



Proposed Tentative Budget Summary FY 24/25

- Total budget for all funds from \$2.548 billion in FY 23/24 to \$2.985 billion in FY 24/25

- Total General Fund from \$576.4 million in FY 23/24 to \$653.4 million in FY 24/25
 - BoCC Position Changes

BoCC positions added in FY 24/25 budget	104
BoCC positions eliminated in FY 24/25 budget	0
Rohr Home positions reclassified in FY 24/25 budget	(23)
Total net position increase in FY 24/25 budget	81

- Property Values

Countywide Increase	11.39%
Unincorporated Increase	11.14%

- Millage Rates

- Countywide Millage Rate	6.6348
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General Fund	4.9848
Transportation	1.2000
Emergency Medical	0.2500
Environmental Lands	0.2000

- Unincorporated Millage Rate	0.8212
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Parks MSTU	0.5286
Library MSTU	0.1985
Stormwater MSTU Millage Rate	0.0941

▪ Total Countywide and Unincorporated MSTU Total	7.4560
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- Rancho Bonito MSTU	9.1272
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In FY 23/24, Polk County continued to navigate the pressure of ongoing inflation at just under 3.00% with the demand for affordable housing and the infrastructure to sustain the immense growth across the County. The estimated population in Polk County has grown to 848,278 in 2024; this is a growth rate of 3.66% over the past year and a 16.18% increase from the 2020 census. It is estimated that by 2029, Polk County will be home to nearly one million residents. As the population grows, so does the need for public services such as public safety, new roads and the expansion of existing roads, public utilities, and recreation.

Based upon a preliminary ad valorem projection provided by the Property Appraiser, the Board directed staff to build a budget anticipating an 8.50% ad valorem tax revenue increase. In June, the Property Appraiser's estimate indicated that Countywide property values were more likely to be near 11.30%. The Property Appraiser's July 1 tax roll showed a 11.39% increase in property values over 2023, a decrease in growth from the prior year but a double-digit increase for the third consecutive year. The Board's subsequent decision to use the difference between the final assessed valuation increase over the 8.50% provided \$8.2 million of available revenue to be used for one-time capital projects.

The proposed tentative FY 24/25 balanced budget totals approximately \$2.985 billion, a 17.15% increase over FY 23/24. Capital projects for FY 24/25 make up 23.29% of the FY 24/25 balanced budget at approximately \$695.1 million. These capital projects will increase capacity and renew or replace current infrastructure to keep pace with the growth in Polk County.

Revenue projections for FY 24/25 show that many revenues have increased over the current year. Ad valorem (property taxes) is up approximately 11.39%, the Indigent Health Care Sales Surtax is 3.95% higher, sales tax and other major tax revenues are 5.25% higher, and grant revenues have increased as well.

The budget includes:

- A 1.00% millage rate reduction on the General Fund portion of the Countywide millage rate, which equates to a total reduction of 0.75% to the Countywide millage rate
- Continued spend-down of American Rescue Plan (ARP) Act funding from the federal government
- Increased funding for Indigent Health Care services, behavioral health needs, and an opioid abatement program

The proposed tentative FY 24/25 budget will include a merit/tenure and cost of living raise for employees totaling 4%. Effective in the pay period that begins September 30, all employees will see a 2% cost of living increase and then an additional 2% on the anniversary of their original hire date.

For the third consecutive year, there will be no increase in health insurance premiums for employees. A 5% increase is budgeted for the employer side.

One hundred and four new positions are included in the Proposed Tentative FY 24/25 budget, but the net increase in head count is 81 due to the closure of the Rohr Home during FY 23/24. Most of the new positions were added to the Public Safety, Public & Environmental Health, and Infrastructure areas. The need for additional positions is a direct result of the increased demand for public services.

The proposed tentative FY 24/25 budget is balanced using the Countywide millage rate of 6.6348 mills. The proposed rate will generate \$418.1 million in Countywide property taxes, a \$39.9 million (10.55%) increase over the current year. Unincorporated MSTUs will generate \$30.1 million in revenue for parks, libraries, and stormwater quality, a \$3.0 million (11.14%) increase over FY 23/24.

Attractive home prices and a lower cost of living lures families to Polk County from counties and states across the country. The influx of new residents and increased demand on infrastructure have resulted in the need for County staff to reevaluate current user fees and rates to determine if an adjustment is necessary to continue providing the highest level of service to the citizens of Polk County.

In FY 20/21, the Board first approved a 5% annual index to the Fire Assessment to address staffing and add the fire stations and apparatus needed to provide acceptable levels of service to the growing population in keeping with the County's commitment to public safety. The Fire Assessment will increase by 5% again in FY 24/25.

Polk County will begin new hauling contracts effective October 1, 2024, which also includes expansion of the County's in-house collection area. Collection and disposal fees will increase to \$337.21 in FY 24/25; while this reflects an increase of 63.3% from prior year, it is important to note that the County's Solid Waste fees have not increased in seven years.

In FY 23/24, Polk County completed a comprehensive rate study to identify potential rate or fee increases due to expanding Utilities operations, the need for alternative water supply, and increased regulatory demands. Based on the results of the study, water rates and wastewater rates will increase by 6% in 2024 and will be indexed by 6% every year through 2028. The surcharge assessed on water usage to supplement alternative water supply projects will increase by \$0.25 per thousand gallons beginning October 2024 through 2028. A similar surcharge will be added to reclaimed water usage. Connection fees for residential water connection will also increase from \$2,844 to \$3,038 and wastewater connection fees will increase from \$4,195 to \$6,168 beginning October 1, 2024.

Polk County Utilities (PCU) FY 24/25 through FY 28/29 five-year Community Investment Program (CIP) totals nearly \$492.2 million and is significantly higher than FY 23/24 through FY 27/28 planned spending. The increase is primarily due to additional funding allocated to address continued customer growth, fund Alternative Water Supply (AWS) projects, and pay for general water and wastewater repair and rehabilitation projects. One of the largest projects is the expansion of the Northeast Regional Wastewater Treatment Facility (NERWWTF) from six million gallons per day to nine million gallons

per day. General repair and rehabilitation projects are another large initiative. Additional projects include filter and dewatering system improvements at the Northwest Regional Wastewater Treatment Facility (NWRWWTF) and the South Regional Wastewater Treatment Facility (SRWWTF) as well as construction of a septic receiving station to be located at the NCLF (North Central Landfill).

Much of the Utilities Division CIP plan (approximately 49%) is expected to be funded via debt and 43% from pay-as-you-go sources that include water and sewer connection fees. The remaining 8% will be funded from American Rescue Plan Act (ARPA) funds and the Federal Emergency Management Agency (FEMA) Hazard Mitigation Assistance Grants program, among other grant funds. Of the \$91.6 million in bond proceeds received, approximately \$54.3 million will be used to restructure PCU's current debt.

The proposed five-year CIP budget for FY 24/25 through FY 28/29 is \$1.79 billion. The proposed tentative FY 24/25 budget contains CIP projects totaling \$695.1 million across all funds.

Divisions	Proposed FY 24/25
Facilities Management *	\$ 80,289,868
Fire Rescue	\$ 53,345,156
Natural Resources	\$ 69,410,006
Environmental Lands	\$ 20,570,000
Water Resources	\$ 48,840,006
Parks	\$ 49,480,508
Roads and Drainage	\$ 260,875,679
Utilities	\$ 126,714,104
Expansion	\$ 86,684,323
Renewal & Replacement	\$ 40,029,781
Solid Waste	\$ 54,973,867
Total	\$ 695,089,188

* Facilities Management includes Facilities, Fleet, and I.T. CIP projects