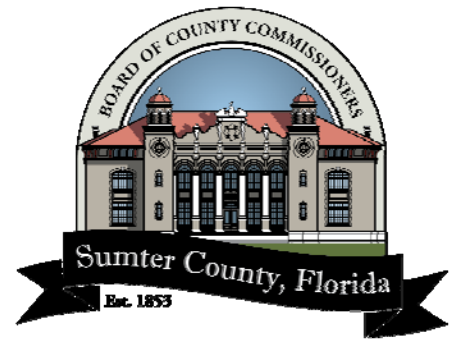


Board of County Commissioners Sumter County, Florida

7375 Powell Road, Suite 200 • Wildwood, FL 34785 • Phone (352) 689-4400 • FAX: (352) 689-4401
Website: <http://sumtercountyfl.gov>



September 10, 2022

Chairman Craig Estep
Vice Chairman Roberta Ulrich
Second Vice Chairman Garry Breeden
Commissioner Doug Gilpin
Commissioner Don Wiley

Reference: Fiscal Year 2022-2023 Tentative Budget

Honorable Chairman, Vice Chairman, Second Vice Chairman, and
Commissioners:

In accordance with the statutory responsibilities, the enclosed documents contain the Fiscal Year 2022/2023 (FY 22/23) Tentative Budget for your review and approval.

This Tentative Budget complies with the provisions of Chapters 129 and 200 of the Florida Statutes that govern the budget process. All revenue estimates are derived from the State of Florida or internal documents except for the Ad Valorem (Property Tax) Revenue, which is calculated by the tentative millage rate applied to the Property Appraiser's certified assessed taxable property values.

This Tentative Budget meets the required funding level for the County-provided consolidated services within the Sumter County Metropolitan Statistical Area, including the municipal and district governments. Sumter County provides more consolidated services for its municipalities than any other county government in the State of Florida to meet the vision and mission set by the Sumter County Board of County Commissioners. Sumter County gained recognition as having the most services accredited than any other county government in the State of Florida, as well as additional award recognition for the standards of its service, as shown in the following table:

Roberta Ulrich, District 1
Vice Chairman
(352) 689-4400
7375 Powell Road
Wildwood, FL 34785

Doug Gilpin, District 2
(352) 689-4400
7375 Powell Road
Wildwood, FL 34785

Craig Estep, District 3
Chairman
(352) 689-4400
7375 Powell Road
Wildwood, FL 34785

Garry Breeden, District 4
2nd Vice Chairman
(352) 689-4400
7375 Powell Road
Wildwood, FL 34785

Don Wiley, District 5
(352) 689-4400
7375 Powell Road
Wildwood, FL 34785

Bradley S. Arnold,
County Administrator
(352) 689-4400
7375 Powell Road
Wildwood, FL 34785

Gloria R. Hayward, Clerk & Auditor
(352) 569-6600
215 East McCollum Avenue
Bushnell, FL 33513

County Attorney
The Hogan Law Firm
Post Office Box 485
Brooksville, Florida 34605

Years Valid or Recognized	Recognition	Recognizing Organization
2010-2020	Certificate of Achievement for Excellence in Financial Reporting	Government Finance Officer Association (GFOA)
2013-2022	Distinguished Budget Presentation Award	GFOA
2015-2023	Accredited Public Works Department	American Public Works Association
2017-2022	Accredited Fire & EMS Department	Commission on Fire Accreditation International
2017-2022	Accredited Emergency Management	The Council of State Governments
2020-2023	Accredited Center of Excellence (ACE) – Emergency Medical Dispatch System	International Academies of Emergency Dispatch (IAED)
2020-2023	Accredited Center of Excellence (ACE) – Emergency Fire Dispatch System	International Academies of Emergency Dispatch (IAED)
2017-2022	Accredited Building Department	International Accreditation Service
2017-2024	Accredited Economic Development Organization (AEDO)	International Economic Development Council (IEDC)
2018	Project of the Year Major Structures Public Safety Centers	Florida West Coast Branch APWA
2020	Project of the Year Structures Parking Facility	Florida West Coast Branch APWA

This Tentative Budget complies with the goals of the Sumter County Financial Policies in three specific areas:

- Maintaining the financial viability of the organization to provide the desired levels of service to the customers; and
- Maintaining the financial flexibility to adapt to statutory, economic, and demographic changes; and

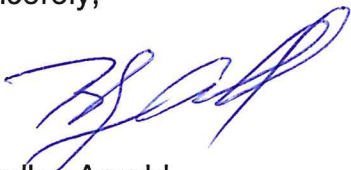
- Sustaining and enhancing the public infrastructure to provide for the health, safety, and welfare of the citizens of Sumter County.

The Tentative Budget for FY 22/23 provides a millage rate less than the rolled-back rate. This Tentative Budget supports the commitments to the increased capital investments in facilities and regional roadways to encourage further capital investment from private sources for sustained economic prosperity in Sumter County.

In the following pages, you will find facts and information that make up the FY 22/23 Tentative Budget, as well as factors influencing its development.

