

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 assumptions included in projections of each major funding source. The projections shown for each fund represent 100% of anticipated revenue and expense.

Projection assumptions:

Salary: A 5.0% salary increase is effective as of October 1, 2022 for FY 22/23 and an assumption of 3.5% for each of the following years starting in January.

Health Insurance: A 10% increase for health insurance is effective as of October 1st, 2022 for FY 22/23, and 10% increase thereafter.

Interest Revenue: The 1.5% interest, based on fund balance, is included in FY 22/23, and interest is estimated at 2.0% in FY 23/24 and 2.25% thereafter.

Fuel Cost: Unleaded fuel is estimated at \$3.80 per gallon and diesel fuel is estimated at \$4.05 for FY 22/23. FY 23/24 estimates an increase in unleaded to \$4.20 and diesel at \$4.45 per gallon.

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.

Indigent Healthcare Fund

Five Year Projection Summary

FISCAL YEAR	Projection FY 22/23	Projection FY 23/24	Projection FY 24/25	Projection FY 25/26	Projection FY 26/27
BEGINNING FUND BALANCE	\$ 67,241,757	\$ 63,613,842	\$ 59,072,515	\$ 51,304,851	\$ 42,308,250
Sales Surtax	71,548,516	73,337,229	75,170,660	75,027,366	76,903,050
Other Revenue	2,709,116	3,047,611	3,179,310	5,068,480	5,039,579
TOTAL REVENUE	\$ 74,257,632	\$ 76,384,840	\$ 78,349,970	\$ 80,095,846	\$ 81,942,629
Indigent Health Care (53)	61,662,769	62,925,802	64,351,608	65,851,484	67,491,706
Indigent Health Care Mandates (146)	16,086,182	17,858,988	21,619,701	23,089,517	24,664,901
Other Programs Expense	136,596	141,377	146,325	151,446	156,747
TOTAL EXPENSE	\$ 77,885,547	\$ 80,926,167	\$ 86,117,634	\$ 89,092,447	\$ 92,313,354
ENDING FUND BALANCE	\$ 63,613,842	\$ 59,072,515	\$ 51,304,851	\$ 42,308,250	\$ 31,937,525

Major Revenue Impacts

Sales Surtax: Is projected to increase 3.70% in FY 22/23 and 2.50% growth thereafter.

Other Revenue: Interest projected at 1.50% in FY 22/23, 2.0% in FY 23/24, and 2.25% thereafter.

Major Expense Impacts

Indigent Health Care-Mandates: Medicaid share mandate is projected to increase from \$13.0 million to \$13.6 million (4.70%) in FY 22/23 and projected to increase to \$21.9 million by FY 26/27. Also, projecting 3.0% increase each year for mental health/substance local match requirement and H.C.R.A. claims out of county.

Indigent Health Care-Discretionary: There are changes that include 3.50% salary increase each year and 10% for health insurance. Increase to the Polk HealthCare Plan claims of 6.00% in FY 22/23 (based on monthly enrollment of 5,500 member at \$395 pm, plus \$1.7 million for benefit enhancements) and 4.50% increase thereafter. Grants and Aids funding to community partner, is projected to increase 2.00% in FY 22/23 and same level of funding thereafter. Additional \$10.0 million increase each year for program enhancements and increase services.

Strategic Planning

Through strategic planning initiatives with the Citizen's Healthcare Oversight Committee, some of the programs that are expanding services this year include: (1) Lake Wales Free Clinic will extend service hours and add two additional days per month, (2) Lakeland Volunteers in Medicine will provide dentures at the dental clinic, (3) Parkview Free Clinic will provide bilingual medical assistant services and behavioral health via telehealth, and (4) Talbot House Ministries will add one behavioral health therapist to the free clinic.

