,483,116	\$ 93,692,348	\$ 77,738,642		
41110 Landfill Closure Funds	\$ 73,314,093	\$ 79,893,047	\$ 83,049,803		
41210 Universal Solid Waste Collection Funds	\$ 38,058,992	\$ 40,280,020	\$ 41,316,304		
41310 Community Cleanup Funds	\$ -	\$ 5,000	\$ -		
42010 Utilities Operating Funds	\$ 157,559,721	\$ 111,698,997	\$ 105,881,719		
42110 Utilities Capital Expansion Funds	\$ 47,848,835	\$ 56,295,574	\$ 62,607,010		
42432 Utilities Bonds	\$ -	\$ 46,444,981	\$ 8,780,007		
43110 Rohr Home Fund	\$ 6,277,196	\$ 6,440,590	\$ 6,546,145		
INTERNAL SERVICE FUNDS	\$ 118,206,218	\$ 137,501,366	\$ 146,679,849		
50100 Fleet Maintenance Funds	\$ 9,148,232	\$ 10,644,366	\$ 10,743,303		
50300 Employee Health Insurance Fund	\$ 72,909,614	\$ 85,662,963	\$ 93,699,392		
51500 Fleet Replacement Funds	\$ 24,812,483	\$ 27,432,317	\$ 28,813,475		
52000 Information Technology Fund	\$ 11,335,889	\$ 13,761,720	\$ 13,423,679		
TOTAL FUNDS	\$ 1,686,978,906	\$ 1,760,363,304	\$ 1,573,993,756		

ALLOCATED POSITIONS BY BOARD FUNCTIONAL UNITS

Functional Units	Ending FY 18/19	Adopted FY 19/20	Proposed FY 20/21	Plan FY 21/22
Board	7	7	7	7
County Attorney	10	9	9	9
County Manager	35	38	38	38
Planning and Development	119	132	133	133
Infrastructure Group	817	836	850	854
Public Safety Group	713	754	772	800
Support/Human Services Group	329	333	337	338
Total Allocated Positions	2,030	2,109	2,146	2,179

SUMMARY LISTING OF FUNDED POSITIONS by FUNCTIONAL UNIT / DIVISION

ALLOCATED POSITIONS BY BOARD DIVISIONS

Unit /Division	Ending FY 17/18	Ending FY 18/19	Adopted FY 19/20	Ending FY 19/20	Proposed FY 20/21	Plan FY 21/22
BOARD OF COUNTY COMMISSIONERS	7	7	7	7	7	7
TOTAL BOARD OF COUNTY COMMISSIONERS	7	7	7	7	7	7

Unit /Division	Ending FY 17/18	Ending FY 18/19	Adopted FY 19/20	Ending FY 19/20	Proposed FY 20/21	Plan FY 21/22
COUNTY ATTORNEY	10	10	10	9	9	9
TOTAL COUNTY ATTORNEY	10	10	10	9	9	9

Unit /Division	Ending FY 17/18	Ending FY 18/19	Adopted FY 19/20	Ending FY 19/20	Proposed FY 20/21	Plan FY 21/22
COUNTY MANAGER						
County Manager Administration	8	8	8	8	8	8
Community and Small Business Assistance	3	0	0	0	0	0
Equal Opportunity Office	4	4	4	4	4	4
Tourism/Sports Marketing	23	23	26	26	26	26
TOTAL COUNTY MANAGER	38	35	38	38	38	38

SUMMARY LISTING OF FUNDED POSITIONS by FUNCTIONAL UNIT / DIVISION

Unit /Division	Ending FY 17/18	Ending FY 18/19	Adopted FY 19/20	Ending FY 19/20	Proposed FY 20/21	Plan FY 21/22
PLANNING AND DEVELOPMENT						
Planning and Development Administration	6	6	6	11	12	12
Building	63	66	78	78	78	78
Land Development	34	34	37	39	39	39
Long Range Planning	13	13	13	4	4	4
TOTAL PLANNING AND DEVELOPMENT	116	119	134	132	133	133