Each year, the preparation of the budget improves in levels of detail, justifications, and five-year operational and capital projections. This effort requires participation at all levels within Sumter County. I appreciate the efforts of all employees to provide a transparent presentation of the financial, operational, and capital plan for Sumter County's delivery of services.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Bradley Arnold', is written over a faint, illegible background.

Bradley Arnold
County Administrator

Overview of the Tentative FY 22/23 Budget

As responsible stewards of the public's resources, the Sumter County Board of County Commissioners (BOCC) is committed to its vision statement for Sumter County and the mission statement for the County organization.

The FY 22/23 Tentative Budget Presentation provides an overview of the budget, including:

- [Financial Statistics](#)
- [Budget Overview – All Funds](#)
- [General Fund](#)
- [Personnel Overview](#)
- [Divisions Operating Overview](#)
- [Fund Reserves](#)
- [Special Revenue Funds](#)
- [Debt Service Funds](#)
- [Capital Funds](#)
- [Internal Service Funds](#)

Financial Statistics

For the General Fund only, the increase in expenditures is 11.37% compared with the BOCC adopted financial policies that include four target indices (CPI-W, CPI-U, Per Capita Florida personal income, and population change) for comparison to the percentage growth of expenditures from one year to the next:

- Consumer Price Index (CPI) Changes from April 2021 to April 2022
 - 8.9% for CPI-W
 - 8.3% for CPI-U(Source – U.S. Bureau of Labor Statistics)

Note: The CPI-U is a general index that tracks retail prices as they affect all urban consumers. The CPI-W is the index tracking retail prices as they affect urban hourly wage earners and clerical workers.

- Change in Per Capita Florida personal income 2022
 - 1.0613% increase(Source – Florida Department of Revenue DR-420MMP)
- Sumter County Population Changes from 2021 to 2022
 - 6.13% increase(Source – University of Florida Economic and Business Research (BEBR))

Budget Overview – All Funds

Outlined in the below table is a summary of the Tentative FY 22/23 Budget Fund Categories compared to the FY 21/22 Adopted Budget:

Funds	FY21/22 Adopted	FY22/23 Proposed	Dollar Change Increase/ (Decrease)	Percentage Change Increase/ (Decrease)
General Fund	166,614,582	185,563,877	18,949,295	11.37%
Special Revenue Funds	82,683,055	78,687,605	(3,995,450)	-4.83%
Debt Service Funds	14,757,845	15,575,292	817,447	5.54%
Capital Project Funds	24,132,347	15,124,654	(9,007,693)	-37.33%
Internal Service Funds	15,172,857	18,071,919	2,899,062	19.11%
Total of All Funds	303,360,686	313,023,347	9,662,661	3.19%

The total fund amounts in the above table include transfers from one fund to another. Transfers in and out can inflate the value of the dollar change from the FY 21/22 Adopted Budget to the FY 22/23 Tentative Budget, particularly in the Special Revenue Funds.

The General Fund (001), by its name, has the most discretionary use of its revenue sources to meet the needs of the community as determined by the BOCC.

The Special Revenue Funds include, in order of Fund number:

- 103 County Transportation Trust Fund
- 106 Secondary Trust Fund
- 114 Emergency Telephone System Fund
- 115 SHIP Fund (FY 22/23)
- 116 Transit Fund
- 117 Police Education Fund
- 118 Crime Prevention Fund
- 121 SHIP Fund (FY 21/22)
- 123 Boating Improvement Fund
- 124 Building Services Fund
- 126 Alcohol/Drug Abuse Fund
- 127 Court Improvement Fund
- 128 Court Local Requirements Fund
- 129 Court Technology Fund
- 130 Radio Communications Fund
- 153 Sumter County Road Construction District Impact Fee Fund

- 182 Sumter County Fire & EMS Fund (Starting FY 23/24)
- 191 Florida Arts License Plate Program Fund
- 196 State Mosquito Control Fund

As implied by each name of the Special Revenue Funds, the funds are restricted by Florida Statutes on the use of the collected revenues. The Special Revenue Funds with significant changes from the FY 21/22 Adopted Budget to the FY 22/23 Tentative Budget are highlighted in this overview.

The Debt Service Funds include, in order of Fund number:

- 215 Gas Tax Bond Sinking Fund
- 218 Debt Service Fund

Both Debt Service Funds track the debt service for any bond issues approved by the BOCC to fund capital construction projects, whether it is for roads (215) or buildings (218).

The Capital Projects Funds include, in order of Fund number:

- 305 Capital Outlay Reserve
- 310 2019 Loan Construction Projects Fund

Both Capital Project Funds support the expenditure of the bond or loan proceeds to construct buildings (305) or roads (310).

The Internal Service Fund is for the Group Self-Insurance (Fund 501) that services the employees and their dependents of the BOCC, Sheriff, Property Appraiser, Clerk of Courts, Supervisor of Elections, and the Tax Collector. This is a consolidated service not often found in the State of Florida.

More details about the planned revenues and expenditures will follow within each fund category, starting with the General Fund. The General Fund is the largest Fund in terms of both revenues and expenditures.