New programs were also added to the healthcare safety net including: (1) Partnership with the Health Department to provide Registered Nurse health screenings, vaccinations, and referrals to community partners in conjunction with mobile outreach health and social service events; (2) Mental Health Services Access Program through Winter Haven Hospital Foundation which is a partnership with Florida Tech and Florida State University to provide a training program for doctoral students in the psychology program. These doctoral students will be overseen by a Licensed Clinical Psychologist at Winter Haven Hospital. This program is a pilot to establish a talented pipeline.

Additional strategic initiatives include the following:

- A Mobile Collaborative Outreach to offer cross-sector coordinated community outreach planning, including mobile unit health and social service events with community partners through onsite food pantry locations or other health care events.
- Funding in the amount of \$5.2 million in IHC to United Way to assist disadvantaged communities and implement solutions to reduce health disparities to individuals and families in Polk County living at or below 200.0% of the Federal Poverty Level through the objectives of prevention/early intervention, and behavioral health.
- The existence of previous funding support resulted in the publishing of a first ever public-private-non-profit supported Countywide Comprehensive Behavioral Health Strategic Plan. This plan proposes core strategies aimed at improving outcomes for those in need of Behavioral Health services, breaking down silos, eliminating fragmentation, and aligning efforts to enhance or expand services to address crucial behavioral health needs for all populations. Proposed a number of legislative appropriations requests to

secure an infusion of seed funding to carry out deliverables to affect a behavioral health system change.

- The establishment of the framework to receive the initial and subsequent payments from the opioid settlement funds. Polk is expected to receive approximately \$20.0 million over an 18-year period based on preliminary estimates. Reconvened Polk Opioid Taskforce to review the Opioid Abatement Plan for necessary updates and modifications, update points of contact, and identify stakeholders that should be engaged. Working on scalability, capacity, and prioritizing activities. Polk County is working on establishing a position to manage and oversee this project that will include developing a bid process and initiating contracts with local providers and other partners throughout the community to roll out programming on opioid and substance abuse education, treatment, prevention, and other related programs and services.

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 of the revenue sources in this fund may be utilized for any County function.

FISCAL YEAR	Projection FY 22/23	Projection FY 23/24	Projection FY 24/25	Projection FY 25/26	Projection FY 26/27
BEGINNING FUND BALANCE	94,197,851	76,869,065	99,559,273	123,546,979	138,130,402
Property Tax	229,493,036	238,672,758	256,573,215	266,836,144	277,509,589
Other Taxes	96,066,620	97,991,828	100,931,583	103,959,531	107,078,317
Other Revenue	83,767,040	83,446,738	86,200,808	87,062,816	87,933,444
TOTAL REVENUE	\$503,524,547	\$496,980,389	\$543,264,880	\$581,405,470	\$610,651,753
Board of County Commissioners	191,732,813	154,848,267	162,590,681	170,720,215	179,256,225
Constitutional Officers/Elected Officials	234,922,669	242,572,849	257,127,220	272,554,853	288,908,144
TOTAL EXPENSE	\$426,655,482	\$397,421,116	\$419,717,901	\$443,275,068	\$468,164,370
ENDING FUND BALANCE	\$ 76,869,065	\$ 99,559,273	\$123,546,979	\$138,130,402	\$142,487,383

Property Tax and Other Tax Revenue Projections are based on an 17.75% property value increase in FY 22/23, a 7.50% increase in FY 23/24, and a 4.00% increase thereafter. Other taxes reflect a moderate increase of 3.00%.

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 5.00% increase for the Board's goals for needed capital expenditures and grant sharing costs.

Constitutional Officers/Elected Officials reflect an average increase of 6.00% for all Constitutional Officers/Elected Officials.

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 45 days of operating expenses in accordance with the County's reserve policy. The balance then is carried forward and allocated by the Board of County Commissioners through formal action.

Strategic Planning is individual to the numerous divisions receiving funding from the General Fund; more detailed information may be found in the program budgets.

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.

