



INTRODUCTION AND OVERVIEW

2004 – 2005 Proposed Resource Allocation and Multi-Year Capital Plan

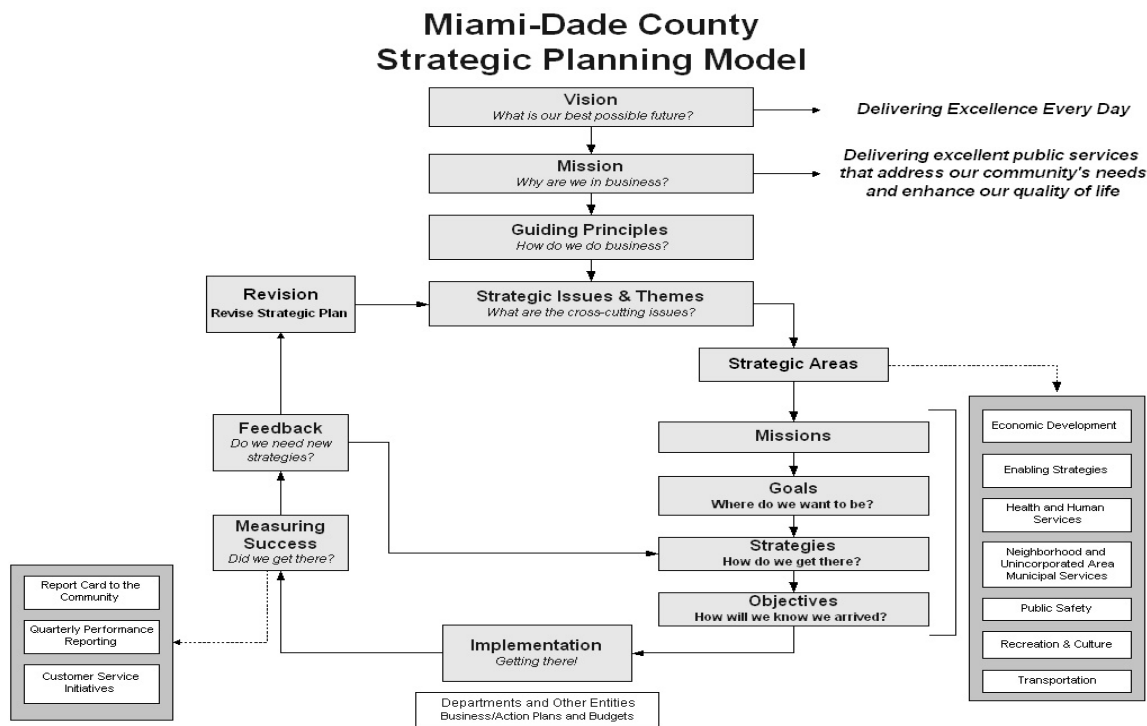
INTRODUCTION

The development of the Miami-Dade County Proposed Resource Allocation and Multi-Year Capital Plan and its submission to the Mayor and Board of County Commissioners (BCC) represents the culmination of countless hours of analysis and deliberation by County staff. Due in large part to the early participation and active involvement of the elected officials, this Resource Allocation Plan reflects the priorities of our community. The task of matching strategic priorities for services with available resources, while minimizing the burden of taxes and fees, is challenging and requires extensive consideration. In accordance with growth management guidelines, the Proposed Multi-Year Capital Plan is also submitted at this time as part of the Proposed Resource Allocation document. The Miami-Dade County, Florida Annual Report to Bondholders, Series 8 contains information related to County debt and, as such, is a companion document to the Proposed Resource Allocation and Multi-Year Capital Plan. The FY 2004-05 Final Adopted Business Plan and Resource Allocation Plan will be prepared after the budget hearings in September to provide an overview of the budget process, to summarize the final budget decisions, and to update the County's Five-Year Financial Outlook.

Strategic and Business Planning for Delivering Excellence Every Day

On June 3, 2003, the Board of County Commissioners adopted Resolution R-664-03, Miami-Dade County's Strategic Plan community goals and key strategic outcomes, and on April 13, 2004, adopted the County's vision statement – "Delivering Excellence Everyday." The plan lays out the County vision, mission, goals, objectives, supporting strategies, and preliminary key performance indicators.

It is a strategic roadmap – one that articulates where we want to be, how we will get there, and how we know when we've arrived.



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Departments refine their specific operational initiatives and their linkages with organizational strategies as they prepare their annual business plans. In some cases, initiatives may not be sufficient to achieve all strategic plan objectives. The strategic plan is a five-year plan; performance objectives identified may not be achieved until 2008. This process of managing resources to achieve business plan objectives that are guided by a multi-year strategic plan is a substantial undertaking and a significant departure from traditional government managing. As this results-oriented approach continues to mature, greater alignment between the strategic plan and departmental business plans will be achieved. This Proposed Resource Allocation Plan incorporates these results-oriented government concepts, with specific focus on performance measurement, into overall resource allocation decisions.

Each department continues to create and refine its operational performance measures to track progress towards achieving the intended outcomes contained in the strategic plan. Performance measures can be categorized into one of four categories:

1. **Outcome (effectiveness):** These measures depict the degree to which performance objectives are achieved, reflect the quality or customer satisfaction with a service, or combine a measure of effectiveness and efficiency into a single indicator. These measures focus on the final results of programs and activities.
2. **Efficiency:** These measures relate the resources used to perform the work and the amount of work actually performed. This measure is a ratio between inputs to outputs.
3. **Output (workload) measures:** These measures indicate the amount of work performed or the amount of services received.
4. **Input measures:** These depict the resources (employees, dollars, equipment, work hours) used in delivering a service or product.

Using these categories, departments create measures that reflect their operations from a balanced perspective. Department managers use performance measures, first, as a tool to improve performance and, second, to inform others about their progress towards achieving their objectives. Performance measures reported in the Proposed Resource Allocation Plan represent ongoing efforts to provide a balanced set of measures within a business-planning context.

Basic Budgeting Concepts

This section will help the reader better understand some of the terms and issues associated with government budgets in general and Miami-Dade County's budget, in particular. An annual budget is a financial, operating, and capital plan for the coming fiscal year. It provides an outline of proposed service levels provided to the citizen and public capital investments in the community. To emphasize the linkages among the annual budget development process, the strategic plan, and the departmental business plans, the budget document has been titled the Proposed Resource Allocation Plan.

Miami-Dade County's resource allocation plan is a tool that serves five purposes:

- **Planning:** The budget process is an annual plan for management of the County to coordinate and schedule programs and services to address the County's priorities.
- **Prioritization:** County resources to address needs identified by the Mayor, the BCC, and the County's strategic plan, are prioritized through this process.
- **Information:** The resource allocation document is the primary way for the County to explain to the public what it intends to do with the taxes and fees it collects. Through the resource allocation document, the public can see how and where tax dollars and other revenues raised by the County will be spent.
- **Evaluation:** The budget is used to help determine how well services are provided and how successful the County is in meeting the community's needs.
- **Accountability:** The budget is a tool for legally authorizing public expenditures and to account for and control the use of public resources.

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Fiscal Year

A fiscal year is a twelve-month cycle that comprises a budget and reporting period. The County's next fiscal year starts October 1, 2004, and ends September 30, 2005.

Millage Rates

The millage rate is a rate of taxation that is applied to property values to generate necessary revenue to pay for services proposed in the budget. The State Constitution places a 10 mill cap each on County (areawide) and municipal property tax rates.

The County actually has four operating millage rates; three (countywide, fire, and library) are subject to the County (areawide) 10 mill cap. The fourth is the unincorporated area millage, which is subject to its own 10 mill cap. In addition, the County has millage rates for voter-approved debt service. Debt service millage rates are not included in the calculation of total millages for operating purposes. The revenue raised from the debt service millage pays outstanding debt for voter-approved general or special obligation bonds. The County has debt service millages for voter approved countywide debt and for Fire-Rescue District debt.

