

THE BUDGET PROCESS AND PROPERTY TAXES

The Budget is the annual appropriations necessary to achieve the results anticipated through the departmental business plans in support of the Strategic Plan. This section is especially useful for readers who aren't familiar with how a budget is developed, the rules that govern the process, and the kind of information that is contained in a budget. There is also information regarding how property taxes are determined and assessed.

WHAT IS A BUDGET?

An annual budget is a financial, operating, and capital plan for the coming fiscal year. It provides an outline of service levels provided to the citizen and public capital investments in the community, to be used by both our customers and us. Miami-Dade County's budget document is a tool that serves five purposes:

- **Prioritization:** County resources that address needs identified by the Mayor, the Board of County Commissioners (BCC), and the County's strategic plan are prioritized through this process.
- **Information:** The budget 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 budget document, the public can see how and where tax dollars and other revenues raised by the County will be spent.
- **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.
- **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.

The annual budget is determined for a fiscal year, which is the twelve-month cycle that comprises the jurisdiction's reporting period. The State of Florida and certain federal programs have different fiscal years than the County. The County's fiscal year starts on October 1 and ends September 30 of the following year. This Proposed Budget is for the period October 1, 2012 to September 30, 2013 and is shown as either 'FY 2012-13' or 'FY 12-13.'

PROPERTY TAXES

Taxing Jurisdictions

The County budgets for four separate taxing jurisdictions: Countywide, the Unincorporated Municipal Service Area (UMSA), the Fire Rescue District, and the Library System. Each taxing jurisdiction is responsible for different types of services. The Countywide jurisdiction provides regional services such as public health and social services, transportation, regional parks and county roads, support for the court system, and the regional sheriff services and jails. The UMSA jurisdiction provides the municipal services for the residents of the county who don't live in municipalities. These services include local police patrol, local parks and roads, planning, and code enforcement. The Fire Rescue District provides fire rescue service for the entire county except for the cities of Hialeah, Miami, Miami Beach, Key Biscayne, and Coral

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Gables. The Library System jurisdiction includes all municipalities and UMSA except for Bal Harbour, Bay Harbor Islands, Hialeah, Miami Shores, North Miami, North Miami Beach, and Surfside.

The table below shows the value of the property tax roll for each of the County's four taxing jurisdictions.

CERTIFIED TAX ROLLS				
Taxing Unit	Value per Mill of Taxable Property in 2011	Net Change in Value Due to Reassessment	Current Year Net New Taxable Value	Value per Mill of Taxable Property in 2012
Countywide	\$178,291,868	\$10,460,278	\$1,917,583	\$190,669,729
Miami-Dade Fire Rescue Service District	105,115,082	4,582,603	1,424,479	111,122,164
Miami-Dade Public Library System	163,233,422	9,565,696	1,168,944	173,968,062
Unincorporated Municipal Service Area	52,530,885	1,447,892	389,519	54,368,296

Notes:

1. Tax roll figures are current Certified Preliminary roll values as of July 1, 2012.
2. The Current Year Net New Taxable Value column represents the value per mill of:
 new construction + additions + improvements increasing value by at least 100% + annexations from the tax rolls
 + total tangible personal property taxable value in excess of 115% of the previous year's total taxable value - deletions

Each municipality also levies taxes against its property tax roll. The municipalities develop and approve their own budgets, which are not part of the County's budget. The following table shows the population and roll value for each municipal taxing jurisdiction.