Tourism Division

(Tourism Tax Fund)

Five Year Projection Summary

FISCAL YEAR	Projection FY 22/23	Projection FY 23/24	Projection FY 24/25	Projection FY 25/26	Projection FY 26/27
BEGINNING FUND BALANCE	17,079,833	9,732,683	14,801,072	19,896,432	25,014,416
Tourism Tax (1,2,3 pennies)	13,382,197	13,382,197	13,382,197	13,382,197	13,382,197
Tourism Tax 4th & 5th Penny	8,921,464	8,921,464	8,921,464	8,921,464	8,921,464
Other Revenue	222,375	228,343	253,688	279,169	304,762
TOTAL REVENUE	\$ 39,605,869	\$ 32,264,687	\$ 37,358,421	\$ 42,479,262	\$ 47,622,839
Tourism Development (399)	13,273,983	11,436,978	11,408,304	11,382,056	11,353,981
Visitor Services/Outpost 27 (406)	1,615,854	1,538,993	1,567,466	1,593,718	1,621,797
Debt Service (4th & 5th Penny)	2,966,346	2,970,641	2,969,215	2,972,069	2,969,204
Other Expense Includes CIP	\$ 12,017,003	\$ 1,517,003	\$ 1,517,003	\$ 1,517,003	\$ 1,517,003
TOTAL EXPENSE	\$ 29,873,186	\$ 17,463,615	\$ 17,461,989	\$ 17,464,846	\$ 17,461,985
ENDING FUND BALANCE	\$ 9,732,683	\$ 14,801,072	\$ 19,896,432	\$ 25,014,416	\$ 30,160,854

Major Revenue Impacts

Tourism Tax Revenue for FY 21/22 was the largest in Polk County’s history (\$22,542,210), eclipsing last year’s (FY 20/21) record amount by more than 41.0%. Every month set an all-time monthly record, respectively. PCTSM’s post covid recovery was beyond anyone’s expectations, primarily due to fiscal strength (reserves) going into the pandemic and very aggressive demand-driving strategies during and immediately after the pandemic.

In addition, increased supply-side strategies and development (accommodations and facilities) continued to produce significant economic dividends for the County. To accommodate the increase in demand from RussMatt and other baseball events, the Northeast Regional Park (NERP) Sports Complex in Davenport was completed in February 2022. PCTSM’s supply side development strategies will also see a new championship ski lake and a new stadium at Lake Myrtle. PCTSM will also break ground on three major projects this fiscal year, which will bolster PCTSM’s revenue generating capabilities. They include the redesign and construction of a new baseball quad at the Chain of Lakes Baseball Complex, a renovated softball/baseball complex in Bartow, and installation of six turf multi-purpose fields with lighting at Simmers-Young Park. These economic development initiatives, and three new hotels set to open in FY 22/23 are a direct result of PCTSM’s effective supply side development strategies.

There are numerous outside factors that have the potential to negatively impact Polk’s tourism revenue in the future, including inflation, global recession, lower Gross Domestic Product (GDP), increasing federal debt, and higher taxes. These factors WILL affect discretionary spending and

travel over the next few years.

Major Expense Impacts

Debt service obligations remain steady throughout the five-year projection. Dedicated reserves are being maintained 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 21/22, the resulting unobligated carryforward, which accrues to FY 22/23, will be used to invest in new projects mentioned earlier; the Bartow Softball complex expansion/redevelopment and the turf fields at Simmers-Young Park in accordance with the strategic plan to "Develop Polk County's tourism/sports supply-side infrastructure." In addition, \$1.6 million of the unobligated carryforward will be set aside for an airline recruiting revenue guarantee and marketing initiatives, as prospects in this area continue to develop.

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 solely carrying out the local government's responsibilities in enforcing the Florida Building Code.