A Mill of Tax

A mill is a rate of tax equal to \$1 for each \$1,000 of assessed taxable property value. If a piece of property has a taxable value of \$100,000 and the millage rate is 1, the property owner would pay \$100 in taxes. In Miami-Dade County for FY 2003-04 the average taxable value of a home, after taking into account the homestead exemption, is approximately \$114,096.

Calculation of Property Taxes

There are four factors for calculating the amount of property tax assessed on property:

1. The value of the property;
2. Adjustments for Amendment 10 of the Florida Constitution, if applicable [Amendment 10 to the State Constitution limits the growth in assessed value of residential properties with a homestead exemption to the lesser of the growth in the Consumer Price Index (CPI) or three percent (for FY 2004-05 such growth is limited to CPI growth of 1.9 percent)];
3. The amount of value that is not subject to taxes (e.g., the \$25,000 homestead exemption and the additional homestead exemption for senior citizens who meet income criteria); and
4. The millage rate.

According to state law, the County Property Appraiser determines the market value of each property in Miami-Dade County as of January 1 each year. Then Amendment 10 adjustments are applied to find the assessed value. Finally, appropriate exemptions are applied to reach the taxable value. The taxable value is then multiplied by the millage rates set by the BCC and by other taxing authorities in September to determine the amount of property taxes that must be paid for the property when the bill (also called the tax notice) is mailed in November.

For example, if a property's assessed value is \$125,000 and the owner is entitled to a homestead exemption (valued at \$25,000), then the taxable value of the property is \$100,000. When a millage rate of 25 is applied to the taxable value, the taxes would be \$2,500 per year. The calculation is performed by taking the taxable value (\$100,000), dividing by 1,000, and multiplying by the millage rate (25).

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Taxable Value and Millage Rates

The State defined rolled-back millage rate is the millage rate that, when applied to the tax roll for the new year, excluding the value of new construction, would allow the taxing authority to raise the same amount of property tax revenue for the new budget as it estimates to receive in the current year. Therefore, by excluding reassessments in its calculation, the rolled-back rate does not take into account inflationary growth in the County. The aggregate rolled-back millage rate is the sum of each individual rolled-back millage rates weighted by the proportion of its respective roll to the countywide tax roll.

While Miami-Dade is responsible under state law to collect all taxes imposed within the county, the County itself levies only certain taxes on the tax notice. Table 1.1 shows the millage rates and taxes paid in FY 2003-04 by a residential property located in unincorporated Miami-Dade with an assessed value of \$125,000 and a taxable value after homestead exemption of \$100,000. These rates include debt service as well as operating millages. The rates in italics are the ones levied by the Miami-Dade Board of County Commissioners.

Using the example of Table 1-1, of the \$2,220 of tax collected, \$597 or 26.9 percent is used for countywide services, \$552 for UMSA, Fire Rescue, and Library services (city-type services), and \$37 for countywide and fire rescue debt service. Overall, the County levies 53.4 percent of the property taxes.

For residents of municipalities, all of the rates would apply, except the individual municipal millage rate would be used in place of the UMSA rate. Some municipalities are not in the Fire Rescue District or Library System and, thus, those rates would also not apply to those property owners.

Authority	Millage Rate	Tax	% of Total
TABLE 1.1 FY 2003-04 Operating and Debt Service Tax Rates and Calculated Taxes for a Property with a Taxable Value of \$100,000 in Unincorporated Miami- Dade County (Taxes are rounded)			
<i>UMSA Operating</i>	<i>2.447</i>	<i>\$245</i>	<i>11.0%</i>
<i>Countywide Operating</i>	<i>5.969</i>	<i>\$597</i>	<i>26.9%</i>
<i>Fire-Rescue Operating</i>	<i>2.582</i>	<i>\$258</i>	<i>11.6%</i>
<i>Library System</i>	<i>0.486</i>	<i>\$49</i>	<i>2.2%</i>
<i>Countywide Debt Service</i>	<i>0.285</i>	<i>\$29</i>	<i>1.3%</i>
<i>Fire-Rescue Debt Service</i>	<i>0.079</i>	<i>\$8</i>	<i>0.4%</i>
Total to County	11.848	\$1,186	53.4%
School Board	9.100	\$910	40.9%
Children's Trust	0.500	\$50	2.3%
Everglades	0.100	\$10	0.5%
Water Management	0.597	\$60	2.7%
Inland Navigation	0.0385	\$4	0.2%
Total	22.1835	\$2,220	100%

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Budget Development Process

Pursuant to Article 4 of the Miami-Dade County Charter, the County Manager is required to recommend a proposed budget to the Mayor and BCC between June 1 and July 15. The Mayor is then required to prepare a written response to the County Manager's proposed budget and present it to the BCC on or before the BCC adopts the proposed millage rates, which usually occurs at the last BCC meeting in July.

Although submission of the proposed budget occurs between June 1 and July 15, budget development actually is a year-round process. As the fiscal year begins, departmental staffs update their business plans. In December and January staff complete initial projections and estimates of revenues for the current and ensuing fiscal years. In January, the County Manager submits a list of recommended budget priorities to the Board. In March, the Mayor delivers a budget address putting forth his funding priorities. The Board defines its budget policies in April to guide budget preparation.

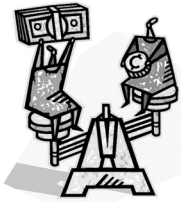
In February, County departments submit their resource allocation requests to the Office of Strategic Business Management (OSBM). Those requests are linked to the priorities in the departmental business plans. Resource Allocation meetings are held with the departments, County Manager's Office, and OSBM to discuss service priorities and to begin the process to match them with available resources. The work requires numerous meetings among County staff to discuss and evaluate proposed service levels and funding.

It is important to note that there are certain budget-related deadlines established by state statute. By July 1, the Property Appraiser certifies the Final Preliminary Property Tax Rolls. In July, the Board determines the proposed millage rates to be used to calculate the estimated taxes published in the "Notice of Proposed Property Taxes" sent to each property owner in August. That determination is a significant point in the budget development schedule since the millage rates set by the Board in July effectively represent a ceiling for property taxes for the ensuing fiscal year.

In accordance with Resolution No. R-1018-94, public meetings are held throughout the unincorporated area in August to discuss proposed new or increased fees and taxes. These meetings also serve as a forum to describe the budget to the Community Councils and the public. As required by state law, two public budget hearings are held in September prior to the adoption of the budget. At the conclusion of the second public hearing, which must be at least ten days before the end of the fiscal year, the Board makes final budget decisions, establishes tax rates, and adopts the budget ordinances for the ensuing fiscal year which begins on October 1. During the course of the fiscal year these budgets may be amended through supplemental budget appropriations approved the BCC.