General Fund

Projected Revenues

The following scenarios were part of the budget preparation process for the projection of revenues:

- 1) Changes in the level of local economic activity
 - a) The recovery from the COVID-19 pandemic is most evidenced by the boom of continued development driving the growth in tax and non-tax revenues. Correspondingly, there is an increased cost to meet the greater volume of demand for services as well as the increase level of service requested. The overriding cost is the reduced supply of workforce driving an increase in wages.
 - b) The single-family building permit activity for the prior three calendar years was:
 - i) 2019: 2,727 new single-family homes
 - ii) 2020: 2,797 new single-family homes
 - iii) 2021: 3,882 new single-family homes
 - iv) 2022 is following a similar trend as the last two years
 - c) Overall building permitting activity for the prior three calendar years was:
 - i) 2019: 14,884 permits
 - ii) 2020: 20,687 permits
 - iii) 2021: 20,141 permits
 - iv) 2022 is following a similar trend as the last three years.
 - d) The Governor Rick Scott Industrial Park and other industrial properties from C-470 north to include SR 44 show an increased interest by manufacturers, trucking companies, and distribution centers for locating along I-75.
 - e) In the Governor Rick Scott Industrial Park, the industries operating at this location include The Villages® Daily Sun Print Plant, MiCo Customs (and a recent expansion underway), The Villages® Design warehouse, The Villages® Buying warehouse, DZ Precast Office and Truck Shop, DZ Precast Wall Panel Plant, DZ Redimix Plant, DZ Block Plant, and a new Asphalt Plant in the permitting process. Sumter County and The Villages® Land Company approved a joint agreement for the construction of a rail spur to this industrial park with a commitment from the developer to construct a trans flow facility that will create more opportunities for our local industry, including those not in the Governor Rick Scott Industrial Park. The switchgear for the spur was completed by CSX during FY 20/21. The opportunities from this future rail spur include shipping and receiving goods by rail, which could reduce their cost to ship or receive goods as well as increase partnerships with our Florida ports.
 - f) In the Shamrock Industrial Park, the manufacturer, MAPEI, Inc., received an incentive for its operational expansion and advanced its plans for the

- addition of a manufacturing wing by starting construction during FY 20/21, earlier than anticipated. MAPEI's new expansion is nearing completion and will more than double its facility size. MAPEI is investing over \$20M in the expansion.
- g) In the North Wildwood Industrial Park, Salty Boats executed an incentive agreement to support their manufacturing expansion in Sumter County with the expectation of \$800,000 in capital expenditures.
 - h) In the industrial area at C-470 and I-75, Trademark Metal Recycling (TMR) executed an incentive agreement and recently broke ground on an estimated capital investment of \$120M, exceeding their incentive agreement commitment. This facility will provide specialized metals recovery next to the landfill in Bushnell.
 - i) The Pike 75 Industrial Park is anticipating the location of Project Teal which the BOCC approved an incentive agreement to locate their manufacturing operation at this location. This park is also changing ownership with an anticipated warehouse distribution building available for lease.
 - j) The industrial areas immediately near the I-75 and SR 44 interchange are targeted and in the process of being acquired by trucking companies with drop and terminal operations that will further boost the interest of manufacturers and distribution operations in Sumter County.
 - k) The growing interest in Sumter County as a location for agribusiness included the recent groundbreaking by Heartland Food Products Group in Lake Panasoffkee producing stevia for their various products. Green Life Farms announced their plans to locate greenhouse production on CR 229 near the I-75 and SR 44 interchange across from the agribusiness, Agromillora Florida, Inc. Agromillora expanded its facility during FY19/20 and again during FY 20/21.
- 2) Federal economic and workforce changes
- a) The rate of increase in the consumer price indices and spikes in fuel prices are strong indicators of the federal government's lack of anticipating or managing inflation. The current efforts by the Federal government to slow rate of overall inflation may not stop the arrival of another recession within this Tentative Budget's proforma fiscal years. The increase in interest rates by the Federal Reserve may slow the demand for house purchases and impact the rate of growth in the State of Florida and in Sumter County. Federal economic and workforce changes combined with a continued lag in supply chains further exacerbate the costs and ability for companies to accurately predict the return on their capital investments that also curb the current rate of growth.
 - b) The American Rescue Plan Act (ARPA) provided the first half of the total allocation for Sumter County of \$12,860,516.50 in August of 2021 and the second half will be provided in August of 2022. Sumter County has been allocated \$25,721,033 in total funds. As these federal funds constitute a one-time revenue, they should be matched with one-time capital expenditures. The Act identifies a well-defined use for capital expenditure for water/sewer and broadband projects. These are the two primary areas