Unit /Division	Ending FY 17/18	Ending FY 18/19	Adopted FY 19/20	Ending FY 19/20	Proposed FY 20/21	Plan FY 21/22
INFRASTRUCTURE GROUP						
Utilities	230	237	246	248	257	257
Roads and Drainage	264	257	257	257	258	259
Real Estate Services	0	6	6	6	6	6
Fleet Management	39	39	41	41	41	41
Facilities Management	83	83	83	83	85	86
Parks and Natural Resources	136	139	142	145	147	149
Waste and Recycling	50	56	56	56	56	56
TOTAL INFRASTRUCTURE GROUP	802	817	831	836	850	854

**SUMMARY LISTING OF FUNDED POSITIONS by FUNCTIONAL
UNIT / DIVISION**

Unit /Division	Ending FY 17/18	Ending FY 18/19	Adopted FY 19/20	Ending FY 19/20	Proposed FY 20/21	Plan FY 21/22
PUBLIC SAFETY GROUP						
Fire Rescue	598	617	652	652	668	695
Emergency Management	27	27	27	27	27	27
Code Enforcement	30	30	34	36	38	39
County Probation	39	39	39	39	39	39
TOTAL PUBLIC SAFETY GROUP	694	713	752	754	772	800

SUMMARY LISTING OF FUNDED POSITIONS by FUNCTIONAL UNIT /DIVISION

Unit /Division	Ending FY 17/18	Ending FY 18/19	Adopted FY 19/20	Ending FY 19/20	Proposed FY 20/21	Plan FY 21/22
SUPPORT/HUMAN SERVICES GROUP						
Equity and Human Resources Administration	2	2	2	2	2	2
Human Resources	14	14	14	14	14	14
Health and Human Services Administration	8	8	8	8	8	8
Veterans Services	6	6	7	7	8	8
Adult Day Care	17	16	16	15	15	15
Healthy Families	45	45	45	45	45	45
Housing and Neighborhood Development	19	19	19	19	21	21
*Cooperative Extension Services	13	13	13	13	13	13
Rohr Home	63	63	63	63	63	63
Indigent Health Care	41	41	41	41	41	41
Budget and Management Services	8	9	9	9	9	9
Procurement	10	12	13	13	13	13
Information Technology	59	59	60	61	61	62
Communications	14	14	15	15	16	17
Risk Management	9	8	8	8	8	8

SUMMARY LISTING OF FUNDED POSITIONS by FUNCTIONAL UNIT /DIVISION Continued

Unit /Division	Ending FY 16/17	Ending FY 17/18	Adopted FY 18/19	Ending FY 18/19	Proposed FY 19/20	Plan FY 20/21
TOTAL SUPPORT/HUMAN SERVICES GROUP	328	329	333	333	337	339
TOTAL BOARD POSITIONS	1,995	2,030	2,105	2,109	2,146	2,179

*Cooperative Extension: One position is filled contractually through an agreement with the University of Florida

FY 20/21 NET POSITION CHANGES

General Fund

- ❖ Code Enforcement adding 2 positions: 1 Certified Codes Investigator I, 1 Data Analyst
- ❖ Communications adding 1 position: 1 Video Production Specialist
- ❖ Facilities adding 2 positions: 1 Air Conditioning Refrigeration Mechanic, 1 Maintenance Mechanic Specialist
- ❖ Parks and Natural Resources adding 1 position: 1 Environmental Technician II
- ❖ Planning Administration adding 1 position: 1 Planning Technician
- ❖ Veterans Services adding 1 position: 1 Customer Service Representative
- ❖ Fire Division/Emergency Medical Services adding 1 position: 1 Quality Assurance Technician

Other Funds

- ❖ Housing and Neighborhood Development adding 2 positions: Community Development Specialist II, 1 Housing Development Specialist
- ❖ Fire Division/Emergency Medical Services adding 12 positions: 6 FF-Paramedics, 6 FF-Emergency Medical Technicians
- ❖ Fire Division/Fire Rescue adding 3 positions: 3 Safety Officers
- ❖ Parks and Natural Resources adding 1 positions: 1 Environmental Technician II
- ❖ Roads and Drainage adding 1 position: 1 Construction and Testing Inspector III
- ❖ Utilities adding 9 positions: 2 Industrial Electrician I, 2 Lift Station Technician, 1 Trades Helper, 2 Water Plant Operator I, 1 Utilities Line Locator, 1 Asset Management Specialist