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MIAMI-DADE COUNTY POPULATION AND ASSESSMENT ROLLS				
Jurisdiction	2012 Population *	Percent of Total Population	2012 Assessment Roll Value (in \$1,000)**	Percent of Tax Roll
Aventura	35,723	1.42	\$7,501,239	3.93
Bal Harbour	2,502	0.10	3,172,471	1.66
Bay Harbor Islands	5,634	0.22	579,865	0.30
Biscayne Park	3,072	0.12	129,671	0.07
Coral Gables	47,031	1.88	12,025,563	6.31
Cutler Bay	40,644	1.62	1,705,481	0.89
Doral	46,516	1.86	8,660,768	4.54
El Portal	2,341	0.09	85,714	0.04
Florida City	11,704	0.47	439,104	0.23
Golden Beach	922	0.04	633,839	0.33
Hialeah	226,545	9.04	7,224,650	3.79
Hialeah Gardens	21,794	0.87	905,914	0.48
Homestead	61,485	2.45	1,802,894	0.95
Indian Creek Village	89	0.00	360,636	0.19
Key Biscayne	12,363	0.49	5,778,632	3.03
Medley	834	0.03	1,752,945	0.92
Miami	404,142	16.12	31,333,834	16.43
Miami Beach	88,349	3.52	23,072,322	12.10
Miami Gardens	107,091	4.27	3,389,256	1.78
Miami Lakes	29,357	1.17	2,469,203	1.30
Miami Shores	10,608	0.42	749,829	0.39
Miami Springs	13,844	0.55	876,429	0.46
North Bay Village	7,349	0.29	636,143	0.33
North Miami	58,806	2.35	2,063,006	1.08
North Miami Beach	41,680	1.66	1,738,362	0.91
Opa-Locka	15,403	0.61	697,830	0.37
Palmetto Bay	18,255	0.73	2,414,962	1.27
Pinecrest	23,477	0.94	3,639,963	1.91
South Miami	12,363	0.49	1,426,836	0.75
Sunny Isles Beach	21,007	0.84	6,258,284	3.28
Surfside	5,749	0.23	1,062,214	0.56
Sweetwater	19,963	0.80	1,237,755	0.65
Virginia Gardens	2,390	0.10	181,824	0.10
West Miami	5,988	0.24	289,664	0.15
Subtotal - cities	1,405,020	56.03	\$136,297,104	71.48
Adjustment for Senior Citizen Exemption, Eastern Shores, and Opa-Locka Airport			4,329	0.00
Unincorporated Area	1,102,142	43.97	54,368,296	28.52
TOTAL - Miami-Dade County	2,507,162	100.00	\$190,669,729	100.00

* Official April 1, 2011 Florida Population Estimates by County and Municipality for Revenue Sharing; Posted November 2011

** Assessment roll values are based on the Estimate of Taxable Value published by the Office of the Property Appraiser on July 1, 2012

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Millage Rates

The millage rate is the tax rate that is applied to property values to generate the revenue needed to pay for services adopted in the budget. 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.

The County has four separate operating millage rates for each of the taxing jurisdictions governed by the BCC. Three of the jurisdictions that provide regional services (countywide, fire rescue, and library) are subject to the state-imposed County (area-wide) 10 mill cap. The fourth is the UMSA millage, which is subject to its own state-imposed 10 mill cap.

In the Proposed Budget, the total recommended millage rate is 7.3256 mills for the three taxing jurisdictions considered countywide; therefore, we have 2.6744 mills in capacity, which could generate approximately \$484 million of additional revenue to fund Countywide services. We also have the potential of 8.0717 mills in capacity for the Unincorporated Municipal Service Area (UMSA) services, which could generate approximately \$417 million of additional revenue.

FY 2012-13 will be the 18th consecutive year that the area-wide total millage is below the state defined 10-mill cap. In addition, the County has millage rates for voter-approved debt service, which are not subject to the 10 mill cap. 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, such as the Building Better Communities General Obligation Bond Program. The County has debt service millages for voter approved countywide debt and for Fire Rescue District debt.

The total of all proposed operating and voted debt millage rates for FY 2012-13 is 9.552. The following table shows the millage rates for FY 2011-12 and FY 2012-13.