- the BOCC supports the use of these funds. In this Tentative Budget, the water and sewer projects committed or planned will assist all five cities and the Village Center Community District with their water or wastewater capacity needs. A study for the feasibility to provide a wastewater system for Lake Panasoffkee is also included. Broadband expansion through public-private partnership approved by the BOCC in May 2022 is included in this Tentative Budget. The balance of the funds will reimburse Sumter County for ambulance purchases for the Sumter County Fire & EMS Department and to offset local funding costs of the Health Department. The ARPA funds must be incurred and obligated by December 31, 2024, and work completed with all funds expended by December 31, 2026. This influx of federal funding with most communities in the nation simultaneously focusing on water and sewer projects exacerbates the supply chain issues for construction materials and adds inflationary costs to the same.
- c) During the COVID-19 pandemic, development continued, particularly in The Villages® development, as the developer reduced the focus on residential construction and increased the focus on commercial construction. It is this type of partnership with local businesses supporting the jobs in our community that prevented the sharp decline in property values in Sumter County during the Great Recession.
- 3) Changes in state tax and expenditure policies
 - a) The State of Florida Governor signed into law HB1563 to authorize the legislature to provide a new homestead tax exemption for classroom teachers, law enforcement officers, firefighters, emergency medical technicians, paramedics, child welfare professionals and active-duty members of the United States Armed forces or members of the Florida National Guard. The bill provides that any of the defined people who hold legal or beneficial title in equity to real property in this state and makes such property their or their dependent's permanent residence is entitled to an exemption of up to \$50,000 on the property's value between \$100,000 and \$150,000, for all levies other than school district levies.
 - 4) Federal and State mandates requiring local expenditures
 - a) The Medicaid and Health Care Responsibility Act mandates budgeting for the maximum expenditures for each based on population. As one of the fastest-growing counties in the nation, increases in the budget are assumed to continue, and for FY 22/23, the amount budgeted is \$1,436,925.
 - b) The State mandates from the Marjory Stoneman Douglas High School Public Safety Act required the local schools to institute additional safety officer positions. Although the local schools are the responsible party for these costs, the BOCC became a financial and contractual partner with the Sheriff and The Villages® Charter Schools and School Board to provide additional School Resource Officers.
 - 5) Changes in financial markets

- a) The rise in the low-interest rates for residential mortgages slow the demand for new homebuyers as well as for commercial investors.
- b) The federal discussions to increase the corporate tax rates may have an impact on the volume of commercial and industrial development activities in future years.
- 6) Major demographic changes
 - a) Many older adults in Sumter County spur the growth in the number and quality of medical services in Sumter County, such as freestanding emergency rooms, future hospitals, and specialty medical care.
 - b) The need to diversify the economy remains a priority due to the demographic growth and significant portion of the taxable properties being residential.

These local, state, and federal changes, coupled with the primary assumptions noted below, including those that are tax and non-tax-generated, will influence revenue estimations. Using moderate economic and demographic assumptions to develop fiscal projections implies that all reasonable efforts of considering mitigating factors occurred. It is likely that unanticipated events can affect the long-term projections of revenues or expenditures in the future.

Demographic Assumptions

The continued growth of The Villages® age-restricted and non-age-restricted residential developments assumes a contribution rate of an average net gain of 3,000 people per year. Based on the residential home construction rates, this assumption continues to be valid. Despite the potential of a recession, the restrictions of personal freedoms imposed in other states as demonstrated during the COVID-19 pandemic is driving more migration to Florida. These countering forces support the continuation of the average net gain through 2035.

Policy Assumptions

The FY 22/23 revenue resource estimates align with the Financial Policies of the BOCC. The assumption is the Financial Policies will be in effect through the five-year budget period unless otherwise modified by subsequent legal actions, budgetary changes, or actual economic conditions. This Tentative Budget document includes the countywide fire district municipal benefit service unit (MSBU) at its cap of \$125.00 per improved parcel and the current annual rate of \$124.00 per improved parcel. The BOCC decision to delay changing the cap to consider future assessment increases required other General Fund revenues, including property taxes, to support the FY 22/23 increases in the Fire & EMS operations. The Independent Fire District for The Village Center Community Development District service area is assumed to be approved by the voters in November 2022 with an effective date for its funding of the service in the area effective October 1, 2023. This assumption is represented in the five-year operational budget (Proforma) starting in FY 23/24 through FY 26/27. The

notable changes are the General Fund with a reduction in the Ad Valorem tax revenue and the elimination of the assessment revenue. In addition, the direct subsidy to the Village Center Community Development District is eliminated and the Sumter County Fire & EMS direct expenditures are moved to a new Fund 182 starting in FY 23/24. Included in this Tentative Budget is the addition of revenue to the General Fund for support services to the two fire districts related to fleet maintenance, extra-jurisdictional dispatch services, or facility/information technology-related billing for reimbursement from each district. A study for Sumter County Fire & EMS (Fund 182) is assumed to be completed for implementation on October 1, 2023 along with the rates for emergency transport billing, the MSBU assessment, and the geographic area of service for the separate MSTU Ad Valorem revenue.

Economic Assumptions

Revenue projections depend on the current and projected indicators of national, regional, and local economic conditions. Such signs include short-term interest rates, stock market fluctuations, employment rates, residential and industrial construction, housing and retail sales, and inflation. Assumptions for each of these indicators influence revenue projections over the five-year budget period. The State of Florida revenue estimates will be provided starting in July 2022 and will replace those that were internal projections.