FISCAL YEAR	Projection	Projection	Projection	Projection	Projection
	FY22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
BEGINNING FUND BALANCE	14,581,116	13,648,098	12,682,022	11,537,437	10,202,366
Building Permits	12,119,532	12,361,923	12,609,161	12,861,344	13,118,571
Other Revenue	56,302	61,158	66,440	71,837	77,348
TOTAL REVENUE	\$ 26,756,950	\$ 26,071,179	\$ 25,357,623	\$ 24,470,618	\$ 23,398,285
Building Division (31)	11,819,548	12,199,853	12,630,882	13,078,948	13,544,770
Other Expense	1,289,304	1,189,304	1,189,304	1,189,304	1,189,304
TOTAL EXPENSE	\$ 13,108,852	\$ 13,389,157	\$ 13,820,186	\$ 14,268,252	\$ 14,734,074
ENDING FUND BALANCE	\$ 13,648,098	\$ 12,682,022	\$ 11,537,437	\$ 10,202,366	\$ 8,664,211

Major Revenue Impacts:

Material shortages and supply costs remain a challenge in FY 22/23. With mortgage rate increases also expected, new construction permits may decline. However, many factors are in play that can impact the housing industry, so if mortgage rates and prices of homes begin to decline, Polk County will continue to see new development.

Major Expense Impacts:

In FY 22/23, the Building Division will move its satellite office to the new NE Government Center to provide more accessible services in an area with larger growth. Funds will also be used to enhance current technology to provide more tools to the customer and be more efficient in daily operations.

Strategic Plan

The focus of the strategic planning process for the Building Division was to identify new technologies, processes, and procedures that would help to streamline the permitting process while also providing the best and most efficient service to customers. Since 2018, the Building Division has implemented a new electronic permitting system, opened a second permitting office which will now be housed within the new NE Government Center, implemented a new lobby queue system, and performed virtual inspections for certain permit types. Future

implementation of technology includes a virtual customer assistant that helps to answer customer questions, building inspection software that will auto assign inspections and allow for communication between staff and the customer via text message, a building inspection tracker to allow customers to know their estimated time of inspection, and new software for plans review and payments. Each of these tools allows for a quality customer experience, while also enhancing current daily operations.

Transportation Millage and Transportation Trust Fund

Transportation Millage Fund revenue is committed by the Board via approval of the Countywide ad valorem millage rate which includes a designated component for funding transportation construction and maintenance in Polk County

Transportation Trust Fund: Revenue is composed of various gas taxes and is restricted by statute for building and maintaining roads. Revenue is anticipated to increase by 1.0% in FY 22/23 and to remain constant thereafter.

Roads and Drainage Division

(Transportation Millage & Transportation Trust Fund)

Five Year Projection Summary

FISCAL YEAR	Projection FY 22/23	Projection FY 23/24	Projection FY 24/25	Projection FY 25/26	Projection FY 26/27
BEGINNING FUND BALANCE	161,602,969	110,094,892	64,005,224	55,073,734	29,163,221
Gas Tax	34,849,309	34,849,309	34,849,309	34,849,309	34,849,309
Ad Valorem Tax	58,585,912	62,979,855	65,493,892	68,113,648	69,475,921
Other Revenue	29,307,540	13,998,778	17,966,512	19,111,797	20,335,002
TOTAL REVENUE	\$ 284,345,730	\$ 221,922,835	\$ 182,314,936	\$ 177,148,488	\$ 153,823,453
Survey and Mapping - 1559	1,728,347	1,704,761	1,755,904	1,808,581	1,862,838
Inspection and Testing - 1560	1,403,117	1,411,121	1,453,455	1,497,058	1,541,970
Roads and Drainage Engineering - 1558	1,188,662	1,220,234	1,256,841	1,294,546	1,333,383
Roadway Maintenance - 1561	18,622,412	18,843,003	18,843,003	19,408,293	19,990,542
GIS Asset Management - 1710	1,212,560	1,196,504	1,232,399	1,269,371	1,307,452
Traffic - 202	5,377,711	5,318,631	5,478,190	5,642,536	5,811,812
Administration - 1557	1,601,363	1,642,540	1,691,816	1,742,571	1,794,848
Real Estate Services - 193	307,424	315,993	325,473	335,237	345,294
Other Expense-Millage	33,559,347	40,568,205	22,196,796	13,234,860	24,245,472
Other Expense-TTF	112,501,638	44,483,145	54,264,063	38,598,438	40,772,845
Community Investment Program (CIP)	106,843,152	105,218,701	73,817,000	92,317,000	54,817,000
TOTAL EXPENSE	\$ 284,345,730	\$ 221,922,835	\$ 182,314,936	\$ 177,148,488	\$ 153,823,453