RESOURCE ALLOCATION PROCESS
FISCAL YEAR 2004-2005

DECEMBER-JANUARY



RESOURCE ALLOCATION
FORECASTING FOR
COMING YEAR

JULY 1



TAX ROLL RELEASED

JANUARY



COUNTY MANAGER'S
RESOURCE ALLOCATION
PRIORITIES RELEASED

JULY



PROPOSED RESOURCE
ALLOCATION PLAN
PRESENTED

JANUARY-MARCH



DEPARTMENTAL
RESOURCE ALLOCATION
PREPARATION AND
MEETINGS

JULY



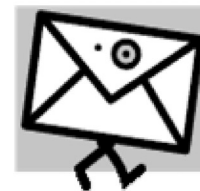
MAYOR'S RESPONSE TO
PROPOSED BUDGET

MARCH



MAYOR'S BUDGET
ADDRESS

JULY-AUGUST



PROPOSED MAXIMUM TAX
RATES ADOPTED BY
COUNTY COMMISSION;
NOTICES OF PROPOSED
TAXES MAILED

MARCH-MAY



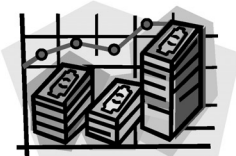
RESOURCE ALLOCATION
WORKSHOPS WITH
COUNTY COMMISSION
AND
COMMISSION COMMITTEES

SEPTEMBER



TWO PUBLIC BUDGET
HEARINGS

APRIL



COUNTY COMMISSION
APPROVES RESOURCE
ALLOCATION POLICIES

OCTOBER 1

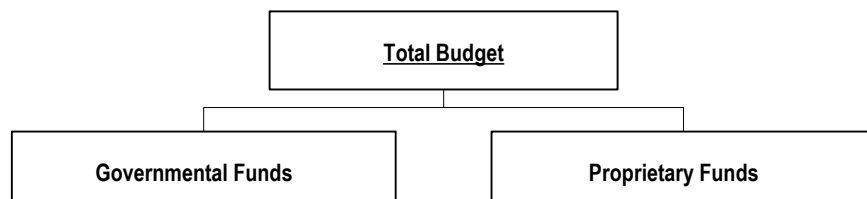


NEW RESOURCE
ALLOCATION PLAN
BECOMES EFFECTIVE

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Fund Structure

The following details the Miami-Dade County Fund Structure, describing the various funds and providing information regarding appropriations. A fund is a set of self-balancing accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives, as required by special regulations, restrictions, or limitations. Miami-Dade County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Only governmental funds and proprietary funds are appropriated as part of the annual budget. The budget ordinance that is presented to the Board of County Commissioners in September for the two public budget hearings follows such fund structure, but to simplify the presentation in Attachments E and H to this document, we separate the general funds (Countywide and Unincorporated Municipal Service Area), state funds, federal funds, and interagency transfers and reimbursements each separately, but all other appropriated funds are included in the total of proprietary, bond, and other funds.

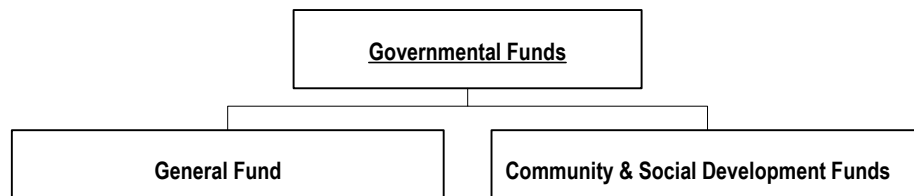


Governmental Funds

Governmental funds account for most of the County's basic services. General revenues, grants, or contributions principally support the activities reported in these funds. The following major governmental funds are included in the County's financial statements:

General Fund: The County's primary operating fund; also accounts for the financial resources of the general government, except those required to be accounted for in another fund.

Community and Social Development Funds: These funds account for revenues received from Federal and State grants for the operation of the Community Development Block Grants and low-income housing assistance and acquisition program, health and human services programs, and economic revitalization in empowerment zone areas.



Proprietary Funds

Proprietary funds are those funds where the County charges a user fee in order to recover costs. The County's proprietary funds are enterprise funds and internal service funds.

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Enterprise funds are used to finance and account for the acquisition, operation, and maintenance of facilities and services that are intended to be entirely or predominantly self-supporting through the collection of charges from external customers. The following major enterprise funds are included in the County's financial statements:

Miami-Dade Transit Agency: Operates the County's mass transit rail system, bus system, downtown metro-mover loop, and special transportation services.

Miami-Dade Solid Waste Department: Provides solid waste collection and recycling services to the unincorporated area of Miami-Dade County and some municipalities. Also provides solid waste disposal services to 17 municipalities and operates a variety of facilities, including landfills, transfer stations, and neighborhood trash and recycling centers.

Miami-Dade Seaport Department: Operates the Dante B. Fascell Port of Miami-Dade, which is home to nearly 20 cruise ships and serves numerous other cruise vessels. The Port also has a large container facility from which over 35 cargo shipping lines operate.

Miami-Dade Aviation Department: Operates and develops the activities of the Miami International Airport, four other general aviation airports, and one training airport.

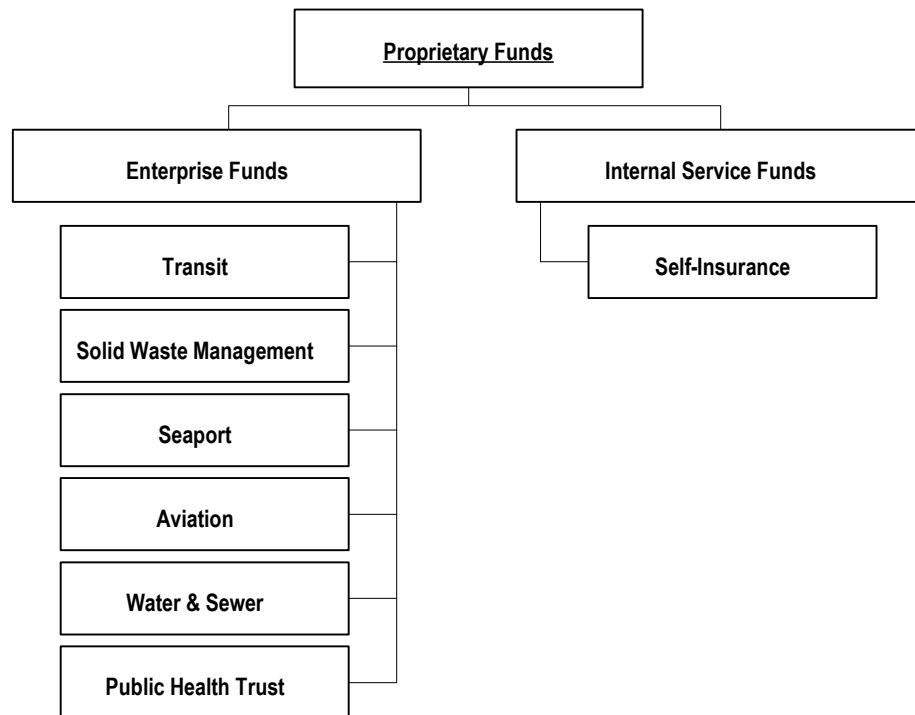
Miami-Dade Water and Sewer Department: Maintains and operates the County's water distribution system and wastewater collection and treatment system.

Public Health Trust (PHT): The PHT was created by a County ordinance in 1973 that provided for an independent governing body responsible for the operation, governance, and maintenance of certain designated health facilities. The PHT operates Jackson Memorial Hospital and Medical Towers, the North Dade Primary Health Care Facility, the Corrections Health Services Facility, the Liberty City Medical Facility, and other health facilities.

Internal service funds are used to report any activity that provides goods and services to other funds, departments, or agencies of the County, on a reimbursement basis. The following internal service fund is included in the County's financial statements:

Self-Insurance Fund: Accounts for premium payments received from participating municipalities and County departments for payment of claims under the Workers' Compensation, General Auto Liability, and Property Damage Insurance Plan administered by the County. Also accounts for medical, life, and disability insurance for County employees and their families.

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Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others. The County currently has funds held in an agency capacity for the Clerk of the Circuit and County Court and the Tax Collector, as well as other funds placed in escrow pending distributions. These funds cannot be used to support the County's own programs, and therefore, are not reflected in the government-wide financial statements and are not required to be appropriated as part of the annual budget.

Clerk of Circuit and County Court Funds: Accounts for funds received, maintained and distributed by the Clerk of the Circuit and County Courts in his capacity as custodian to the State and County judicial systems.

Tax Collector Fund: Accounts for the collection and distribution of ad-valorem taxes and personal property taxes to the appropriate taxing districts. Also accounts for the collection of motor vehicle registration fees and sales of other State of Florida licenses, the proceeds of which are remitted to the State.

Other Agency Funds: Accounts for various funds placed in escrow pending timed distributions.