SUMMARY LISTING OF FUNDED POSITIONS by FUNCTIONAL UNIT /DIVISION Continued

FY 21/22 NET POSITION CHANGES

General Fund

- ❖ Code Enforcement adding 1 position: 1 Code Enforcement Specialist
- ❖ Facilities adding 1 position: 1 Maintenance Mechanic Specialist

Other Funds

- ❖ Fire Division/Emergency Medical Services adding 24 positions: 12 FF-Paramedics, 12 FF-Emergency Medical Technicians
- ❖ Fire Division/Fire Rescue adding 3 positions: 3 Fire Company Captains
- ❖ Information Technology adding 1 position: 1 Mobile Device Analyst
- ❖ Parks and Natural Resources adding 2 positions: 1 Education Specialist, 1 Eloise Resource Center Manager
- ❖ Roads and Drainage adding 1 position: 1 Construction and Testing Inspector III

SUMMARY LISTING OF FUNDED POSITIONS by FUNCTIONAL UNIT / DIVISION

Unit / Division	Ending FY 17/18	Ending FY 18/19	Adopted FY 19/20	Ending FY 19/20	Proposed FY 20/21	Plan FY 21/22
CONSTITUTIONAL OFFICERS						
Courts	71	71	71	72	72	72
Property Appraiser	109	109	109	111	111	111
Supervisor of Elections	27	27	27	27	27	27
Sheriff	1,811.07	1,825.92	1,838.79	1,838.79	1,867.93	1,867.93
Clerk of Courts	43	43	43	43	43	43
Public Defender	8	8	8	8	8	8
State Attorney	6	8	8	8	8	8
Tax Collector *	265	269	271	271	271	271
TOTAL CONSTITUTIONAL OFFICERS	2,340.07	2,360.92	2,375.79	2,378.79	2,407.93	2,407.93
GRAND TOTAL BoCC & CONSTITUTIONAL OFFICERS POSITIONS	4,335.07	4,390.92	4,480.79	4,487.79	4,553.93	4,586.93

* Tax Collector count includes full-time and additionally part-time positions as of FY17.

FY 20/21 NET POSITION CHANGES

- Sheriff's Office adding 29.14 FTEs

FUND TYPES

Polk County's budget is comprised of six types of funds, and each fund is limited to its appropriation. For accounting, budgeting, and management purposes, funds are named, numerically coded, and grouped according to their use and appropriation as described below.

GOVERNMENTAL FUNDS

GENERAL FUND

The General 00100 Fund finances most of the County's functions. The major sources of General Fund revenue are Ad Valorem Tax, Half-Cent Sales Tax and Public Service Tax. Smaller revenue amounts are received from fees from licenses and permits, fines, charges for services, interest earnings, and intergovernmental sources. The FY 20/21 proposed budgeted ad valorem revenue is based on a Countywide increase in value of 8.93%.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used for revenues from specific sources that require separate accounting because of legal requirements, regulatory provisions, or administrative action.

County Transportation Trust 10100 Fund – Most Transportation Trust Fund revenue is generated through gas taxes and used for transportation operations and roadway maintenance.

Special Revenue Grants 10150 Fund – This fund is comprised of various Federal- and State-awarded grants for needs, such as recreation facilities, planning and development activities, affordable housing, and homeowner rehabilitation.

Tourism Tax 12160 Fund – Revenue is generated through the Five-Cent Tourism Tax on hotels and motels, also known as the "Bed Tax," and is used to promote tourism in Polk County.

Lake & River Enhancement Trust 12180 Fund – Revenue is generated through the annual State and County vessel registration fee. State fees are solely for providing waterway markers, public boat ramps, lifts and hoists, marine railways, and derelict/hazardous vessel removal. County fee proceeds are used for the patrol, regulation, and maintenance of bodies of water.

Fire Rescue 12190 Fund – Non-ad valorem special assessments are levied upon real estate parcels containing any building or structure to provide fire protection services to unincorporated areas of the County.