Major Revenue Impacts

Gas Tax: County gas tax revenue projects remain constant 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 12.75% in FY 22/23, 7.50% in FY 23/24, and 4.00% in FY 24/25, With 4.00% increases each year thereafter.

Major Expense Impacts:

New Positions: Added (Two) Service Worker/Operator II positions, (One) Service Worker / Operator III, (One) Service Worker and (One) Asset Management Technician to help with the increasing Pavement Management Program.

Community Investment Program (CIP):

Major Funded Capacity Projects:

- Lake Wilson (CR54-CR532)
- West Pipkin Road (Medulla RD to South Florida Avenue/SR 37)

Roads and Drainage has begun design and right of way work on the following major capacity projects in FY 22/23

- CR557 Widening (US17/92 to I4)
- Marigold Avenue (Cypress Pkwy south to Palmetto St)
- Cypress Parkway Widening (Poinciana Pkwy to Solivita BLVD)
CURRENTLY ON HOLD DUE TO CFX – SOUTHPORT CONNECTOR PD&E
- Thompson Nursery Road Phase One Segment One (US 17 to Rifle Range Rd/Snively Ave)
- Thompson Nursery Road Phase One Segment Two (Rifle Range Rd/Snively Ave to Railroad Tracks just north of CSX Logistic Center)
- Thompson Nursery Road Phase One Segment Four (Eloise Loop Road to W. Lake Ruby Rd)

There are projects that have been approved for funding under the FEMA Hazard Mitigation Grant and are already underway: Eloise Loop Road Drainage Improvement Project, Jan Phyl Village Drainage Improvement Project and Wilson Acres Drainage Improvement Project.

Strategic Plan

The Roads and Drainage Division is striving to become a more efficient division by pursuing cost saving and technical strategic goals. By enhancing the Asset Management System, and by documenting and improving the efficiency and effectiveness of current processes, procedures, and practices. The Division also strives to maintain sustainable funding by identifying and maintaining existing assets.