Revenue Sources Used for the Projections

The General Fund has seventy-six (76) sources of revenue less various interest accounts. The largest single revenue source is the Ad Valorem (Property Tax). It is also an inelastic revenue source not subject to fluctuations by consumer activities compared to elastic revenue sources such as sales taxes.

The other major sources of revenue include local option sales tax, intergovernmental transfers, charges for services, and non-Ad Valorem fire assessment. All but the non-Ad Valorem fire assessments are considered elastic revenue sources. In following the BOCC financial policies, revenue is estimated using the State's revenue estimates. The local option sales tax is projected with a 1.3% decrease from FY 21/22 Adopted Budget due to clearing the major impacts of the pandemic.

Setting the millage rate at the rolled-back rate is legally neither a tax increase nor a tax decrease. Setting the millage rate higher than the rolled-back rate is a tax increase. Based on the Property Appraiser's certified values, the rolled-back rate is 5.5936 for the tax year of 2022 (FY 22/23). This Tentative millage rate of 5.5900 would support Sumter County having the lowest non-coastal county total millage rate in Florida. The millage rate of FY 21/22 was 6.1500; therefore, the change of the millage rate to 5.5900 is a 9.11% reduction.

This balanced Tentative FY 22/23 Budget uses this tentative millage rate of 5.5900 and would equal the same millage rate set in 2016.

The Tentative Budget balances the expenditures with revenues for each of the funds. The total projected General Fund Revenue for FY 22/23 is \$185,563,877. The revenue projection increased by \$18,949,295 compared with the FY 21/22 Adopted General Fund Budget. This increase includes the ARPA and cash balance forward (one-time revenue source). The Ad Valorem (Property Tax) revenue is \$94,976,602 or (51.18%) of all General Fund sources of revenue. Please note that the State of Florida limits local governments to budgeting only 95% of its recurring revenue sources such as the property tax.

Projected General Fund Expenditures

The expenditure budget process is a modified zero-based process that requires a review of the detailed justifications and priorities for all requested expenditures while reviewing prior trend data.

Sumter County carries the major burden of public safety and essential services countywide due to the effectiveness and efficiencies through the consolidation of municipal government services. Consolidated services include veteran services, law enforcement, 911 call taking/dispatch, emergency management, fire & emergency medical services (EMS) of which the Villages Center Community Development District (VCCDD) as delegated authority through September 30, 2023 to provide this service in a descript service area. Additional consolidated services include household hazardous waste amnesty events, planning, building services, driveway permitting, transportation impact analysis reviews, housing, economic development, tourism, regional road construction and maintenance, street lighting on regional roads, animal services, mosquito control, fleet maintenance, geographical information systems (GIS), street addressing, traffic signalization, code enforcement, library services, flood plain management, stormwater basin studies, transit services, and the public safety radio system.

The Tentative Budget contains a five-year operational budget (Proforma) with a comparison of the Tentative Budget to the prior year adopted and amended budget and a five-year capital improvement plan. This projected expenditure budget section of this presentation summarizes only the significant changes in Personnel, Operating, and Capital. The General Fund is the primary focus in this presentation; however, other funds are highlighted for any significant changes in the Tentative Budget.

Personnel Overview

The single largest operational expenditure in a local government's budget is the cost of salaries and benefits.

For the elected officials, the maximum salaries are set by the State of Florida each September per Florida Statutes Chapter 145.001.

The participation of Sumter County BOCC and Constitutional Officers in the State of Florida Retirement System (FRS) is mandatory per Florida Statutes Chapter 121; therefore, the budgeted contribution rates follow the directive received from the State of Florida in July of each year.

Sumter County has an additional mandate to participate in the State of Florida Retiree Health Insurance Subsidy (HIS) Program that is also a cost-sharing, multiple-employer defined benefit pension plan per Florida Statutes Section 112.363.

The Tentative Budget includes funding for positions as noted below:

- BOCC totals a net increase of forty-two (42) positions for a total of 290 positions (278 full-time and twelve (12) part-time).
- The Supervisor of Elections has no changes with fourteen (14) positions.
- The Sheriff's Office totals a net increase of sixteen (16) positions for a total of 382 positions.
- The Tax Collector totals a net increase of four (4) positions for a total of thirty-eight (38) positions.
- The Clerk of Courts has no changes with sixty-one (61) positions.
- The Property Appraiser has no changes with twenty-seven (27) positions.

Included in this budget is a 5.9% cost-of-living increase for the Sumter County BOCC and Constitutional Officers to provide to their employees per their policies.