Format and Presentation of Proposed Budget and Multi-Year Capital Plan

The Miami-Dade Proposed Resource Allocation Plan presents the full array of County operations. County departments are grouped into eight areas: policy formulation, six strategic service delivery areas (public safety, transportation, recreation and culture, neighborhood and unincorporated area municipal services, health and human services, and economic development), and enabling strategies. This grouping organizes the departmental narratives by the strategic area that they primarily support with service. The enabling strategies group is further subdivided into budget and finance and government operations. Each strategic area grouping of departments is separated in this book with a divider page that states the corresponding mission, goals, and priority key outcomes for that strategic area. This approach highlights the strong relationship between departments' operational plans (business plan and proposed expenditure allocations) and the strategic plan.

The format of the departmental detail has been completely revised for the Proposed Resource Allocation Plan in order to reflect the relationship between the strategic plan, business plans, and the recommended allocations and to address requests from members of the BCC to present for specific financial information. Individual department descriptions are divided into as

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many as eight sections. First, a brief summary describes the department's functions and stakeholders. Next there is a sample of performance measures in tabular and graphical format. The third section is the department's functional table of organization. The financial summary follows the table of organization. The financial summary has been expanded from past years to include a three-year comparison of detailed revenue sources, an operating expenditure summary, and non-operating expenditures, if any. Also included are current year and recommended allocations by strategic area and program along with current and proposed positions. A section on strategic planning priorities and budget highlights follows. That section includes the desired outcome from the strategic plan, service priorities, and performance impacts. The budget highlights include both operating and capital priorities. The next section is the capital budget summary, which includes revenues and expenditures for all prior years, FY 2004-05, and the next five years. The following section highlights selected budget line item details, comparing last year's actual expenditures with the current year's budget, and next year's proposal. The final section provides a narrative summary in "bullet" form of additional comments and highlights.

The attachments to the Proposed Resource Allocation and Multi-Year Capital Plan includes a more detailed version of the funding summaries grouped by strategic area and another table that consolidates all departmental expenditures into the categories of personnel, other operating, and capital, in accordance with generally accepted budgeting practices. The modified accrual basis of budgeting is used for governmental funds and the accrual basis is used for proprietary funds in this presentation.

Other important budget information, such as descriptions of the recommended millage rates and related property tax rolls, the County's population, social service program funding, tourist tax revenues, gas tax revenues, and community-based organization (CBO) funding, also can be found in the attachments. A glossary of terms used in the Proposed Resource Allocation and Multi-Year Capital Plan, a listing of the strategic plan desired outcomes, and an index can be found in the back of the book.

Where departmental reorganizations or realignments are recommended, the pertinent FY 2004-05 budget figures as well as the prior years figures, relating to both funding and staffing, have generally been adjusted so that they are comparable to the FY 2004-05 recommendation. This convention is used to isolate budget changes for comparative purposes by normalizing for organizational shifts.

Figures relating to budgeted and recommended staffing levels on the departmental pages and in the attachments are limited to full-time positions. Part-time, temporary, and seasonal positions are not included in the staffing figures but their costs are included in the proposed expenditures. Position totals in the current year budget columns are updated to reflect actions taken by the Board during FY 2003-04, such as budget amendments.

The FY 2004-05 Proposed Resource Allocation and Multi-Year Capital Plan merges the operating and capital budget into one document. An appendix to this document is also available containing detailed information regarding funded and unfunded multi-year capital projects, as well as information regarding non-bond related debt.

Countywide/Unincorporated Area Allocation

Consistent with its two-tier governmental structure, the County provides two basic levels of service: countywide metropolitan governmental services for all Miami-Dade County residents and municipal services for residents of the unincorporated area of the county (approximately half of Miami-Dade County's total population). The unincorporated area is known as the unincorporated municipal service area or UMSA.

The Miami-Dade operating budget separates countywide from UMSA appropriations. That separation ensures that residents pay only for the services they receive. The division of expenditures into countywide and UMSA services is relatively simple in most instances. Health care, mass transit, correctional facilities, and elections, for instance, are clearly countywide services. The Miami-Dade Police Department, Park and Recreation Department, Planning and Zoning Department, Public Works Department, and Team Metro, however, provide both countywide and municipal services. The costs requiring property tax support in those departments are allocated between the Countywide General Fund and the UMSA General Fund budgets. Each department's cost allocation is reviewed annually.

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Police services provided in the unincorporated area are similar to police services provided by municipal police departments. These services include uniform police patrols, general investigative services, school crossing guard program services, and community based crime prevention programs. Criminal and other specialized investigative activities primarily serve the unincorporated area, but also provide support to municipalities on an as needed basis. Those costs are allocated between the countywide and unincorporated area budgets based on relative workloads during 2003. Countywide police functions are generally the sheriff's functions and include the crime laboratory, court services, civil process, warrants, animal services, public corruption investigations, and portions of the communications and records bureaus. The expenditures of overall support functions such as the director's office, the legal and professional compliance bureaus, and information technology are allocated in accordance with the overall department-wide allocation between countywide and UMSA budgets. Un-reimbursed costs of police presence supporting municipal police departments at events of countywide significance as approved by the BCC should also be treated as countywide functions. The allocation of the police budget is 29 percent to the countywide budget and 71 percent to the UMSA budget for FY 2004-05, as compared to 24 percent and 76 percent respectively in FY 2003-04. The reduction in the allocation to UMSA reflects the contractual provision of services to newly created cities and the allocation of certain police expenses to municipal mitigation payments.

The Park and Recreation Department's expenditures are divided similarly. UMSA park facilities and recreational programs are local in scope and, therefore, are funded from the UMSA budget. Included in this group are community and neighborhood parks, community pools, and non-specialized recreational programming. Countywide park facilities and programs serve all county residents and include regional parks such as Amelia Earhart, Ives Estates, Tamiami, and Tropical parks, metropolitan parks, Metrozoo, cultural facilities, natural areas, and ocean beaches. In the FY 2003-04 budget, 14 parks that provide regional services were allocated to the Countywide General Fund budget. In several cases, those parks were slated to receive improvements funded through the financing proceeds backed by the Quality Neighborhoods Improvement Program (QNIP), which is generally an unincorporated area program. In order to be able to continue those improvements, the debt service payments associated with those projects are recommended to be made from the countywide budget (\$894,000). Administrative support and construction (planning, design, development, and maintenance) costs are allocated between the Countywide and UMSA budgets on the basis of the relative costs of direct services. Some countywide park facilities such as golf courses, marina and tennis centers, generate sufficient revenues to support their operations and do not require property tax support. Parks property tax supported costs are allocated 61 percent to the Countywide budget for FY 2004-05 as compared to 44 percent in FY 2002-03.

General fund support to planning functions within the Planning and Zoning Department is allocated based on proportions of workload that relate to the unincorporated area as compared to the overall county. Because most planning activities such as maintenance of the Comprehensive Development Master Plan, development reviews, preparation of special planning studies, and support of community councils are local in nature, the costs are allocated to the unincorporated area budget. Costs associated with the review of Developments of Regional Impact, area-wide economic forecasting and census related activities, however, are included in the countywide budget because of their area-wide significance. Planning general fund subsidies are distributed 77 percent from countywide and 23 percent from the unincorporated area as in the current year.

The Public Works Department's unincorporated area budget provides funding for local right-of-way maintenance activities which include pothole patching, paving, resurfacing, sidewalk repair, and landscape maintenance. Countywide Public Works Department responsibilities such as traffic control, traffic engineering design, mosquito control, arterial road maintenance, and bridge operations are funded from the countywide budget. Several direct services are both Countywide and UMSA funded. These include right-of-way, highway engineering, and right-of-way aesthetics and assets management. As in the case of the Parks Department, some Public Works services, such as causeways, are fully self-supporting and require no property tax support. Administrative costs are allocated on the basis of the relative costs of direct services. As a result of this year's review of the cost allocation method, countywide support next fiscal year will be 90 percent compared to 80 percent in the current year. That shift reflects both the effect of increased incorporation which reduces the share of neighborhood Public Works activities and the effect of replacing a portion of Secondary Gas Tax funds that had been supporting eligible programs with countywide general funds.

