

FIVE-YEAR PROJECTIONS

Five-Year Projections focus on major funds, which fall into each of Polk County's seven Result Areas. Monitoring and forecasting of these major funding sources are important to meet our mission to enhance the quality of life for citizens in Polk County. Five-Year Projections incorporate our yearly revenue and expense assumptions that are based primarily on historic trends, economic conditions, and population estimates. This section will outline our assumptions included in our projections of each major funding source. The projections shown for each fund, except the General Fund, represent 100% of anticipated revenue and expense. For General Fund revenue projections, we use our projected budget to forecast, which is based on Florida Statute that budgeted receipts must include 95% of all receipts reasonably anticipated from all sources.

General Assumptions Affecting all Funds

Salary: A 3.5% salary increase is included as an assumption for Fiscal Year 2019/2020 and 3.5% for each of the following years.

Health Insurance: The employer cost of health insurance is included as a 12% increase in Fiscal Year 2019/2020, a 10% increase in Fiscal Year 2020/2021, and a 6% increase thereafter.

Interest Revenue: The interest based on fund balance is included as 1.5% of fund balance in Fiscal Year 2019/2020 and 1.5% thereafter.

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

Basic Needs

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

FISCAL YEAR	Projection FY19/20	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24
BEGINNING FUND BALANCE	37,103,593	25,703,584	16,338,113	14,221,239	14,519,521
Sales Surtax	50,183,786	52,442,056	54,801,949	57,268,037	59,845,099
Other Revenue	1,905,422	1,801,866	1,732,199	1,774,803	1,857,351
TOTAL REVENUE	\$89,192,801	\$79,947,506	\$72,872,261	\$73,264,079	76,221,971
Indigent Health Care (53)	47,905,848	46,983,262	40,851,816	39,682,776	40,745,720
Indigent Health Care Mandates (146)	15,460,657	16,498,433	17,667,039	18,924,989	20,247,515
Other Program (FR/ Comm.)	122,117	127,698	132,167	136,793	141,581
TOTAL EXPENSE	\$63,489,217	\$63,609,393	\$58,651,022	\$58,744,558	61,134,816
ENDING FUND BALANCE	\$25,703,584	\$16,338,113	\$14,221,239	\$14,519,521	\$15,087,155

Major Revenue Impacts

Sales Surtax: Sales Surtax revenue projected to increase 4.5% each of the following years.

Major Expense Impacts

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

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

Reserves: Reserve for Future Plan Changes is projected to run out of funds in Fiscal Year 2021/2022 if 100% of the budgeted expenses are incurred each prior year.

Good Government

General Fund covers numerous Board of County Commissioners divisions and Elected Officials. Unlike other funds presented in Five-Year Projections, General Fund projections focus on balancing the budget, which is based on 95% of anticipated revenue. Any additional revenue or unspent appropriations are allocated by the Board in the next year's budget for projects or Board goals.

Beginning Fund Balance: The beginning fund balance of each fiscal year is based on anticipating 100% of revenue being incorporated into our prior year ending fund balance. Therefore, a flow from the previous fiscal year's ending fund balance to the following year's beginning fund balance is not shown as with other funds in this section. The beginning Fund Balance in Fiscal Year 2019/2020 is inflated with Fiscal Year 2017/2018 and Fiscal Year 2018/2019 ending fund balance, which also inflates the BoCC expenditures in Fiscal Year 2019/2020. Any additional revenue or unspent appropriations are allocated by the Board in the next year's budget for projects or Board goals.

FISCAL YEAR	Projected Budget FY19/20	Projected Budget FY20/21	Projected Budget FY21/22	Projected Budget FY22/23	Projected Budget FY23/24
BEGINNING FUND BALANCE	73,659,013	64,195,165	67,245,538	67,077,784	63,569,701
Property Tax	198,328,990	211,220,374	219,669,189	228,455,957	233,025,076
Other Taxes	83,586,360	85,743,918	87,373,456	89,053,219	90,784,442
Other Revenue	74,470,557	70,562,799	71,833,525	72,843,938	73,870,864
TOTAL REVENUE	\$ 430,044,920	\$ 431,722,257	\$ 446,121,708	\$ 457,430,899	\$ 461,250,083
Board of County Commissioners	166,160,293	157,856,380	162,893,900	167,833,458	172,959,479
Other Elected Officials	215,963,000	222,943,718	232,698,357	242,925,252	253,646,235
TOTAL EXPENSE	\$ 382,123,293	\$ 380,800,098	\$ 395,592,257	\$ 410,758,710	\$ 426,605,713
RESERVES*	\$ 47,921,627	\$ 50,922,159	\$ 50,529,451	\$ 46,672,188	\$ 47,472,188
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ (12,827,818)