Impact Fees 12240 Fund – Effective January 1, 1990, Polk County instituted impact fees for transportation, emergency medical services, and correctional facilities. Use of the proceeds is limited to capital purchases in the assigned areas. New impact fees for parks and recreational facilities and libraries were approved by the Board and became effective December 1, 2005. The Board approved a new Public Safety Impact Fee Ordinance, effective October 1, 2006, that includes Fire Rescue and Law Enforcement Impact Fees. A moratorium on all impact fees, except the school impact fees, was in place from August 2010 until January 2016 when a portion of all impact fees were reinstated. Additional increases were effective March 2017, and September 2018. On September 17, 2019, Resolution 2019-056 was passed to increase all impact fees to 100% of the 2019 Study recommended rates except school impact fees which are approved in three phases. Phase 1 is effective January 1, 2020 at 55% of the 2019 Study recommended rates, phase 2 effective July 1, 2021 is approved at 65% of the 2019 study recommended rates, and Phase 3 effective January 1, 2023 is approved at 75% of the 2019 Study recommended rates. The 2019 study established new Transportation impact fees (North, Northeast, Northwest, Southeast, and Southwest) and incorporated a revised benefit district map for Transportation Impact Fees. Effective January 2020, an ordinance was adopted to increase EMS, Correctional Facilities, Fire Rescue, and Law Enforcement to 100% of Impact Fee study recommendation.

Emergency 911 14350 Fund – Revenue for this fund is the apportionment of the E911 fees levied on telephone service subscribers by telephone service providers as defined in the Florida Emergency Communications E911 Act, which authorized the Florida Emergency Communications E911 Act Board to levy up to \$0.40 per month per subscriber. This revenue may be utilized for the acquisition, implementation, and maintenance of public safety answering point equipment and 911 service features.

Hazardous Waste 14370 Fund – Revenues are derived from a 3% tax on gross receipts of hazardous waste recovery companies as described in Section 403.7215 of the Florida Statutes. The primary purpose of this tax is to fund hazardous waste operations, such as additional security, inspections, contingency plans development, and road construction within 1,000 feet of the hazardous waste facility.

Radio Communications 14390 Fund – Revenue is received from a \$12.50 per offense moving traffic violation penalty as described by Section 318.21 of the Florida Statutes. Additionally, in October 2013, the Board adopted a resolution to supplement this fund through user fees. This fund is used for the intergovernmental radio communication program or local law enforcement automation.

Hazardous Mitigation Grant Program IRMA 14850 Fund – Revenue was established in FY 19/20 and comes from Federal grant program with a 75% federal cost share and a 25% local cash match to mitigate future damages from natural disasters.

Cares Act Coronavirus Relief 14400 Fund: Funding was received during FY 19/20 through the Federal Coronavirus Relief Fund (Cares Act); funds must be utilized by December 30, 2020.

Indigent Health Care 14490 Fund – This fund was established to provide extended healthcare services to low-income citizens. This revenue was generated through a half-cent discretionary sales surtax initially approved in 2004 and re-approved in 2015.

Leisure Services MSTU 14930 Fund – Revenue is generated through a 0.5619 mill ad valorem assessment levied in unincorporated Polk County to fund parks, recreation facilities, leisure services, and programs.

Libraries MSTU 14950 Fund – Revenue is generated through a 0.2109 mill ad valorem assessment levied in unincorporated Polk County to fund library facilities and services.

Rancho Bonito MSTU 14960 Fund – Revenue is generated through a 9.1272 mill ad valorem assessment on the parcels located in the Rancho Bonito area of unincorporated Polk County in order to minimally assist in the funding of law enforcement services and various improvements.

Transportation Millage 14970 Fund – Revenue is generated through a 1.1000 mill ad valorem assessment designed to narrow the Transportation infrastructure gap. Projects addressed by this fund include roads resurfacing, stabilization of unpaved roads, roadway drainage, roadway capacity, and substandard roads.

Emergency Medical Millage 14980 Fund – This fund was established based on a millage increase of 0.2500 mills. The fund is to support Emergency Medical Services (EMS) throughout the County covering operating and capital costs associated with Emergency Medical Services.

Law Enforcement Trust 14990 Fund – Revenue is generated through a domestic violence violation surcharge, cash forfeitures, and the sale of property and equipment confiscated by the Sheriff in accordance Chapter 932 and Chapter 938 of the Florida Statutes. Funds may be utilized for specified law enforcement purposes.