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In the past, outreach activities in Team Metro have been supported by UMSA revenues. The FY 2004-05 Proposed Resource Allocation Plan includes countywide funding for outreach services. With the implementation of the 311 Call Center as a countywide point of contact, residents and others from the municipalities will have access to outreach services from Team Metro. Code enforcement activities continue to be supported by proprietary and UMSA funds.

The cost of the County's central administration, which supports operating departments, is apportioned based on the ratio of departmental countywide versus unincorporated area operating costs. For FY 2004-05, the ratio is 68 percent countywide and 32 percent for the unincorporated area. In some cases, specific functions within a particular central administrative department are funded from either the countywide or unincorporated area budget depending on the population served while other functions may be funded differently. One change in the allocation of administrative costs for FY 2004-05 is that the Clerk of the Board functions that had been split between the countywide and UMSA general funds will be funded fully by non-court related revenues of the Clerk of the Courts.

Revenue allocation is more clearly defined and usually based on statutory guidelines. Counties are authorized to collect certain revenues, as are municipalities. In accordance with State law and the Home Rule Charter, the unincorporated area realizes revenues comparable to those received by municipalities in Miami-Dade County. More detail on revenue allocations is provided in the FY 2004-05 Revenues section of the Proposed Resource Allocation Plan and in the attachments to this book.

FY 2004-05 Multi-Year Capital Plan

The FY 2004-05 Multi-Year Capital Plan is \$2.286 billion, which is a 3.3 percent increase from the FY 2003-04 amount of \$2.212 billion. Unfunded projects are estimated at \$6.908 billion. Staff has refined this number to agree with the needs identified by departments for the proposed Building Better Communities General Obligation Bond Program.

The Public Safety Strategic Area is budgeted at \$83.506 million and includes several fire stations, renovations to the court facilities in the Caleb Center, and police equipment. The Transportation Strategic Area is budgeted at \$1.208 billion and includes improvements to the airports, the Seaport, the Transit system, and several Public Works improvements. The Recreation and Culture strategic area is budgeted at \$152.048 million and includes park improvements, including the Carol City Community Center; Library improvements including Golden Glades Library; the Performing Arts Center; and improvements to Vizcaya. The Neighborhood and Unincorporated Area Municipal Services Strategic Area is budgeted at \$598.178 million and includes Water and Sewer improvements, Public Works neighborhood improvements, dredging of the Miami River, and unsafe structures demolitions. The Health and Human Services Strategic Area is budgeted at \$205.606 million and includes Head Start Centers, affordable housing projects, and improvements to the Public Health Trust physical plant. The Economic Development Strategic Area has no capital projects budgeted. Capital improvements that drive economic development are contained in other strategic areas such as Transportation and Neighborhood and Unincorporated Area Municipal Services. The Enabling Strategies Strategic Areas are budgeted at \$38.705 million and include targeted technology improvements in Property Appraisal, Employee Relations, Procurement, and the Enterprise Technology Services Department. Funding is also included for Americans with Disabilities Act improvements, communications equipment, and improvements to buildings maintained by General Services Administration.

The proposed FY 2004-05 countywide voted debt service millage remains at 0.285 mills. This millage rate will provide funding to pay principal and interest for the remainder of the 1972 Decade of Progress Bond Program (\$553.1 million), the 1982 Criminal Justice Facilities Bond Program (\$200 million), and the 1996 Safe Neighborhood Parks (SNP) Bond Program (\$200 million). The proposed FY 2004-05 Fire District voted debt service millage which provides funding for the 1994 Fire District Special Obligation Bond Program (\$59 million) has been reduced to 0.069 mills.

The following capital financings have occurred or are planned for the current fiscal year or next fiscal year:

- Water and Sewer Revenue Refunding Bonds, Series 2003 - \$248.89 million to refund the Water and Sewer Revenue Refunding Bonds, Series 1993 maturing after October 1, 2003 (October 2003)

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- Water and Sewer Swaption, Series 1995 Bonds – generated \$26.012 million one-time benefit for the Water and Sewer Department, deposited into the rate stabilization fund (November 2003)
- Aviation Port Authority Properties (PAP) Revenue Bonds, Series 2004 - \$400 million to finance airport expansion projects; retiring portion of the commercial paper program and refunding of the Aviation Series "Y" (April 2004)
- Capital Assets Acquisition Floating Rate (MUNI-CPI) Special Obligation Bonds, Series 2004 "A" - \$50 million to fund the purchase and improvement of certain capital assets of the County, including the purchase of a Bell 412 twin-turbine front line emergency medical services search and rescue helicopter and the Public Works Department construction of a four-lane bridge and related right-of-ways located at N.W. 97th Avenue over S.R. 836, from Fontainebleau Boulevard to the north of N.W. 13th Street (April 2004)
- Sunshine State Financing Commission Loan - \$5 million for the purpose of paying or reimbursing the County for the cost of constructing certain capital infrastructure improvements for the Naranja Lakes Community Redevelopment Agency (August 2004)
- Sunshine State Financing Commission Loan - \$100 million for the purpose of paying or reimbursing the County for the cost of acquiring certain capital transit equipment, including buses, for Miami-Dade Transit (August 2004)
- Capital Asset Acquisition Special Obligation Bonds, Series 2004B - \$75 million to fund the purchase, acquisition and improvement of certain capital assets of the County, including the Answer Center build-out, acquisition and buildout of the Elections Building, Fire Rescue UHF Radio replacement, and Americans with Disabilities Act compliance improvements (September 2004)
- Aviation Revenue Refunding Bonds, Series 2003E Conversion – extension of the initial rate period for the \$139.705 million Series 2003E Bonds (September 2004)
- Stormwater Utility Revenue Bonds, Series 2004 - \$75 million for paying the costs of certain additions, extensions, renovations, and improvements to the County's stormwater drainage system (November 2004)
- Public Facilities Revenue and Revenue Refunding Bonds (Jackson Health System), Series 2004 – not to exceed \$400 million to pay or reimburse the Public Health Trust (PHT) for the cost of certain additions to healthcare facilities and to refund certain series of outstanding PHT revenue bonds (December 2004)
- Solid Waste System Revenue Bonds, Series 2005 - \$50 million for the closure and remediation of various landfills including the Munisport Landfill (March 2005)
- General Obligation Bonds - Safe Neighborhood Parks Bond Program (SNP), Series 2005 - \$58.53 million to finance park and recreation facilities; the sixth and final series under the SNP Bond Program (March 2005)
- Aviation Port Authority Properties (PAP) Revenue Bonds, Series 2005 - \$600 million to finance airport expansion projects and rollout portion of the commercial paper program (April 2005)
- Subordinate Special Obligation Bonds (Convention Development Tax), Series 2005A – approximately \$185 million to finance cost of completion and cultural facilities (May 2005)
- Transit System Surtax Revenue Bonds, Series 2005 – the first series of bonds in the approximate principal amount of \$200 million to fund a portion of the People's Transportation Plan (Summer 2005)
- Other financings will also occur if negotiations are successful with regard to County participation in a new baseball stadium or if the Building Better Communities General Obligation Bond Program is approved

The FY 2004-05 Capital Outlay Reserve (COR) fund is proposed to be \$72.082 million of new funding and \$4.479 million of committed carryover. Revenues to COR include a transfer from the Countywide General Fund of \$22.084 million, a transfer from the UMSA General Fund of \$1.645 million, transfers from various proprietary funds, and one-time revenue of pay telephone commission revenue of \$28.795 million. That one-time revenue represents a pre-payment of three years of the existing contract. General fund allocations have been recommended to replace the pay telephone commission revenue that would have been paid to Corrections and Rehabilitation, General Services Administration, Park and Recreation, and Enterprise Technology Services. That one-time revenue is funding one-time expenditures in COR.