* The reserve amounts includes the amount of fund balance we are setting in reserves each year to try to keep the proportionate amount of reserves the same as FY 18/19.

Property Tax revenue projections are based on a 6.5% increase for Fiscal Year 2020/2021 and 4% increases in Fiscal Year 2021/2022 and Fiscal Year 2022/2023, and 2% in Fiscal Year 2023/2024.

Other Revenue and Expense projections are based on historic trends. Other Revenue in Fiscal Year 2019/2020 is inflated with transfers in from other funds for projects. Board expenditures in Fiscal Year 2019/2020 are inflated with project expenditures.

Ending Fund Balance: Based on revenue projections, we will be able to balance through Fiscal Year 2022/2023. The Fiscal Year 2023/2024 revenue projection is 2% lower than the prior year in anticipation of an economic downturn. Overall revenue projections are not enough to cover the projected expenditures beyond Fiscal Year 2022/2023 necessary to maintain services. If this anticipated downturn holds true, the Board will need to consider increasing taxes and/or reducing expense to balance.

Economic Development

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

FISCAL YEAR	Projection FY19/20	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24
BEGINNING FUND BALANCE	11,153,796	9,723,083	10,683,897	13,269,772	17,163,377
Tourism Tax (1,2,3 pennies)	8,977,562	9,426,440	9,897,762	10,392,650	10,912,283
Tourism Tax 4th & 5th Penny	5,985,042	6,284,294	6,598,509	6,928,434	7,274,856
Other Revenue	417,100	395,387	409,830	445,011	497,003
TOTAL REVENUE	\$ 26,533,500	\$ 25,829,203	\$ 27,589,998	\$ 31,035,867	\$ 35,847,518
Tourism Development (399)	8,911,416	8,178,638	8,582,110	9,057,071	9,558,609
Visitor Services/Outpost 27 (406)	1,014,856	1,032,064	1,046,590	1,062,295	1,078,677
Debt Service (4th & 5th Penny)	3,526,130	3,826,588	3,833,509	2,895,108	2,899,444
Other Expense	3,358,016	2,108,016	858,016	858,016	858,016
TOTAL EXPENSE	\$ 16,810,417	\$ 15,145,306	\$ 14,320,226	\$ 13,872,490	\$ 14,394,746
ENDING FUND BALANCE	\$ 9,723,083	\$ 10,683,897	\$ 13,269,772	\$ 17,163,377	\$ 21,452,772

Major Revenue Impacts

Tourism Tax Revenue is projected to increase 4% in Fiscal Year 2019/2020 and 5% for other years. The increase is being driven by two main factors, increased supply (accommodations and attractors) and very effective demand driving strategies. Several new properties throughout the County have recently come online, and more than ten are currently in the development pipeline. Several new or enhanced attractors have bolstered PCTSM’s revenue including the new Water Sports Complex at Lake Myrtle, the RP Funding Center renovations in Lakeland, and the Tigertown redevelopment. In addition, several new economic drivers are coming to fruition, including the Winter Haven Fieldhouse and Conference Center (2019), the new Lake Myrtle Multipurpose Stadium (2021), and a new four-field baseball quad at the NERP Sports Complex in Davenport (2021). These economic development initiatives and those projects in the pipeline are a direct result of PCTSM’s effective demand driving strategies, including larger and more impactful sports and special events, LEGOLAND’s expansions, long-term commitments from major revenue generating clients, including RussMatt Baseball, YBOA, the Tropics Professional Soccer, National Softball Association, Miss Florida Pageant, IPSC, and many more.