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MILLAGE TABLE					
Taxing Unit	FY 2011-12 Actual Millage	FY 2012-13 Estimated Rolled-Back Millage (1)	FY 2012-13 Proposed Millage Rates	Percent Change From Estimated FY 2012-13 Rolled Back Millage	Percent Change From FY 2011-12 Actual Millage
Countywide Operating	4.8050	4.4902	4.7035	4.75%	-2.11%
Miami-Dade Fire Rescue Service District	2.4496	2.3473	2.4496	4.36%	0.00%
Miami-Dade Public Library System	0.1795	0.1696	0.1725	1.71%	-3.90%
Total Millage Subject to 10 Mill Cap	7.4341	7.0071	7.3256	4.55%	-1.46%
Unincorporated Municipal Service Area (UMSA)	2.0083	1.9549	1.9283	-1.36%	-3.98%
Sum of Operating Millages	9.4424	8.9620	9.2539	3.26%	-2.00%
Aggregate Millage (2)		6.6356	6.8384	3.06%	
Voted Millages (3) – Debt Service					
Countywide	0.2850	N/A	0.2850	N/A	0.00%
Fire Rescue District Special Obligation Bond	0.0131	N/A	0.0131	N/A	0.00%
Sum of Operating and Debt Millages	9.7405	N/A	9.5520	N/A	-1.94%
<p>(1) "Rolled-back millage" is the State defined rate which allows no increase in property tax revenue except for that from new construction. Starting in FY 2008-09 the proportionate roll value of dedicated increment districts and the associated prior year payments are subtracted prior to computing the "rolled-back millage." This rate ignores the impact of inflation on government and market valuation changes on taxable real and personal property.</p> <p>(2) "Aggregate millage" is the State defined weighted sum of the non-voted millages. Each millage is weighted by the proportion of its respective certified tax roll to the certified countywide roll (the Fire District millage is weighted by 58.3 percent, the Library District millage by 91.2 percent, and the UMSA millage by 28.5 percent).</p> <p>(3) Rolled-back millage and aggregate millage calculations do not apply to voted debt millages.</p>					

Overall, the proposed operating millage rates are two percent below the FY 2011-12 combined millage rate and 3.06 percent above the state defined aggregate rolled-back rate. Although the millage rate is above the state defined aggregate rolled-back rate, because of the deflation of property tax values and the impact of the actions of the value adjustment board, the budgeted ad valorem revenue for all four taxing jurisdictions for FY 2012-13 is \$4.329 million lower than FY 2011-12. The chart below shows the actual and budgeted property tax revenues for the Countywide and UMSA General Fund since FY 2009-10 including the FY 2012-13 Proposed Budget.

General Fund Ad Valorem Revenue (Dollars in Thousands)	FY 2009-10 Actual	FY 2010-11 Actual	FY 2011-12 Budget	FY 2012-13 Budget
Countywide	\$ 1,005,026	\$ 976,737	\$ 853,434	\$ 851,974
Unincorporated Municipal Service Area (UMSA)	129,337	125,218	104,479	99,596
Total	\$ 1,134,363	\$ 1,101,955	\$ 957,913	\$ 951,570

Setting the Millage Rates

Each year, the Proposed Budget is developed with millage rates necessary to fund the property tax-supported portion of the budget. At its last meeting in July, the BCC considers the millage rates that will be used for the tax notices that will be mailed to all property owners in August. The tax notices also referred to

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as TRIM notices; TRIM stands for Truth In Millage. The tax rates that are on the notices property owners receive in August represent the ceiling of the rates that can be approved by the BCC at the September budget hearings, unless additional notices are sent to all property tax payers. Because re-noticing all taxpayers is difficult and expensive, the tax rates included in the TRIM notices are considered the ceiling.

Several years ago, the State Legislature approved legislation intended to provide tax relief to the citizens of Florida. In addition to requirements to lower the tax rates themselves for one fiscal year, it instituted new definition and voting requirements that apply to governing boards when setting millage rates. Already established was the state defined *rolled-back millage rate* which is the millage rate that, when applied to the tax roll for the new year, excluding the value of new construction and any dedicated tax increment values, 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. Over the past few years, current year tax projections have been below even the budgeted levy due to Value Adjustment Board changes.

Section 200.065 of State Statutes outlines the *rolled-back millage rate*, known as the “no tax increase” rate because it allows the entity to generate the same property tax revenue from year to year, adjusted only by any new properties that may have been placed on the property tax roll. Because it does not take into account value adjustments for properties already on the property tax roll, the *rolled-back rate* does not take into account growth in the County. Another state-defined measure, the *aggregate rolled-back millage rate*, is the sum of the rolled-back millage rates for each of the taxing jurisdictions, in the case of Miami-Dade County we have four, weighted by the proportion of its respective roll to the countywide tax roll. The table below shows the calculation of the *rolled-back rates* for FY 2012-13. The *rolled-back rate* would generate \$46 million less in ad valorem revenue than the amount included in the Proposed Budget