Expenditures in COR are spread across several strategic areas and include a reserve of \$5 million for beach renourishment projects, \$3.523 million for dredging of the Miami River, \$1.5 million for FY 2004-05 construction costs of the Carol City Community Center, and \$1 million for a preventative maintenance program in the General Services Administration.

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Some projects included in the FY 2004-05 Capital Budget may be constructed using miscellaneous contracts. Projects will be implemented through various competitive processes to acquire traditional design-bid, design-build, construction manager at risk, or miscellaneous environmental remediation services.

Readers of this document are invited to share their comments, suggestions, or criticisms to the Office of the County Manager, 111 N.W. First Street, Suite 2710, Miami, Florida 33128, or by calling (305) 375-5143.

FY 2004-05 Revenue

Miami-Dade County's operating budget is actually a combination of budgets relating to distinct services, including regional area-wide services provided countywide, local services in the unincorporated area, referred to as the unincorporated municipal service area (UMSA), library services provided by the Miami-Dade Library System, and fire-rescue services provided within the Miami-Dade Fire Rescue District, as well as numerous proprietary operations and special assessment district functions. Each is separated to ensure that public revenues are used only for their authorized purposes and that residents pay only for those services available to them. Various types of revenues support Miami-Dade County's operations: taxes on property, sales, motor fuel, and utility bills; fees and service charges; federal and state grants; and others. Many of these revenues carry restrictions on their use, which provide constraints during the budget development process.

The most significant source of discretionary revenue to local governments in Florida is the property tax. Estimated tax roll growth (from the 2003 preliminary roll) for FY 2004-05 is estimated at 13.4 percent, the highest in over twenty years. In accordance with Amendment 10 to the State Constitution, the increase in property assessments for 2004 homestead residential properties will be capped at 1.9 percent, the growth in the Consumer Price Index.

The total of all operating and voted debt millage rates is 11.848, the same as in FY 2003-04. Pursuant to State law, the sum of the countywide, Fire Rescue, and Library millage rates is subject to a 10-mill cap; at 9.047 mills, FY 2004-05 will be the tenth consecutive year that the sum is below that cap. Overall, the proposed millage rates reflect an increase of 10.5 percent above the state defined aggregate rolled-back rate.

In general, discretionary revenue, other than property taxes and sales taxes, is expected to grow at a rate reflecting economic and population growth. Proprietary operations, such as the Aviation and Seaport departments, will grow to the extent that their activity and operating revenues permit. Pursuant to state law, revenues are budgeted at 95 percent of projected receipts. Certain revenues, such as cash carryover, are exempted from this requirement.

Countywide General Fund

The Countywide General Fund is increasing by four percent in FY 2004-05, which reflects reductions in funding for the Judicial Administration and Clerk of the Courts functions in accordance with Revision 7 to Article V of the State Constitution. Property taxes (\$836.938 million) are still the largest revenue source for the Countywide General Fund accounting for 79.4 percent of the total. This tax is levied on all non-exempt real and personal property in the County. The countywide millage is recommended at 5.969 mills, the same as the FY 2003-04 rate. As in the current year, the net revenue from 0.105 mills of the countywide operating millage rate is going towards funding the Emergency Contingency Reserve for FY 2004-05. The debt service millage is recommended at 0.285 mills, the same as in the current year.

State revenues routinely shared with Miami-Dade County consist largely of gasoline taxes, Local Government Half-Cent Sales Tax Program distributions, and County Revenue Sharing Programs. In addition, the state has authorized and the County has imposed the Six-Cent Local Option Gasoline Tax (LOGT), which is shared with municipalities, and a one-cent (also called ninth cent) local option gas tax. The budget for the six-cent LOGT is \$43.054 million; \$1.1 million more than the current year budget. This estimate is based on FY 2002-03 collections, FY 2003-03 year-to-date collections, and State of Florida Department of Revenue's statewide projections. State gas tax revenue is expected to grow by one percent and is budgeted at \$12.74 million. The Ninth Cent LOGT is expected to follow the same trend as the LOGT and is budgeted at \$11.351 million in FY 2004-05.

Sales taxes continue to be the largest revenue component of the County and Municipal Revenue Sharing Trust Funds, replacing allocations from intangibles and cigarette taxes. County revenue sharing distributions are used to fund guaranteed entitlement debt service payments first and the remaining amount is budgeted as general revenue. In FY 2004-05, net County revenue sharing receipts to the general fund are budgeted at \$25.739 million.

Miami-Dade County receives Half-Cent Sales Tax Program distributions using a state defined formula, which divides the revenue among the municipalities and the County based on population. Sales tax revenues are then allocated between the

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countywide and UMSA budgets based on the same formula. In FY 2004-05, the distribution proportions are 44 percent countywide and 56 percent UMSA, the same as in the current year. Total FY 2004-05 budgeted sales tax revenue is 2.5 percent higher than the current year level due to the effect of Article V legislation adopted by the State legislature during the 2003 and 2004 legislative session and projected growth in sales tax revenues of five percent.

Countywide occupational license tax revenue to the Countywide General Fund is budgeted at \$3.287 million. As in the current year, \$471,000 in occupational license revenue is budgeted in FY 2004-05 to fund consumer protection activities in the Consumer Services Department, which regulates businesses throughout the county.

The FY 2004-05 estimate for cash carryover is \$13.103 million, a \$5.981 million decrease from the \$19.084 million budgeted in the current year, or a \$1.596 million decrease from the actual FY 2003-04 carryover of \$14.699 million.

Interest earnings are expected to yield \$2.405 million, \$3.624 million less than budgeted in FY 2003-04. This estimate is based on year-to-date actuals and projections, as well as the return on County investments. The return on County investments has been negatively affected by the declining interest rates of the last few years. Interest revenue to the general fund is derived not only from revenue in the general fund, but also from certain trust funds, reserve accounts, internal service funds, and revenues whose earnings may be legally transferred to the general fund.

Administrative reimbursement payments from proprietary funds will total \$60.028 million in FY 2004-05, \$2.686 million less than budgeted in FY 2003-04. Consistent with past practices, administrative reimbursement revenue has been allocated between the countywide and unincorporated area budgets in the same proportion as the administrative expenses they support: 68 percent countywide and 32 percent UMSA. Changes in total payments from proprietary agencies are largely a reflection of changes in proprietary operating revenue. The Water and Sewer Department (WASD) makes both an administrative reimbursement payment and a return on equity payment. The return on equity component of this payment is treated as countywide revenue while the administrative reimbursement portion is allocated between the countywide and UMSA budget based on the administrative reimbursement allocation. WASD's return on equity payment for FY 2004-05 was reduced by 11.5 percent saving the Department \$3.6 million.

Unincorporated Municipal Service Area General Fund

UMSA relies heavily on utility-based taxes and franchise fees. Unlike the Countywide General Fund, only 30 percent of unincorporated area revenue is derived from property taxes. The utility tax, communications tax, and electrical utility franchise fee revenue comprise 36 percent of the FY 2004-05 revenue budget and are charged only to unincorporated area residents. Utility tax revenues are estimated at \$64.243 million based on historical growth, year-to-date collection information, and the impact of incorporations. Communications tax revenue is estimated at \$44.027 million, net of the amount dedicated to Public Works (\$1 million). The electrical utility franchise revenue is estimated at \$33 million.

The UMSA millage rate is recommended at the level of 2.447 mills, which is the same as the FY 2003-04 rate. This rate generates \$116.813 million of budgeted revenue to the UMSA general fund. Due to incorporations, this amount is \$6.848 million less than what was budgeted in FY 2003-04.