In addition to the summary of position changes that occurred in FY 21/22 and proposed for FY 22/23 are provided in the following table:

BOCC		
Position	Division	Description
<i>Additions</i>		
Two (2) Fire Inspector	Fire and EMS Division	Proposed for FY 22/23 - To provide community risk production programs and annual commercial fire inspections
Two (2) Division Chief	Fire and EMS Division	Approved FY 21/22 - EMS Transport transition
One (1) Assistant Employee Services Manager	Employee Services Division	Proposed for FY 22/23 - To support additional demand
Thirty-six (36) Fire Fighter/Paramedic or EMT - Fulltime	Fire and EMS Division	Proposed for FY 22/23 - To support additional needs
Three (3) Lieutenant	Fire and EMS Division	Proposed for FY 22/23 - EMS Transport transition and transition of existing Firefighter/EMT's with Paramedic Certifications to Firefighter/Paramedic positions
Ten (10) Fire Fighter/Paramedic Part-time	Fire and EMS Division	Approved FY 21/22 - Per BOCC directions from 5/24/22
<i>Reclassifications and Reassignments</i>		
Reclass Development Technician to Public Safety Network Specialist	Emergency Communications Division	Approved FY 21/22 - Per BOCC direction from 5/24/22
Reclass Emergency Management Technician to Public Safety Network Specialist	Emergency Communications Division	Approved FY 21/22 - Per BOCC direction from 5/24/22
Reclass of Animal Control Officer to Animal Control Technician	Animal Services Division	Approved FY 21/22 - Per BOCC direction from 5/24/22
Reclass of Animal Control Officer to Veterinary Technician	Animal Services Division	Approved FY 21/22 - Per BOCC direction from 5/24/22
Reclass of Animal Control Officer to Library and Centralized Administration Manager	Administrative Services Division	Approved FY 21/22 - Per BOCC direction from 5/24/22
Reclass of Administrative Services Manager to Administrative Services Director	Administrative Services Division	Approved FY 21/22 - Per BOCC direction from 5/24/22
Reclass of Chief Fire Inspector to Assistant Building Official	Building Services Division	Approved FY 21/22 - Per BOCC direction from 3/22/22
Reclass of Economic Development Specialist (PT) to Planner	Planning Services Division	Approved FY 21/22 - To support additional needs in Development Services
Reclass of Maintenance Technician to Assistant Facilities and Parks Manager	Facilities and Parks Division	Approved FY 21/22 - Per BOCC direction from 2/8/22
Reclass of Two (2) Captains and Two (2) Division Chiefs	Fire and EMS Division	Approved FY 21/22 - Per BOCC direction from 12/14/21
Reclass Fleet Technician to Planner	Planning Services Division	Approved during FY 21/22 - Per BOCC direction from 2/22/22
Reclass Inventory Technician to Purchasing Technician	Purchasing Division	Proposed for FY 21/22 - To support additional needs

Constitutional Officers		
Position	Division	Description
<i>Additions</i>		
Two (2) Customer Services Specialist	Tax Collector	Proposed for FY 22/23 - Position required due to efficiencies and contract support volume
Processing Technician	Tax Collector	Proposed for FY 22/23 - Position required due to efficiencies and contract support volume
Tax Department Technician	Tax Collector	Proposed for FY 22/23 - Position required due to efficiencies and contract support volume
<i>Reclassifications and Reassignments</i>		
Tax Department Coordinator moved to Tax Department Manager	Tax Collector	Proposed for FY 22/23 - To support additional needs

Division Operating Overview

Fire & EMS

Sumter County Fire & EMS has increased costs for the transition to EMS transport starting October 1, 2022 as well as staffing Station 30 adjacent to the City of Coleman. The first phase of these costs are presented in the General Fund in FY 22/23 and in Fund 182 for the following fiscal years. The two collective bargaining units are in negotiations for an agreement with the BOCC and targeting their effective date as October 1, 2022 for a two-year duration.

The Village Center Community Development District (VCCDD) has its final subsidy in the General Fund in FY 22/23, and then in the following fiscal years, it is assumed these operations will be within an independent district if approved by the voters in November 2022.

911 Public Safety Emergency Communications

The 911 Public Safety Emergency Communications is a consolidated service for all of Sumter County. Current discussions with the VCCDD will also provide for fire and EMS dispatch for the VCCDD in the Lake County and Marion County service areas of The Villages® development.

Public Safety Radio Communications

The Public Safety Radio Division is a consolidated service for all of Sumter County, including the School Board, the VCCDD, and all five municipalities. The system is designed to meet the simulcast capacity for all users, and the department is responsible for the maintenance and upgrade plan for the original design. The initial payments of the no-interest, five-year term financing from

Motorola provides for the completion of the replacement of the first set of radios countywide. This project allowed for improved system capacity for current and future demands.

Animal Services

Animal Services is a consolidated service for all municipalities within Sumter County and is achieving regularly a minimum 90% live release rate. Staffing is in reorganization with the new Veterinarian on staff, and that position will oversee the kennel operations while the Animal Services Manager will focus on the community support outside of the kennel operations.

Public Works

The Public Works Department consists of five divisions: Design, Construction, Facilities and Parks, Operations, and Fleet/Transit. All divisions except Fleet/Transit participate in stormwater management plan activities. The department manages various infrastructure projects, and responsibilities include utility permits in rights-of-way, traffic impact analysis, reviews for subdivision plats, regional road design, line of sight, regulatory signage, and road maintenance.