Major Expense Impacts

With the availability of additional beginning fund balance, Tourism marketing and sales efforts will be enhanced for Fiscal Year 2019/2020. Debt service obligations will increase with three new partnerships in Fiscal Year 2019/2020, but will remain steady with a reduction of debt from the City of Auburndale commitment in Fiscal Year 2022/2023. Dedicated reserves were established for debt service and operating revenue. A new capital improvement “mini” grant program was established to go into effect in Fiscal Year 2019/2020 at a cost of \$250,000

Growth/Infrastructure

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

FISCAL YEAR	Projection FY19/20	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24
BEGINNING FUND BALANCE	6,193,811	4,621,745	2,979,459	2,195,029	1,300,142
Building Permits	7,602,297	7,754,343	7,870,658	7,988,718	8,108,549
Building Municipal Inspections	269,602	274,994	279,119	283,305	287,555
Other Revenue	106,138	108,262	109,885	110,145	110,409
TOTAL REVENUE	\$ 14,171,848	\$ 12,759,343	\$ 11,239,121	\$ 10,577,197	\$ 9,806,655
Building Division (31)	6,297,916	6,559,982	5,954,929	6,163,351	6,379,068
Other Expense	3,252,187	3,219,902	3,089,163	3,113,704	3,138,491
TOTAL EXPENSE	\$ 9,550,103	\$ 9,779,884	\$ 9,044,092	\$ 9,277,055	\$ 9,517,559
ENDING FUND BALANCE	\$ 4,621,745	\$ 2,979,459	\$ 2,195,029	\$ 1,300,142	\$ 289,096

Major Revenue Impacts:

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

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

Major Expense Impacts:

Building Program: In recent years, the Building Division has implemented a new electronic permitting system, opened a second permitting office, implemented a new lobby queue system, and began performing virtual inspections for certain permit types. As building activity continues to grow modestly, our focus now turns to setting the standard for customer service. In Fiscal Year 2019/2020, we are proposing significant staff resources dedicated to providing prompt communication with customers and timely review and issuance of building permits. The other major expense impact continues to be indirect expenses.

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

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

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

FISCAL YEAR	Projection FY19/20	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24
BEGINNING FUND BALANCE	99,796,437	93,070,264	64,000,324	52,183,430	41,898,839
Gas Tax	34,692,785	35,039,713	35,390,110	35,390,110	35,390,110
Ad Valorem Tax-0064	39,004,937	41,540,258	43,201,868	44,929,943	45,828,542
Other Revenue	10,538,171	33,854,187	23,437,376	25,262,345	15,600,933
TOTAL REVENUE	\$ 184,032,330	\$ 203,504,422	\$ 166,029,678	\$ 157,765,828	\$ 138,718,424
Survey and Mapping - 1559	1,556,518	1,510,600	1,555,918	1,602,596	1,650,673
Inspection and Testing - 1560	1,053,502	1,084,001	1,116,521	1,150,017	1,184,517
Roads and Drainage Engineering - 1	815,371	843,247	868,544	894,601	921,439
Roadway Maintenance - 1561	16,250,501	16,539,475	17,035,659	17,546,729	18,073,131
GIS Asset Management - 1710	628,748	640,380	659,591	679,379	699,761
Traffic - 202	4,483,887	4,565,634	4,702,603	4,843,681	4,988,992
Administration - 1557	1,234,352	1,277,093	1,315,406	1,354,868	1,395,514
Drainage - 1163	290,448	303,271	312,369	321,740	331,392
Real Estate Services - 193	198,733	206,227	212,414	218,786	225,350
Other Expense-Millage	5,061,077	5,370,785	5,500,895	5,609,483	5,810,987
Other Expense-TTF	12,044,257	37,071,385	27,049,328	29,028,109	19,507,753
Community Investment Program (CIP)	47,344,672	70,092,000	53,517,000	52,617,000	59,317,000
TOTAL EXPENSE	\$ 90,962,066	\$ 139,504,098	\$ 113,846,248	\$ 115,866,989	\$ 114,106,509
ENDING FUND BALANCE	\$ 93,070,264	\$ 64,000,324	\$ 52,183,430	\$ 41,898,839	\$ 24,611,915

Major Revenue Impacts

Gas Tax: Gas taxes have been and continue to be stable for the foreseeable future, projected at a modest 1% increase for three years and flat thereafter.