Land Management Non-expendable Trust 15010 Fund – This fund was established for the preservation of water, wildlife, wilderness resources, and purchase of environmentally-sensitive lands. Bonds not exceeding \$20 million are issued to maintain the fund and they cannot exceed a twenty-year maturity. This was voted on and passed in 1994. The voted millage has not been levied since FY 15/16. As a non-expendable trust, only the interest earned may be utilized.

Polk Commerce Centre Community Redevelopment Area 15240 Fund – This CRA was established to increase access to the Polk Parkway and stimulate development through transportation and utility improvements. Revenue was generated through an incremental increase in ad valorem taxes with the base year of 1993, and the Board approved an ordinance sunsetting the CRA in March 2019.

Eloise Community Redevelopment Area 15250 Fund – This CRA was established for neighborhood revitalization activities in the Eloise Community. Revenue is generated through an incremental increase in ad valorem taxes with the base year of 1999.

Harden Parkway Community Redevelopment Area Fund 15290 – This CRA was established for transportation improvement activities in the Polk Harden Community. Revenue is generated through an incremental increase in ad valorem taxes with a base year of 2003.

Building 15310 Fund – The Building Fund is dedicated to building inspection-related activities and funded by building permit fees and radon surcharge fees.

Affordable Housing Assistance Trust Fund (SHIP) 15350 Fund – The State Housing Initiatives Partnership (SHIP) Grant provides funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multi-family housing to very-low- to moderate-income families.

Hurricane Irma 15550 Fund – The fund was established in FY 17/18 to track Countywide expenditures resulting from Hurricane Irma damages. This fund will recover revenue from State and Federal Agencies for estimated costs.

Street Lighting Districts 16000 Fund – Revenue is generated through annual assessments to property owners within established street lighting districts for the costs associated with providing and maintaining streetlights. Districts are created by ordinance, and the assessment is determined by the number of parcels located within.

Stormwater MSTU 18000 Fund – Revenue is generated through an ad valorem assessment of 0.1000 mills levied in unincorporated Polk County to enable the County to provide mandated services linked to the Environmental Protection Agency's (EPA) National Pollution Discharge Elimination System Permit program, such as water quality monitoring, cleanup, maintenance, and improvement of drainage systems in unincorporated Polk County.

DEBT SERVICE FUNDS

Debt Service Funds 23500 – 23900 – These funds are used to account for the accumulation of resources for and payment of County long-term debt not payable from Enterprise Fund operations. Pursuant to Section 200.181, Florida Statutes, and the Florida Constitution, there is no legal debt limit imposed on county governments in the State of Florida. In FY 19/20, Capital Improvement and Transportation 2010 debt were refunded to Promissory Note 2020B and 2020C.

CAPITAL PROJECT FUNDS

Capital Funds 30200 – 31900 – In accordance with the Community Investment Program, these funds are designated for capital improvement, construction, or acquisition projects.

Drainage & Water Quality Projects 30200 Fund – This fund was created for drainage and water quality projects and was funded through Public Service Tax Revenue; currently it is only funded with fund balance.

General Capital Improvement 30800 Fund – In the past this fund received revenue from an annual dividend from the Waste and Recycling commercial tonnage fee collection. For Budget Year 2020 going forward, \$2.7 million of the sales tax revenue sharing has been allotted to the County's general capital improvement projects. The fund is generally used for building asset management projects. A millage rate of 0.1250 was established for a Northeast Government Center in FY 18/19 and eliminated in FY 20/21.

2019 Capital Improvement Project 30900 Fund – This fund was established in FY 19/20 for several capital improvement initiatives such as a new Tax Collector building, four fire stations, financial system upgrades, and another section of a regional park in the Northeast Four Corners region.

Environmental Lands Acquisition 31200 Fund – This fund was established for the preservation of water, wildlife, and wilderness resources and funded through an ad valorem assessment approved by voters in 1994 that sunset in 2015. The fund balance is being used for environmental lands acquisitions.

Long Term Road Projects 31700 Fund – This fund was established to receive Public Service Tax Revenue for road construction projects. Currently, the fund balance is being spent on capital projects, and there is no recurring revenue source in this fund.

Northeast Polk Roadway 31900 Fund – This fund was created from the fund balance of the North Ridge CRA Fund which sunset in FY 14/15. The remaining balance will be used for projects in Northeast Polk County.