Facilities and Parks oversee the capital building projects and maintenance of all County facilities. The proposed building and park projects are found in Fund 305 and Fund 123. The General Fund has the required funding of predictive and preventive maintenance for each of the facilities and parks.

Recreational facilities funded by the Florida Department of Environmental Protection (FDEP) through two Florida Recreation Development Assistance Program (FRDAP) grants in 1997 and 1998 for the Croom-A-Coochee Park, of which the BOCC only owns half of the park. These grants are nearing the end of the obligations after twenty-five (25) years. The 25-year grant obligations expire September 28, 2023 and July 31, 2025 respectively.

Solid Waste and Recycling is included in the Operations Division. This Tentative Budget includes the continuation of the four events per year for the household hazardous waste amnesty day at Lake Okahumpka Park (three-times) and the Sumter County Fairgrounds. The Citizen Drop-off Area will have its annual fee review by staff to confirm the rates cover the costs of the service with the exclusion of the costs of the four household hazardous waste day events.

Transit (Fund 116) is a consolidated service with all the municipalities and relies on user fees, grants, and the General Fund transfer to fund the operation. Fleet is a consolidated service with four of the five Constitutional Officers and the VCCDD. Starting in FY 23/24, the service to both Fire and EMS operations in Sumter County will be billed for these services. The General Fund shows the

anticipated revenues to offset these costs as well as the proposed Fund 182 in FY 23/24 reflecting the proposed future billing.

The Design and Construction Divisions manage the road projects found in Funds 106, 153, and 310 as well as provide additional support to the municipalities including oversight of the ARPA water and sewer projects in the General Fund.

Fund Reserves

Moody's Investor Service's Issuer Comment February 28, 2022, showed Sumter County an ESG Credit Impact Score of CIS-2, which is neutral to low. In June of 2021, the methodology was changed for assessing environmental (E), social (S) and governance (G) risks, collectively ESG in the credit analysis for all sectors globally. This rating reflects moderately negative exposure to environmental risks that is partially mitigated by the area's extensive infrastructure development and planning with neutral to low exposure to social issues, and robust governance. The county also benefits from external financial and capital investment from other levels of government and other organizations to combat environmental challenges. These initiatives support the County's resilience and capacity to respond to external shocks.

Reserve for Contingency

Sumter County Financial Policies set a minimum General Fund Reserve for Contingency (RFC) at five percent (5%) and a maximum of ten (10%) percent of the General Fund operating expenditures excluding other reserves and transfers. The Tentative Budget has the RFC at \$8,434,756, which is the five percent (5%) minimum of the General Fund operating portion of the fund. The basis for maintaining the RFC is to provide funds for unforeseen circumstances such as major weather events or pandemics.

Reserve for Cash Balance Forward (RCBF)

The Sumter County Financial Policies set a minimum General Fund Reserve for Cash Balance Forward (RCBF) at five percent (5%) and a maximum of ten percent (10%) of the General Fund operating expenditures excluding other reserves and transfers. Based on the amount of prepayment of property taxes in Sumter County and to reduce the millage rate for FY 22/23, the Tentative Budget has the RCBF at \$8,434,756 or (5.0%). The RCBF was at five percent (5%) for the FY 21/22 Adopted Budget. The secondary benefit of the RCBF is to reduce the fluctuation and reliance on the budgeted cash balance forward revenue since it is a one-time revenue source. The policies now align to provide financial stability for the first quarter of the fiscal year.

Reserve for Other Post-Employment Benefits (OPEB)

Governmental Accounting Standards Board (GASB) Statement 45 requires updating the Other Post- Employment Benefits (OPEB) net obligation valuation every two years. Post-employment healthcare benefits are the most common form of OPEB. Funding of OPEB is not required; therefore, the BOCC ceased funding this reserve.

Special Revenue Funds

Highlighted in this presentation are those funds with significant changes from the FY 21/22 Adopted Budget to this FY 22/23 Tentative Budget.

County Transportation Trust Fund (103)

The County Transportation Trust Fund (103) receives fuel taxes as its primary revenue source. Fuel taxes grow at a slower rate compared to other revenues that correlate to population growth due to the use of electric vehicles and more fuel-efficient vehicles. The fuel taxes are not a percentage of the sale of fuel but a fixed amount per gallon of type of fuel. Fund 103 transfers out all of its revenue first to Fund 215 to meet a portion of the debt service associated with the CR 525E and Buena Vista Boulevard expansion projects. The remainder of the revenue is transferred to the Secondary Trust Fund (106). The 3rd, 4th, and 9th cent fuel taxes were renewed effective January 1, 2022 per Florida Statutes. The 9th cent fuel tax is no longer shared with the municipalities due to the regional road responsibilities consolidated with Sumter County. The Constitutional Fuel Taxes (20% of the 5th and 6th) will be required to be formally re-imposed in 2026.

Secondary Trust Fund (106)

The revenue sources for Fund 106 include the transfer provided by Fund 103, Constitutional Fuel Taxes (80% of the 5th and 6th), Small County Outreach Program (SCOP) state grant funds, Small County Resurfacing Program (SCRAP) state grant funds, Local Agency Program (LAP) federal grant funds, the Department of Economic Opportunity (DEO) grant reimbursement revenues, other grants, and transfers from the General Fund as required. There are no General Fund transfers in the Tentative FY 22/23 Budget or in the five-year operational (Proforma).