Ad Valorem Tax: The Millage Fund is projected to increase by 6.5% for Fiscal Year 2020/2021, 4% in Fiscal Year 2021/2022 and Fiscal Year 2022/2023, and 2% in Fiscal Year 2023/2024.

Major Expense Impacts:

Roadway Maintenance: Pavement Management increased by \$3M per year to help keep up with pavement condition throughout the County.

Community Investment Program (CIP):

Major Capacity Projects Funded: Lake Wilson Avenue CR54 to CR532, West Pipkin Road Medulla to Harden Blvd, CR 557 Widening, Marigold Avenue, Cypress Parkway Widening, North Lake Ready Blvd Bridges 164302 and 164303, Thornhill Road Bridge, and multiple new drainage projects were added.

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

FISCAL YEAR	Projection FY19/20	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24
BEGINNING FUND BALANCE	100,005,752	84,499,028	71,226,689	79,931,862	90,794,271
Alternative Water Supply (AWS) Surcharge	1,585,717	1,601,574	1,613,586	1,625,688	1,637,881
Water & Wastewater Rates	67,790,234	67,909,606	68,418,928	68,932,070	69,449,061
Water & Wastewater Connection Fees	12,385,076	12,508,927	12,662,310	12,757,277	12,852,957
Other Revenue	28,105,726	29,584,268	26,491,943	27,440,793	27,485,564
TOTAL REVENUE	209,872,504	196,103,404	180,413,456	190,687,690	202,219,733
Customer Service - 213	1,867,291	1,949,551	1,946,013	2,013,027	2,082,729
SCADA (Plant Monitoring) - 216	1,701,482	1,758,604	1,747,340	1,806,080	1,866,900
Utilities Metering - 437	7,392,277	7,767,051	2,776,267	2,866,219	2,959,443
Utilities Back Flow/Large Meters - 412	796,842	757,763	782,716	808,285	834,835
Water Resource Enforcement - 1511	1,230,361	1,289,828	1,336,632	1,379,318	1,423,478
Infrastructure Information Section - 214	1,385,679	1,474,557	1,523,064	1,571,156	1,621,078
Regulatory Affairs - 403	2,785,496	2,921,234	2,997,297	3,090,298	3,186,360
Electrical and Mechanical Maintenance - 76	12,071,305	12,185,470	11,833,431	12,194,287	12,567,733
Water and Wastewater Plant Operations - (40)	13,600,023	13,799,019	14,193,979	14,628,607	15,077,147
Underground Maintenance - 1222	5,134,655	5,246,027	5,357,979	5,511,688	5,671,296
Utilities CIP Inspection - 1644	325,268	336,135	338,311	348,907	359,930
Other Expense	29,950,046	29,743,032	31,534,451	32,879,048	33,349,585
Community Investment Program (CIP)- Expansion/Renewal & Replacement (320 &	47,132,751	45,648,444	24,114,115	20,796,500	27,493,183
TOTAL EXPENSE	\$ 125,373,476	\$ 124,876,715	\$ 100,481,595	\$ 99,893,419	\$ 108,493,696
ENDING FUND BALANCE	\$ 84,499,028	\$ 71,226,689	\$ 79,931,862	\$ 90,794,271	\$ 93,726,037

Major Revenue Impacts

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

Major Expense Impacts

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

Fiscal Year 2019/2020 Personnel Changes: In order to address growth and prepare for several utility software improvement initiatives, nine new positions were added in Fiscal Year 2020, and two new positions are proposed to be added in Fiscal Year 2021.