Miami-Dade's municipal revenue sharing is budgeted at \$40.634 million in FY 2004-05. The allocation of local government sales tax to the unincorporated area continues to reflect all of the sales tax revenue derived on behalf of the unincorporated area population in accordance with the State defined formula and County policy. This allocation represents 56 percent of total County local government sales, the same as in the current year. UMSA sales tax revenue is budgeted at \$60.045 million in FY 2004-05, a \$1.256 million increase over the current year's budget impacted by recent incorporations, Article V legislation adopted by the state legislature in the 2003 legislative session, and the projected growth of sales tax revenues of five percent. Occupational license tax proceeds to the UMSA general fund are budgeted at \$3.975 million in FY 2004-05 and do not include an additional \$2 million that go to fund the unincorporated area's share of the Finance Department. Cash carryover for FY 2004-05 is estimated at \$4.945 million. Interest earnings are budgeted at \$1.295 million; UMSA fines and fees collected by the Office of the Clerk are budgeted at \$7.537 million. Sheriff fees, including a \$25 annual registration fee for all registered alarm systems in the County, are budgeted at \$1.995 million.

Proprietary Funds

Proprietary agencies are supported entirely from fees and charges generated by their operations (as in the case of Aviation); by a special property tax (the Miami-Dade Fire Rescue District and Library System); a special assessment (Solid Waste Collection); or by proprietary revenue, including grants, which augment a general fund subsidy (Park and Recreation).

Property taxes comprise 89 percent of Miami-Dade Fire Rescue Service District revenues. The Fire Rescue District tax roll is currently estimated at \$90.45 billion with approximately \$2.7 billion in new construction. The proposed millage of 2.592 increases the current operating millage by 0.01 mills and generates \$222.736 million in property tax revenue for the district. The proposed debt service millage rate is decreased by 0.01 mills keeping the total operating and debt service millage rate the same as in the current fiscal year. This property tax level increases the current level of services by providing partial-year funding for five new response units, continuation of the heavy fleet replacement program, and debt service for a replacement of the UHF infrastructure.

Funding for the FY 2004-05 Air Rescue Division will be provided from countywide property taxes (\$7.993 million) and a transfer from the Public Health Trust to support the Opa-Locka service expansion (\$900,000). Funding for Ocean Rescue (\$2.443 million), as well as the Anti-Venin Unit (\$358,000), will be provided from countywide property taxes. In addition, the Anti-Venin Unit will generate \$50,000 in revenues from fees collected by the unit.

The FY 2004-05 Proposed Budget continues to treat the Finance Department as a proprietary department operating within the revenue it collects. The department will retain control over certain tax collector fees and revenues, including auto tag (\$11.198 million), real estate (\$7.492 million), and occupational license (\$2.963 million).

Revision 7 to Article V of the State Constitution stipulates that Office of the Clerk court-related operations be funded primarily by filing fees and service charges. Therefore, a portion of court-related revenues, which in the past were treated as general fund proceeds, will be retained by the Office of the Clerk as of July 1, 2004, to fund court-related operations. After adjusting for these new constitutional mandates, Clerk's revenues are budgeted at \$24.349 million, a 48 percent decrease from the current year budgeted level of \$47.556 million. These revenues will no longer be reflected in the general fund, but rather will be deposited in the Clerk's Non-Court Related Revenue Fund where they will fully fund the County's Article V obligations and non-court related functions of the Office of the Clerk (\$16.077 million) and a portion of the County's Article V obligations for Judicial Administration (\$8.272 million). In addition, Judicial Administration will receive a Countywide General Fund subsidy of \$9.255 million to fund the balance of the County's Article V obligations and local requirements and options.

Property taxes comprise 91 percent of Miami-Dade Library System budgeted revenues for FY 2004-05. The Miami-Dade Library System 2004 tax roll is \$132.683 billion with approximately \$3.9 billion for new construction. The recommended millage of 0.486 mills is the same as the FY 2003-04 rate and yields \$61.26 million in property tax revenue for the system. This amount provides the Library System with funds to buy new books and materials (\$6.7 million), additional staffing for new facilities to accommodate the increasing number of library patrons throughout the County (\$804,000), and funding for capital renovations (\$2.5 million). State aid to libraries is estimated at \$2 million, a \$500,000 reduction from the FY 2003-04 level due to state budget cuts. In addition, the Library System is expected to spend \$10 million under the expansion plan approved in March 2002; \$14.244 million is expected to remain in reserves for FY 2004-05 and beyond.

Revenues from aviation fees, rentals, and commercial operations are expected to increase 14.3 percent from the FY 2003-04 projected level with an associated increase in operating revenues per passenger to \$17.41 from \$15.31. In addition to inflation, this increase is required primarily for operational needs, such as safety and security staffing, maintenance, and required signage expense. Landing fees revenue which represent approximately 35 percent of total airport revenues, are currently at a rate of \$2.03 per 1,000 pounds of nominal gross landing weight. The actual landing fee effective on October 1, 2004, will be calculated in August as part of the regular semi-annual landing fee calculation process. The Aviation Department will continue to impose the FAA-approved passenger facility charge of \$4.50 per passenger that will be applied to debt service related to the Capital Improvement Plan.

In FY 2004-05, total Seaport revenues are estimated at \$95.085 million. The budget recommends several increases to tariffs; passenger wharfage (to \$7.75 per passenger from \$7.50 per passenger), overall dockage (to \$0.23 per gross registered

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tonnage (GRT) from \$0.22 per GRT), general cargo wharfage (to \$1.95 per ton from \$1.90 per ton), and Harbor Fees (small vessels to \$195 from \$190 all other to \$245 from \$240); all other tariff rates and fees are not being increased this year in response to ongoing aggressive competition. Consistent with past practice, the Seaport will evaluate market conditions and revenue experience in the first quarter and may recommend changes in January 2005.

A six percent increase in retail water and wastewater rates was approved for the WASD for the current fiscal year, resulting in a monthly increase for the average 7,500 gallon combined water and wastewater residential customer to \$32.14 from \$30.20. However, because of the fee reduction in FY 2001-02 and after accounting for the current year fee increase, the average monthly cost of water and sewer services is below the cost in FY 1995-96, which was \$33.05. The FY 2004-05 Proposed Resource Allocation Plan does not require an immediate fee increase in these rates. However, due to increasing operating costs, renewal and replacement costs, planned capital improvements in accordance with environmental requirements and consent decrees, and reduced interest rates, the Department's Five-Year Financial Plan and rate structure will be reviewed and updated. Rate adjustments are recommended in FY 2004-05 for floating and portable meters, pipeline installation, and contracted weed control.

The Department of Environmental Resources Management (DERM) utility service fee revenue is budgeted at \$18.1 million and comprises 33 percent of the Department's total revenues. The Stormwater Utility Fee will increase by \$0.50, to \$4.00 per month, per equivalent residential unit (ERU) in FY 2004-05 as approved by the Board of County Commissioners in September 2003. The FY 2004-05 fee increase will generate an additional \$4.1 million necessary for the local match on \$725 million of Federal Emergency Management Agency projects. DERM is not proposing any operational service fee increases during FY 2004-05.

The Public Works Department is not proposing any fee increases for FY 2004-05.

The household waste collection fee is proposed to remain at \$399, the same as in the current year. Consistent with the contractual agreement with municipalities and private haulers, a Consumer Price Index (CPI) adjustment to the disposal tipping fee is recommended. Based on an estimated CPI of 1.6 percent for July 2003, through June 2004, the contracted disposal tipping fee would increase to \$51.45 from \$50.65, the non-contracted tipping fee would increase to \$67.85 from \$66.80; and the transfer fee to \$10.20 from \$10.05. The actual amount of the increase will be set prior to the September resource allocation hearing based on the actual CPI for that period.