ROLLED-BACK MILLAGE AND AGGREGATE MILLAGE CALCULATION									
(Dollars in Thousands)									
Taxing Unit	2011-12 Est. Value of One Mill	2011-12 Adopted Millage	2011-12 Levy, net of TIF payment	2011-12 Roll without CRA and New Construction	Rolled Back Millage	2012-13 Value of One Mill	2012-13 Proposed Millages	2012-13 Levy	Millage Percent Change
Countywide	\$178,291.868	4.8050	\$820,362	\$182,341,173	4.4990	\$190,669.729	4.7035	\$896,815	4.55%
Fire District	105,115.082	2.4496	257,490	109,697,685	2.3473	111,122.164	2.4496	272,205	4.36%
Library District	163,233.422	0.1795	29,300	172,799,118	0.1696	173,968.062	0.1725	30,009	1.71%
Millage Total		7.4341			7.0159		7.3256		4.41%
Unincorporated Area	52,530.885	2.0083	\$105,181	55,181,199	1.9548	54,368.296	1.9283	104,838	-1.36%
Total Levy			\$1,212,333					\$1,303,867	2.31%
Aggregate Millage					6.6487		6.8384		2.85%

Notes:

1. In accordance with State law, property tax revenue is budgeted at 95 percent of the levy.
2. All tax roll values are current estimates as of tax rolls of July 1, 2012.
3. Tax Increment Financing (TIF) payments are contributions made by the County to Community Redevelopment Areas; these payments apply to the Countywide and Unincorporated portions of the levy.
4. A Community Redevelopment Area (CRA) is a geographic area created by Board action to revitalize areas designated as slum and blight through a finding of necessity that

The State has defined the highest millage rate that may be levied with a simple majority vote of the governing body known as the *maximum millage rate*. This rate is the *rolled-back rate*, adjusted for the growth in per capital personal income in Florida. Beginning in FY 2009-10, the *maximum millage rate* is

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based on the *rolled-back rate* (the rate that generates the same property tax revenue) assuming the *maximum millage rate* had been adopted for the prior year and then adjusted for growth in per capita Florida personal income, whether or not the *maximum millage rate* had been adopted in the prior year. In other words, if the millage rate that was adopted was higher than the calculated *maximum millage rate*, that rate is the cap. If a millage rate below the *maximum millage rate* is adopted, an adjustment is made to credit the revenue that was lost because a rate below the *maximum millage rate* was adopted. The formulas used to calculate the various millage rates are defined by the Florida Department of Revenue.

The BCC may adopt a rate that is higher than the state defined *maximum millage rate*. State law provides that a millage rate of up to 110 percent of the calculated *maximum millage rate* may be adopted if approved by a two-thirds vote of the governing body of the county, municipality, or independent district. A millage rate higher than 110 percent may be adopted by three-fourths vote if the governing body has nine or more members (Miami-Dade County has 13 Commissioners) or if approved by a referendum of the voters. The penalty for violating these standards is the loss of state revenue from the local government half-cent sales tax for a period of twelve months.

The millage rates utilized for the Proposed Budget are below the *maximum millage rate* and above the *rolled-back rate*.

Additional Property Tax Legislation

The State Constitution allows an exemption of up to \$50,000 for homesteaded properties and caps the assessment value increase for non-homestead properties at ten percent. There is also an exemption of \$25,000 for tangible personal property (TPP), which is usually the equipment and other assets of a business.

Calculation of Property Taxes

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

1. The assessed value of the property;
2. Adjustments for Amendment 10 of the Florida Constitution, if applicable this amendment 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 2012-13 such growth is the full three percent);
3. The amount of value that is not subject to taxes (e.g., the \$50,000 homestead exemption and the additional homestead exemption for senior citizens who meet income criteria, the \$25,000 exemption for personal property); and
4. The millage rate, established according to state law restrictions.

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.

While Miami-Dade is responsible under state law to collect all taxes imposed within geographic Miami-Dade County, the County government itself levies only certain taxes on the tax notice. Table 1.1 shows the

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millage rates and taxes that a residential property located in unincorporated Miami-Dade with an assessed value of \$200,000 with a \$50,000 homestead exemption (HEX) and a taxable value after the HEX of \$150,000 paid in FY 2012-13. These rates include debt service as well as operating millages.