Utilities

Utilities Funds (Utilities Division): Annual water and wastewater rates are established by the Board of County Commissioners per adopted rate resolutions and consider environmental and financial stewardship. As of Fiscal Year 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 FY22/23	Projection FY23/24	Projection FY24/25	Projection FY25/26	Projection FY26/27
BEGINNING FUND BALANCE	116,931,802	93,516,332	117,004,834	119,472,194	146,853,739
Alternative Water Supply (AWS) Surcharge	1,813,452	1,885,990	1,961,430	2,039,887	1,919,678
Water & Wastewater Rates	85,762,628	85,371,914	89,655,173	87,618,045	92,229,521
Water & Wastewater Connection Fees	19,553,549	19,553,549	19,553,549	19,553,549	18,575,872
Other Revenue	25,486,772	38,947,796	13,562,100	32,551,149	27,881,943
TOTAL REVENUE	249,548,203	239,275,582	241,737,086	261,234,824	287,460,753
Customer Service - 213	2,240,349	2,243,561	2,257,511	2,332,230	2,410,089
SCADA (Plant Monitoring) - 216	1,915,425	2,027,345	2,093,749	2,162,411	2,233,414
Utilities Metering - 437	5,186,483	5,120,684	2,982,429	3,080,194	3,181,729
Utilities Back Flow/Large Meters - 412	925,077	954,334	984,531	1,016,251	1,049,181
Water Resource Enforcement - 1511	1,206,899	1,136,997	1,175,325	1,213,679	1,253,414
Infrastructure Information Section - 214	2,135,617	2,273,232	2,357,992	2,441,903	2,529,332
Regulatory Affairs - 403	3,155,802	3,291,790	3,398,429	3,507,805	3,621,057
Electrical and Mechanical Maintenance - 76	15,445,367	17,129,467	17,576,451	18,096,785	18,635,327
Water and Wastewater Plant Operations - (401 & 402)	16,518,965	15,955,500	16,350,131	16,861,814	17,382,292
Underground Maintenance - 1222	8,584,967	7,785,708	8,156,361	8,404,129	8,661,106
Utilities CIP Inspection - 1644	383,680	390,453	401,126	411,973	423,236
Other Expense	30,227,728	14,705,247	33,177,581	24,614,396	47,679,011
Community Investment Program (CIP)-Expansion/Renewal & Replacement (320 & 77)	68,105,512	49,256,430	31,353,278	30,237,514	31,547,827
TOTAL EXPENSE	\$ 156,031,870	\$ 122,270,748	\$ 122,264,892	\$ 114,381,085	\$ 140,607,014
ENDING FUND BALANCE	\$ 93,516,332	\$ 117,004,834	\$ 119,472,194	\$ 146,853,739	\$ 146,853,738

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.

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 a 1.5 to 3 percent for several more years due to growth in our Northwest Service Area. These fees provide the resources for operating, capital investment and debt service for initiatives to excel in service delivery, customer service, and system reliability.

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 we are speeding up some of our master planning efforts to make sure we 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, six new positions were added in FY 22/23. This is a continued investment a professional and skilled workforce.

Operating Expenses: Operating expenses will be higher in the upcoming fiscal year due to the need for some significant maintenance and safety improvements that are necessary, 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 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.

Waste & Recycling Division

(All Waste & Recycling Funds)

Five Year Projection Summary

FISCAL YEAR	Projection FY 22/23	Projection FY 23/24	Projection FY 24/25	Projection FY 25/26	Projection FY 26/27
BEGINNING FUND BALANCE	185,352,894	173,703,524	183,570,272	189,026,733	202,354,114
Collections & Disposal Assessment Revenue	29,896,322	33,504,014	31,344,210	31,387,902	31,387,902
Landfill Tipping Fees	17,596,633	17,770,631	18,126,043	18,488,564	18,858,336
Other Revenue	6,015,695	6,854,485	6,832,190	6,909,412	7,133,541
TOTAL REVENUE	\$ 238,861,545	\$ 231,832,653	\$ 239,872,716	\$ 245,812,611	\$ 259,733,892
Landfill Operations	9,145,149	5,570,690	6,532,240	6,658,194	6,893,742
Residential Waste Management Collection	34,366,066	36,008,883	36,313,743	36,364,304	36,417,394
Community Clean-up	-	-	-	-	-
Community Investment Program (CIP)-Operations	24,894,332	6,682,808	8,000,000	436,000	400,000
TOTAL EXPENSE	\$ 68,405,547	\$ 48,262,381	\$ 50,845,983	\$ 43,458,498	\$ 43,711,136
ENDING FUND BALANCE	\$ 173,703,524	\$ 183,570,272	\$ 189,026,733	\$ 202,354,114	\$ 216,022,758

Major Revenue Impacts

Collections & Disposal Assessment Revenue: The FY 22/23 annual assessment is \$127.29 and \$62.00 per dwelling unit for collection and disposal, respectively, which includes a one-time reduction of \$17.21 for FY 22/23 per Board direction. 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 22/23 budget include approximately \$3 million for leachate disposal. Plans for alternative processing are being designed and are planned to be implemented prior to the end of FY 22/23.