The Building Department's total revenue of \$36 million includes \$1.2 million received from the Capital Outlay Reserve, \$350,000 from OCED, \$1.5 million for services provided to the Aviation Department, and \$1.7 million from proposed changes to its fee structure. The selected changes will cover expenses for reviewing a variety of permit requests. Some of the permit fees targeted for adjustment include commercial and residential windows, storm shutters, awnings, and canopies. Additionally, the Department is proposing a fee adjustment to cover costs associated with performing microfilm research necessary for providing copies of plans to customers.

No fee or rate increases are recommended for planning and zoning activities. However, Planning and Zoning Department staff will be meeting with the industry over the next several weeks to explore the possibility of a zoning application surcharge to defray costs associated with supporting the neighborhood Zoning Appeals Board. A final recommendation will be made prior to the September resource allocation hearings.

The Vizcaya Museum and Gardens total revenue of \$3.683 million includes \$59,000 raised through selected fee adjustment. Some of the modified fees are commercial still photo permits, garden ceremonies, standard photo permits, and various minor educational program fees. The selected changes will generate revenue that is needed to cover the operational expenses of the Vizcaya Museum and Gardens.

Proposed fee adjustments in the Park and Recreation Department include increases in select seasonal golf rates and a projected increase in the number of rounds played (\$959,000), building rentals (\$3,000), summer programs at two facilities (\$40,000), after school program at one facility (\$6,000), specialized summer camps (\$51,000), art and cultural programming (\$13,800), campgrounds (\$1,200), adjustments to pool rental fees (\$10,600), a new fee for special events at Amelia Earhart Park (\$10,000), for film and photo shoots at Deering Estate (\$1,720), new revenue from the review of zoning and plat

applications by the Planning and Research Division (\$80,000), parking fee adjustments at Crandon Park and Haulover Park (\$436,000), and new Metrozoo fees are proposed for several revenue generating initiatives, including the safari cycles, monorail surcharge, and animal feeding stations (\$130,000). The FY 2004-05 Proposed Resource Allocation Plan also includes adjustments to the admission fees for adults by \$0.29 (to \$11.50) and by \$0.21 (to \$6.75) for children. The total additional revenue from the proposed fees is estimated at \$1.741 million.

State transit operating assistance for FY 2004-05 is budgeted at \$16.287 million, which is the same as the current year. The recommended budget assumes the use of \$42.5 million for capitalized maintenance expense from the federal formula grant. Operating revenues for Miami-Dade Transit are budgeted at \$75.9 million which includes revenue from increased services as a result of the People's Transportation Plan (PTP). The PTP one half-cent sales surtax will provide \$73.667 million for transit operations. The total FY 2004-05 PTP one half-cent sales surtax revenue is budgeted at \$153 million, which will provide funding for Capital projects, distribution to municipalities, and funding for PTP implementation. (The one half-cent sales surtax revenue for indigent hospital services is projected at the same amount, \$153 million). Non-operating revenues, including advertising, joint development, permits, and leasing fees are budgeted at \$8.4 million.

Several departments rely heavily on state and federal funding in their budgets. The proposed Department of Human Services (DHS) budget, for example, includes \$93.574 million in federal and state grants (54 percent of the total budget). These revenues have been budgeted based on our most current information of likely state and federal funding scenarios. The Board will be provided with an update on state and federal funding as more information is available. As a general policy, unless specifically approved by the Board, County funding is not substituted to continue state or federally funded programs for which funding has been reduced or eliminated.

The existing occupational license tax earmarked for economic activity is expected to generate \$3.943 million and will continue to be allocated to the Beacon Council. Pursuant to Board action on June 7, 1994, eight percent of Beacon Council revenue from this source (\$315,000) will be transferred to the Metro-Miami Action Plan Trust for its economic development activities.

The E-911 telephone fee is recommended to remain at its current rate of \$0.50 per telephone line per month and will continue to fund E-911 operations and system maintenance.

Transient Lodging and Food and Beverage Taxes

Miami-Dade County collects and manages distribution of Convention Development Tax (CDT), Tourist Development Surtax (TDS), Tourist Development Tax (TDT), Professional Sports Franchise Facility Tax (PSFFT), and Food and Beverage Tax for Homeless and Domestic Violence (FBTHDV). These taxes are levied on a combination of food and beverage sales and transient lodgings in Miami-Dade County. A more detailed description of resort taxes in effect throughout Miami-Dade County is contained in the attachment to this Proposed Resource Allocation Plan.

Subsequent to the events of September 11, 2001, the tax revenue generated in Miami-Dade County in FY 2001-02 from CDT and TDS declined by 17 percent and six percent, respectively. In comparison to FY 2001-02, the FY 2002-03 actual collection of the aforementioned assessments grew by eight percent in the case of CDT and by seven percent for TDS. The revenue raised through these tariffs is expected to continue growing. The FY 2003-04 projected CDT revenue is 14 percent above the prior year level and two percent above FY 2000-01; TDS proceeds growth for FY 2003-04 is projected at a robust 15 percent over the prior year and 16 percent above FY 2000-01.

The FY 2001-02 TDT and PSFFT revenue declined 16 percent after September 2001. In FY 2002-03, both of these taxes recovered four percent from the prior decline and projections for FY 2003-04 show an increase of 11 percent above that. Overall TDT and PSFFT are projected to end FY 2003-04 about three percent below the pre-September 11 level. The income generated by the FBTHDV was not affected as severely by the events of September 2001. In FY 2001-02, collection of this tax grew by four percent and another five percent growth was seen in FY 2002-03. For FY 2003-04, FBTHDV taxes are expected to increase by eight percent over the previous, ending 18 percent above the FY 2000-01 level.

The collections growth trend seen over the last two years is expected to continue for all of the taxes mentioned above through FY 2004-05 and FY 2005-06. In accordance with state law, FY 2003-04 budgeted revenues are at 95 percent of the estimated collections.

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The CDT, budgeted at \$33.5 million in FY 2004-05, is a three percent transient lodging tax levied throughout the County, excluding Surfside and Bal Harbour. The tax proceeds are allocated to the payment of bonds issued for the Performing Arts Center and land for the American Airlines Arena, to the operating subsidy for the American Airlines Arena, to the City of Miami Beach for operation of the Miami Beach Convention Center Complex, payments associated with the Miami Arena, and cultural programs, as allowable by state statutes. The County retains residual revenues for other CDT eligible uses.

Revenue generated from the two percent Tourist Development Surtax on food and beverage sales in hotels and motels is budgeted at \$5.184 million in FY 2004-05 and is used for tourist and convention-related promotions and advertising by the Greater Miami Convention and Visitors Bureau.

The 1993 state legislature expanded the Tourist Development Surtax and enabled Miami-Dade County to impose an additional one percent tax on the sale of food and beverages by establishments with consumption-on-premises alcoholic beverage licenses and gross annual revenue exceeding \$400,000. Revenues are dedicated for programs assisting the homeless and victims of domestic violence. Establishments subject to the Tourist Development Surtax are excluded from the new tax. Budgeted FY 2003-04 revenue is \$11.06 million and will be allocated to homeless assistance programs (85 percent) and for the construction and operation of facilities providing domestic violence shelter and services (15 percent).

The TDT, a two percent transient lodging tax collected throughout the County except in Miami Beach, Bal Harbour, and Surfside, is budgeted at \$12.087 million in FY 2004-05. These funds are allocated to various cultural and tourism activities funded through Miami-Dade County Cultural Affairs Council and Tourist Development Council grant programs, and the Greater Miami Convention and Visitors Bureau, for advertising and promotion efforts, and to the City of Miami for sports and tourism promotion-related activities. The TDT also reimburses a portion of the costs of a Board of County Commissioners' legislative analyst position.

The PSFFT is budgeted at \$6.053 million in FY 2004-05 and will continue to be used to pay debt service associated with various sports facilities, including the stadium at the Tennis Center at Crandon Park, the Orange Bowl, the Golf Club of Miami, the Miami Arena, the Crandon Park Golf Course, the Homestead Baseball Stadium, the Homestead Motorsports Complex, and the American Airlines Arena.