TABLE 1.1 FY 2011-12 Operating and Debt Service Tax Rates and Calculated Taxes for
a Property with a Taxable Value
of \$150,000 in Unincorporated Miami-Dade County
(Taxes are rounded to the nearest dollar)

Authority	Millage Rate	Tax	Percent of Total
UMSA Operating	2.0083	\$301	10.9%
Countywide Operating	4.8050	\$721	26.2%
Fire Rescue Operating	2.4496	\$367	13.3%
Library System	0.1795	\$27	1.0%
Countywide Debt Service	0.2850	\$43	1.6%
Fire Rescue Debt Service	0.0131	\$2	0.1%
Total to County	9.7405	\$1,461	53.0%
School Board with Debt Service	8.0050	\$1,201	43.5%
Children's Trust	0.5000	\$75	2.7%
Everglades	0.0624	\$9	0.3%
Water Management	0.0374	\$6	0.2%
Inland Navigation	0.0345	\$5	0.2%
Total	18.37979	\$2,757	100%

In Miami-Dade County for FY 2011-12 the average taxable value of a home in UMSA with the Amendment 10 (Save Our Homes) growth cap is \$200,000. After taking into account the homestead exemption, the taxable value is approximately \$150,000. Using the example of Table 1-1, of the \$2,757 of tax collected, \$721 or 26.2 percent is used for countywide services, \$715 for UMSA, Fire Rescue, and Library services (city-type services), and \$45 for Countywide and Fire Rescue Debt Service. Overall, the County levies 53 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. Also, some municipalities are not in the Fire Rescue District or Library System and their resident pay for those services through the municipal millage rates.

BUDGET AND FINANCIAL POLICIES

Miami-Dade County follows the financial policies required by the Miami-Dade County Home Rule Amendment and Charter, Florida Statutes Chapters 129 (County Annual Budget) and 200 (Determination of Millage), and the Generally Accepted Accounting Principles (GAAP) for state and local governments as set forth by the Governmental Accounting Standards Board (GASB). Both the Adopted Budget (found at <http://www.miamidade.gov/budget/>) and the Comprehensive Annual Financial Report (CAFR) (found at http://www.miamidade.gov/Finance/annual_reports.asp) provide our County's financial plans and statements following these policies.

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GAAP and GASB

The General Fund, Fire Rescue District, Library District, and debt service funds are prepared on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are both measurable and available or collectible within the current period to pay for expenditures or liabilities of the current period. Expenditures are recorded when a liability is incurred. Debt service payments, as well as expenditures related to claims and judgments, are recorded only when payment is due. Encumbrances (transactions that reserve funding for expected purchases) lapse at year-end and are re-appropriated as part of the subsequent year's budget in a reserve for encumbrances. The notes section of the CAFR (<http://www.miamidade.gov/finance/library/CAFR/2011/CAFR2011-complete.pdf>) describes the County's policies for assets, liabilities, and net assets or fund balances (CAFR, page seven).

The budgets for the Proprietary and Internal Service Funds are prepared on the economic resource measurement focus and the full accrual basis of accounting. These funds include Aviation, Port of Miami, Water and Sewer, Public Health Trust, Transit, Public Works and Waste Management, Vizcaya Museum and Gardens, Rickenbacker Causeway, Mixed Income Properties, Section 8 Allocation Properties and the Self-Insurance Fund. Under the full accrual basis, revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. The differences between the modified-accrual and accrual basis of accounting include budgeting the full amount of capital expenditures rather than the depreciating expense over time, and budgeting the principal payments of outstanding debt, as well as the recognition of the issuance of debt since it does increase the government's current financial resources. The fund balance is defined as the excess of assets over the liabilities in any given fund.

Home Rule Amendment and Charter

<http://www.miamidade.gov/CharterReview/library/10-11-02-charter.pdf>

The Charter is the constitution for Miami-Dade County and governs all activity, including financial and budgetary policies.

Article 5, Section 5.03 (A) of the Charter states that the Finance Department shall be headed by a Finance Director appointed by the Mayor and the Clerk of the Circuit and County Courts. The Finance Director has charge of the financial affairs of the County. While not delineated in the Charter, currently the Budget Director, who serves as the Director of the Office of Management and Budget, is the designated Budget Officer. At the end of each fiscal year an audit is performed by an independent certified public accountant designated by the BCC of the accounts and finances of the County for the fiscal year just completed.

State and County policy dictates that contracts for public improvements and purchases of supplies, materials, and services (other than professional) be issued based on a competitive solicitation process. This process includes formal sealed bids when the transaction involves more than the minimum amount established by the BCC by ordinance. The resulting contract must be approved by the BCC. The BCC may, with a written recommendation of the Mayor, and a two-thirds vote of the members present, waive competitive bidding if it is in the best interest of the county.