Landfill Closure Reserve requirement is approximately \$54 million in fund balance to maintain the landfill after its closure in FY 20/21.

Annual Dividend to General Fund: Waste & Recycling is able to provide an annual dividend to the Polk County General Fund due to 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 monies from the annual dividend.

Community Investment Program (Operations): The FY 22/23 budget includes projects, such as the design, permit, and construction of an alternative leachate disposal system and the construction of a new disposal area.

Strategic Planning: Several tasks identified during the strategic planning process have been completed. Specifically in reviewing tasks carrying monetary costs, this year's budget process took steps to make strides in two areas:

- Minimize expenditures of third-party maintenance services by attracting and hiring qualified talent to perform in-house repairs which in turn will maximize equipment uptime.
- Ensure cost efficiency of new cell construction and timely use of disposal area by dividing the new cell construction into two phases (VI-A and VI-B).

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 FY 22/23	Projection FY 23/24	Projection FY 24/25	Projection FY 25/26	Projection FY 26/27
BEGINNING FUND BALANCE	12,508,806	8,333,175	10,329,870	12,493,918	12,481,996
Property Tax	15,958,887	17,155,804	17,842,036	18,555,717	19,297,946
Fees (Camping/Parks/Summer Rec)	691,160	716,860	731,198	745,821	760,737
Other Revenue	9,450,324	378,352	467,928	524,281	531,984
TOTAL REVENUE	\$ 38,609,177	\$ 26,584,191	\$ 29,371,032	\$ 32,319,737	\$ 33,072,663
Parks Maintenance (35)	9,687,502	9,567,166	9,918,030	10,280,339	10,636,127
Recreation Activities (36)	2,201,172	2,272,137	2,322,931	2,416,815	2,515,814
Other Program Expense*	6,639,107	3,415,018	3,636,153	3,865,587	3,921,127
Community Investment Program (CIP)	11,748,221	1,000,000	1,000,000	3,275,000	3,275,000
TOTAL EXPENSE	\$ 30,276,002	\$ 16,254,321	\$ 16,877,114	\$ 19,837,741	\$ 20,348,068
ENDING FUND BALANCE	\$ 8,333,175	\$ 10,329,870	\$ 12,493,918	\$ 12,481,996	\$ 12,724,595

*Note: Includes Indirects, Parks Administration, and other expenditures not directly related to a Parks & Natural Resources' 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 16.78% increase in FY 22/23 and a 7.50% increase in FY 23/24. A 4.00% increase is included for fiscal years starting FY 24/25.

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. Except for FY 22/23, recurring revenues exceed recurring 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, outfitting several fields in Simmers-Young Park with artificial turf, and planning for artificial turf replacement, the

only funded recurring CIP project stems from the Parks Master Plan and earmarks \$1 million to larger maintenance and facility repurpose type projects.

Strategic Planning: Several tasks identified during the strategic planning process have been completed. Specifically in reviewing tasks carrying monetary costs, this year's budget process took steps to make strides in two areas:

- Resources were appropriated to update and improve Division websites to better communicate with our stakeholders
- Through the CIP process detailed above, resources were increased for existing facility modification based on the Parks, Recreation and Preserves Master Plan and life cycle analysis

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.