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise Funds are associated with operations that are financed and function similarly to private business enterprise. The operations provide products or services to the general public in exchange for payment sufficient to fund the cost of providing the product or service.

Solid Waste Management Funds 41010–41210 – These funds were established to account for the activities associated with providing solid waste management services such as waste collection, landfill operations, and landfill cell closure and maintenance.

Community Cleanup 41310 Fund – This fund was established to provide revitalization and beautification services for neighborhoods, open areas, and roadways. This fund is scheduled to close, and all costs were moved to the General Fund.

Utilities Funds 42010 – 42432 – These funds were established to provide water and sewer services in certain unincorporated areas of Polk County.

Rohr Home 43110 Fund – This fund was established to provide skilled long-term nursing care for needy residents.

INTERNAL SERVICE FUNDS

These funds are used to account for financing cost for reimbursable goods and services provided by or to a division, agency, or government.

Fleet Maintenance 50100 Fund – This fund was established to provide maintenance services for County equipment and vehicles. Currently, fleet maintenance is also provided to the cities of Auburndale, Fort Meade, and Lake Wales.

Employee Health Insurance 50300 Fund – This fund was established to provide health benefits to County employees and their dependents through the County Self-Insurance Program.

Fleet Replacement 51500 Fund – This fund was established to provide funding for the replacement of aging vehicles and equipment.

Information Technology 52000 Fund – This fund was established to provide open accountability related to costs associated with providing telecommunication and computer services to County divisions.

TAX AND MILLAGE INFORMATION

The following information is provided on the millages levied by Polk County. Polk County has, in addition to its Countywide tax millage, additional millages and assessments that are levied in special taxing districts encompassing territory smaller than the overall County. These special taxing districts provide services ranging from street lighting to the provision of fire rescue services by the Polk County Fire Rescue Division.

Under Florida law, counties are required to sum all ad valorem revenues derived from the countywide levy and all special taxing districts (excluding voted levies and taxing districts independent of the county), and divide this revenue by the countywide tax roll. This is called the “aggregate millage” and is the one that determines whether or not the county is required to advertise its intent to increase taxes.

QUESTIONS AND ANSWERS

1. What is included in the Countywide millage?
 - For FY 20/21, the Countywide millage of 6.8990 consists of three components: General Fund (5.6815), Emergency Medical (0.2500), and Transportation (1.1000).
2. What is included in the unincorporated area millage?
 - In addition to the millage listed in item 1, the unincorporated area has Municipal Services Taxing Units (MSTUs) for Parks (0.5619), Libraries (0.2109), and Stormwater (0.1000).
 - Effective October 1, 2014, the Board established an MSTU encompassing the Rancho Bonito area (9.1272) to minimally assist in the funding of law enforcement services and various improvements.
3. How are property taxes calculated?
 - All taxes are computed based upon taxable value.
Taxable value x millage rate = property tax
1,000

Example:

Assessed value:	\$ 150,000
Less Homestead Exemption:	\$ (50,000)
Taxable value:	\$100,000

<u>Countywide</u>	<u>Unincorporated</u>
$\frac{100,000}{1,000} = 100 \times 6.8990 = \689.90 <small>(Countywide millage)</small>	$\frac{100,000}{1,000} = 100 \times 7.7718 = \777.18 <small>(Countywide plus MSTUs)</small>

4. Common Terms Used in Budgeting:

- *Millage: The rate charged per \$1,000 of taxable value. On a house with a taxable value of \$100,000, each mill would equal \$100 in taxes.
- *Tax Base: The total value of land and personal property on which a taxing entity, such as the County, can levy property taxes. Because some property is partially or completely exempt from taxes, the tax base is usually smaller than the actual value of the property in the county.
- *Roll Back Rate: The millage that, if levied, would bring in the same amount of tax dollars as the previous year's millage. The value of new construction is excluded from this calculation.
- *Exemptions: Exemptions are granted by the state, and they either lower the taxable value of property or remove the property from the tax rolls completely. Exemptions include \$50,000 Homestead Exemption, \$500 Disability Exemption, \$500 Widow or Widowers Exemption, up to \$50,000 Senior Citizen Homestead Exemption, and other disability and military service exemptions.