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

Natural Resources and Environment

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

FISCAL YEAR	Projection FY19/20	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24
BEGINNING FUND BALANCE	143,546,082	156,374,497	160,095,174	168,614,023	178,206,036
Collections & Disposal Assessment Revenue	29,362,326	29,802,761	30,246,708	30,697,301	31,154,636
Landfill Tipping Fees	16,977,926	17,113,633	17,370,338	17,630,893	17,895,356
Other Revenue	33,121,901	3,312,803	3,369,006	3,482,871	3,637,999
TOTAL REVENUE	\$ 223,008,235	\$ 206,603,695	\$ 211,081,226	\$ 220,425,088	\$ 230,894,028
Landfill Operations (1187)	13,578,618	9,935,468	10,306,989	10,686,168	11,087,424
Residential Waste Management Collection (1188)	29,171,820	29,548,750	30,493,814	30,967,484	31,097,792
Community Investment Program (CIP)-Operations	23,883,300	7,024,304	1,666,400	565,400	400,000
TOTAL EXPENSE	\$ 66,633,738	\$ 46,508,522	\$ 42,467,203	\$ 42,219,052	\$ 42,585,216
ENDING FUND BALANCE	\$ 156,374,497	\$ 160,095,174	\$ 168,614,023	\$ 178,206,036	\$ 188,308,812

Major Revenue Impacts

Collections & Disposal Assessment Revenue: The Fiscal Year 2019/2020 Annual Assessment is \$144.50 and \$52.00 per dwelling unit for collection and disposal, respectively. The disposal assessment for an additional cart is \$38.00. The disposal assessment increased by \$8 annually as a result of an increase in the average tonnage generated by residential customers in the unincorporated areas of the County.

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 Fiscal Year 2019/2020 budget include approximately \$3 million for leachate disposal. Plans for alternative processing are being designed and are planned to be implemented prior to the beginning of Fiscal Year 2020/2021.

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

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

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

Community Investment Program (Operations): The Fiscal Year 2019/2020 budget includes projects such as the design, permit, and construction of an alternate leachate disposal system and the construction of the Phase VI landfill cell.

Recreation and Cultural Arts

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

FISCAL YEAR	Projection FY19/20	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24
BEGINNING FUND BALANCE	7,651,933	6,802,877	6,980,883	6,697,241	6,463,873
Property Tax	11,932,872	12,708,508	13,216,849	13,745,523	14,020,433
Fees (Camping/Parks/Summer Rec)	506,080	514,767	527,260	594,748	607,766
Other Revenue	3,268,245	1,485,934	242,222	241,734	435,625
TOTAL REVENUE	\$ 23,359,129	\$ 21,512,086	\$ 20,967,213	\$ 21,279,246	\$ 21,527,697
Parks Maintenance (35)	7,434,647	7,541,240	8,170,449	8,403,331	8,694,618
Recreation Activities (36)	1,171,623	1,186,185	1,223,729	1,268,036	1,310,176
Resource Centers (1409)	589,328	606,134	623,563	658,204	679,403
Other Program Expense*	3,680,004	3,329,644	3,634,231	3,867,802	4,104,672
Community Investment Program (CIP)	3,680,650	1,868,000	618,000	618,000	1,618,000
TOTAL EXPENSE	\$ 16,556,252	\$ 14,531,203	\$ 14,269,972	\$ 14,815,373	\$ 16,406,869
ENDING FUND BALANCE	\$ 6,802,877	\$ 6,980,883	\$ 6,697,241	\$ 6,463,873	\$ 5,120,828

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

Major Revenue Impacts

Property Tax: The Leisure Services MSTU projections utilize the same valuation assumptions as other County MSTU Funds, which is a 6.5% increase in Fiscal Year 2020/2021 and a 4% increase is included for Fiscal Year 2021/2022 and Fiscal Year 2022/2023. A 2% decrease is included for Fiscal Year 2023/2024 due to anticipated economic downturn.