Fire Fund Five Year Projection

Fiscal Year-Projected Actual	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Beginning Fund Balance	5,527,155	3,274,349	2,492,252	2,127,483	2,164,870
Fire Assessments*	57,612,681	60,493,314	63,517,980	66,693,879	70,028,573
Fire Inspections	308,326	308,326	308,326	308,326	308,326
Other Revenue	1,148,562	1,145,213	1,150,518	1,157,321	1,139,696
TOTAL REVENUE	\$ 64,596,724	\$ 65,221,202	\$ 67,469,077	\$ 70,287,009	\$ 73,641,465
Fire Operations (158)	52,232,420	53,582,435	56,027,211	58,577,815	61,499,350
Fire Prevention (161)	1,533,663	1,573,760	1,594,538	1,656,722	1,721,588
Fire Support Services (1244)	2,396,265	2,272,918	2,375,981	2,454,782	2,549,484
Other Expense	5,160,027	5,299,837	5,343,864	5,432,820	5,497,538
TOTAL EXPENSE	\$ 61,322,375	\$ 62,728,950	\$ 65,341,594	\$ 68,122,139	\$ 71,267,960
ENDING FUND BALANCE	\$ 3,274,349	\$ 2,492,252	\$ 2,127,483	\$ 2,164,870	\$ 2,373,505
GENERAL FUND SUBSIDY EXPENSE	\$ 5,776,066	\$ 5,794,544	\$ 5,745,165	\$ 5,777,554	\$ 5,715,419

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. In FY 23, the Board approved a recurring \$13 Single Family Residence (SFR) Fire Assessment increase to cover Fire operations improvements and decrease the General Fund subsidies to approximately \$5.7 million per year. This is the second year it was established, it was approved last year and also approved to continue.

Major Expense Impacts

Fire Rescue Operations Program: The FY 22/23 budget includes three additional Driver Engineers to provide staff for coverage on water tenders. The Board also approved budget dollars for replacement of outdated equipment such as thermal imaging cameras, the drive camera system, and a new Polaris UTV. In addition, the Board approved the

start of a scholarship program and approved funding for much needed improvements to some of older stations. 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 22/23 budget includes debt payments for part of Fire station cost, recurring capital gear and equipment, and funding that supports new operations training. Polk County Fire Rescue budget includes continued funding for employee mental health wellness program. The FY 22/23 General Fund subsidy continues to maintain the projected costs due to the approved Fire Assessment rate increase which allows more cost to be covered in Fire Fund. With the indexing of 5% for the Fire Assessment, The County maintains a General Fund Subsidy of approximately \$5.7 million per year with current expense.

Strategic Plan

Within the Fire Fund Polk County continues to budget funds for continued inhouse training for all level of employees. This is one of the main goals within the strategic plan. We continue to promote and provide career development for the employees. Also, with the replacement of outdated equipment within this budget, staff is able to focus on the health and safety of field employees, along with mental health and wellness of the programs the County continues to fund.

Radio Communications Fund

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.

Emergency Management

Radio Communications Fund

Five Year Projection Summary

Fiscal Year	Projection FY 22/23	Projection FY 23/24	Projection FY 24/25	Projection FY 25/26	Projection FY 26/27
BEGINNING FUND BALANCE	205,410	10,615	195,450	495,007	911,440
Court Fines	500,000	510,000	520,000	530,000	530,000
Radio User Fees	3,860,688	4,102,008	4,343,328	4,584,648	4,584,648
Rents	200,000	200,000	200,000	200,000	200,000
Other Revenue	3,081	213	4,397	11,138	20,507
TOTAL REVENUE	\$ 4,769,179	\$ 4,822,836	\$ 5,263,175	\$ 5,820,793	\$ 6,246,595
Radio Systems Management	-	-	-	-	-
Radio Communications	3,650,724	3,450,306	3,521,848	3,593,793	3,625,956
Radio Replacement	1,107,840	1,177,080	1,246,320	1,315,560	1,315,560
Radio Maintenance & Ops	-	-	-	-	-
TOTAL EXPENSE	\$ 4,758,564	\$ 4,627,386	\$ 4,768,168	\$ 4,909,353	\$ 4,941,516
ENDING FUND BALANCE	\$ 10,615	\$ 195,450	\$ 495,007	\$ 911,440	\$ 1,305,079

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 22/23 budget included increases to existing contracts and also new contracts such as Cyber Security along with an upgrade to the SUA Motorola assurance. This budget also includes \$243,000 in one-time capital for much needed maintenance and repair to older equipment used within Radio Communications.