The Fund 106 expenditures include a transfer of a portion of the revenue to Fund 215 to meet its portion of the debt service. The balance of the expenditures include the road projects funded by grants, the portion of the grants requiring matching local dollars, and local-only funded projects that include the obligations of The Villages[®] Companies Regional Road Agreement (Agreement). This Agreement was anticipated to be a \$277,000,000 obligation with a return

estimate of over \$10,000,000,000 in capital investment for the duration of the Agreement. Within the first full three years of the Agreement, Sumter County realized over \$2,000,000,000 in capital investment; therefore, the estimated return will be greater than anticipated over the life of the Agreement.

The Fund 106 road projects are detailed in the Capital Improvement Project (CIP) portion of the Tentative Budget documents.

Boater Improvement Fund (123)

The new project for this Fund is the addition of a self-contained bathroom at the Coleman Boat Ramp to eliminate the current use of a porta potty.

Building Services Fund (124)

Presently there is no indication that the revenues will not cover the planned expenditures; therefore, no additional increase in rates is recommended at this time.

Road Impact Fee Fund (Fund 153)

The CR 229 widening project from SR 44 to C-462 is funded by road impact fees due to the growth along this road and within the I-75 and SR 44 interchange. This project is planned for completion during FY 22/23 as the utilities are nearing the completion of their relocation.

The signalization and intersection improvement at NE136th and US 441 is planned for completion during FY 22/23 as well as the signalization at Peppertree Ln and US 301

This Fund will make the first payments to The Villages® Companies for the zero percent interest rate and five-year term for the construction cost reimbursement of the regional roads associated with The Villages® Companies Regional Road Agreement. As noted in the description for Fund 106, the Road Impact Fee Fund reflects the first portion of the funding of this Agreement.

The BOCC approved the Twisted Oaks Road Impact Fee Agreement that includes reimbursement to the Twisted Oaks developer for the realignment of C-462 at US 301 from West of US 301. The BOCC will provide the direct design, permitting of construction of the improvement including signalization within the US 301 right-of-way and East of US 301.

The road impact fee rate study adopted in 2019 is valid for five years; therefore, a new study will be required to start no later than January 2024.

Debt Service Funds

Fuel Tax Bond Sinking Fund (Fund 215)

This Fund was created during FY19/20 to provide the debt service location for the bond proceeds presented in the Capital Fund 310. The debt service in Fund 215 is backed by the Constitutional Fuel Taxes noted by the transfers from Funds 103 and 106.

Debt Service Fund (Fund 218)

This Fund contains the pledged revenues from the half-cent sales tax, state revenue sharing, and pari-mutuel funds to pay the principal and interest of the Hancock Bank 2003 Series Bond Refunding, TD Bank 2006 Series Bond Refunding (2015A), 2015B Series Bond , and 2020 TD Bank Bond. After satisfying the debt service payments, surplus funds transfer to the General Fund.

For both Debt Service Funds, all current debt obligations in these funds conclude by the end of 2035.

Capital Funds

The Capital Outlay Reserve Fund (Fund 305), and 2019 Loan Construction Projects Fund for two road projects (Fund 310) comprises the Capital Funds.

Capital Outlay Reserve Fund (Fund 305)

The Capital Outlay Reserve Fund receives a transfer from the General Fund to support the vertical construction projects not funded by debt service. Included in the projects are the future service center intended to meet the growing service area of The Villages® development, equidistant from the Courthouse complex and The Villages Sumter County Service Center, and provide the permanent meeting location of the meetings of the BOCC and its committees. Additional projects include the solar power project for the Courthouse complex, providing security fencing for the Courthouse and the upgrade of the Sumter County Wayfinding Signage project. Also included is a future building for the Supervisor of Elections that is necessary to replace the existing office and election equipment warehouse. A tactical shooting range and operation center for the Sumter County Sheriff's Office will replace the current facilities that will be displaced due to the planned sale of county property.

2019 Loan Construction Projects Fund (Fund 310)

This fund was created during FY19/20 to account for the bond proceeds used to design, acquire right-of-way, and construct the extension of Buena Vista

Boulevard south of SR 44 to connect to the roundabout at Meggison Road. This project will be completed in FY 23/24. The fund also provided for the realignment and improvements of CR 525E from US 301 to connect to CR 525E west of CR 525 that was completed in FY 22/23 except the CSX portion of this project. This Fund will be closed out at the end of FY 23/24.

Internal Service Funds

Group Insurance Fund (501)

The only internal service fund is Sumter County's self-insurance fund for its health and dental plan and voluntary coverages for the retirees, employees, and dependents of its employers (BOCC and all five Constitutional Officers). The BOCC approved the changes to the plan effective October 1, 2022, at its February 2, 2022 meeting. The changes include increasing the employee/retiree portion as well as the employer portion of the premium.