Major Expense Impacts

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

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

Safety

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

Fiscal Year	Projection FY19/20	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24
BEGINNING FUND BALANCE	3,716,402	818,820	823,845	808,988	833,538
Fire Assessments*	41,191,997	42,191,808	42,824,685	43,467,056	44,119,061
Fire Inspections	941,578	960,410	974,816	989,438	1,004,280
Other Revenue	6,431,012	3,548,781	3,588,738	3,609,021	3,669,863
TOTAL REVENUE	\$ 48,564,587	\$ 46,700,999	\$ 47,388,239	\$ 48,065,515	\$ 48,793,204
Fire Operations (158)	40,836,900	38,751,552	39,360,365	39,844,499	40,417,050
Fire Prevention (161)	1,301,769	1,353,467	1,366,779	1,415,791	1,463,766
Fire Support Services (1244)	1,711,719	1,769,842	1,801,390	1,857,149	1,914,850
Other Expense	3,895,379	4,002,293	4,050,717	4,114,538	4,159,088
TOTAL EXPENSE	\$ 47,745,767	\$ 45,877,154	\$ 46,579,251	\$ 47,231,977	\$ 47,954,754
ENDING FUND BALANCE	\$ 818,820	\$ 823,845	\$ 808,988	\$ 833,538	\$ 838,450
GENERAL FUND SUBSIDY EXPENSE	\$ 5,644,163	\$ 9,717,548	\$ 8,756,396	\$ 9,968,715	\$ 10,006,151
REVENUE VS. TOTAL EXPENSE	\$ (4,825,343)	\$ (8,893,703)	\$ (7,947,408)	\$ (9,135,177)	\$ (9,167,701)

*Fire Assessment total includes General Fund payment for Exempted structures

Major Revenue Impacts

Fire Assessment Revenue: This revenue is from fees charged to residents in unincorporated areas of Polk County to support fire operations services provided. The fire assessment revenue is not enough to maintain service levels and cover expenditures for Fire Rescue Operations; therefore, the General fund subsidizes part of the cost of operations. This revenue source only increases with growth (more people and structures) or rate increases by the Board. For Fiscal Year 2020, the Board approved a recurring \$15 Single Family Residence (SFR) Fire Assessment increase to cover Fire operations improvements.

Major Expense Impacts

Fire Rescue Operations Program: The Fiscal Year 2019/2020 budget includes 27 Firefighters to get engines up to three-man staffing, capital, and operating costs to provide more service support. 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 Fiscal Year 2019/2020 budget includes payments to debt for part of Fire station costs and some capital. The Fiscal Year 2020 General fund subsidy was reduced this year due to the approved Fire Assessment rate increase which allows more cost to be covered in Fire Fund.

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

FISCAL YEAR	Projection FY19/20	Projection FY20/21	Projection FY21/22	Projection FY22/23	Projection FY23/24
BEGINNING FUND BALANCE	492,648	62,152	142,931	148,148	340,873
Court Fines (\$12.50)	558,368	558,368	575,119	592,373	610,144
Radio User Fees	7,734,412	3,412,176	3,412,176	3,412,176	3,412,176
Rents (TYCO & State Leases)	152,000	152,000	152,000	152,000	152,000
Other Revenue	283,390	116,932	38,144	38,222	41,113
TOTAL REVENUE	\$ 9,220,818	\$ 4,301,628	\$ 4,320,370	\$ 4,342,919	\$ 4,556,306
Radio Systems Management	322,768	293,231	296,609	297,284	297,980
Radio Communications	8,832,181	3,861,712	3,871,418	3,700,567	3,716,017
Radio Maintenance & Ops	3,717	3,754	4,195	4,195	4,195
TOTAL EXPENSE	\$ 9,158,666	\$ 4,158,697	\$ 4,172,222	\$ 4,002,046	\$ 4,018,192
ENDING FUND BALANCE	\$ 62,152	\$ 142,931	\$ 148,148	\$ 340,873	\$ 538,114

Major Revenue Impacts

Radio User Fees: These user fees are collected from Board entities, the Sheriff's Office, and other outside agencies to cover replacement and maintenance of more than 4,000 radios. User fees are scheduled to increase each year through Fiscal Year 2020/2021 to adequately fund and support the radio system.

Major Expense Impacts

Radio Communications Program: The radio capital replacement program was implemented with increases each year to fund bulk replacements and sustain the radio systems infrastructure. The Fiscal Year 2020 budget increase is mostly attributed to a one-time General fund balance transfer of approximately \$4.7 million to cover a portion of bulk radio replacement costs. The rest of the payment will come from the radio replacement program funding each year.

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