Any County official or employee of the County who has a special financial interest, direct or indirect, in any action by the BCC is obligated to disclose the interest and cannot vote upon or otherwise participate in the

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transaction. Willful violation of this Section constitutes malfeasance in office, will lead to forfeiture of office or position, and renders the transaction voidable by the BCC.

The Citizens' Bill of Rights of the Miami-Dade County Home Rule Amendment and Charter states that in addition to any budget required by state statute, the Mayor prepares a budget showing the cost of each program for each budget year. Prior to the County Commission's first public hearing on the Proposed Budget required by state law, the Mayor makes public a budget summary setting forth the proposed cost of each individual program and reflecting all major adopted increases and decreases in funds and personnel for each program, the purposes for those adjustments, the estimated millage cost of each program and the amount of any contingency and carryover funds for each program.

Article 2, Section 2.02 (G) states that the Mayor prepares and delivers a budgetary address annually to the people of the county in March to set forth the Mayor's funding priorities for the County. Between June 1 and July 15, the Mayor releases a Proposed Budget containing a complete financial plan, including capital and operating budgets, for the next fiscal year. The budget is presented to the Commission before the BCC adopts tentative millage rates for the next fiscal year. The BCC must hold two public budget hearings scheduled within the constraints outlined in state law.

The annual budget establishes the appropriations, or the approved expenditure levels, for the fiscal year and expenditures above the adopted levels cannot be incurred. There are some kinds of funds – working capital, revolving, pension, or trust funds – that may be accessed without approved expenditure authority. The BCC, by ordinance, may transfer any unencumbered appropriation balance, or any portion thereof, from one department, fund, or agency to another, subject to the provisions of ordinance. Any portion of the earnings or balance in any fund, other than sinking funds for obligations not yet retired, may be transferred to the general funds of the County by the BCC. The adopted budget may be amended at any time during the year, by BCC action. Re-appropriations within a fund without increasing the total fund may be approved by motion or resolution. Increasing the total appropriations for a fund requires an ordinance, with two readings and a public hearing.

State Law

<http://www.leg.state.fl.us/statutes/>

Chapter 129.025, Florida Statutes allows for the designation of a county budget officer that may carry out the duties set forth in this chapter. Chapter 129.01(2) (a), Florida Statutes establishes that the budget will be prepared, summarized, and approved by the BCC of each county, (b) and that it will be balanced. That is, the estimated revenues, including balances brought forward, equals the total of the appropriations and reserves. The budget must conform to the uniform classification of accounts prescribed by the appropriate state agency. Revenues must be budgeted at 95 percent of all receipts reasonably to be anticipated from all sources, including taxes to be levied. Chapter 129.01(2) (c) (1), Florida Statutes provides that a reserve for contingencies may be provided in a sum not to exceed ten percent of the total budget.

Chapter 129.06(1), Florida Statutes requires that adopted budgets regulate the expenditures of the county and each special district included within the county budget and the itemized estimates of expenditures are fixed appropriations and cannot be amended, altered, or exceeded except by action of the governing body. Chapter 129.06(2), Florida Statutes allows that the BCC at any time within a fiscal year may amend a budget for that year and may, within the first 60 days of a fiscal year, amend the budget for the prior fiscal year. The amendments can be made by motion or resolution when expenditure appropriations in any fund

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are decreased and other appropriations in the same correspondingly increased provided that the total of the appropriation in the fund may not be changed. Otherwise, the amendment will require an ordinance of the BCC for its authorization. Chapter 129.07, Florida Statutes states that it is unlawful for the BCC to expend or contract for the expenditure in any fiscal year more than the amount appropriated in each fund's budget.

Chapter 200.011, Florida Statutes states that the BCC determines the amount to be raised for all county purposes, except for county school purposes, and the millage rates to be levied for each fund respectively. The BCC also determines the rates for use by the county, including special taxing district, board, agency, or other taxing unit within the county for which the BCC is required by law to levy taxes.

Chapter 200.065, Florida Statutes establishes a rolled-back millage rate, a maximum millage rate, and voting requirements for taxing jurisdictions, requiring an extraordinary vote of the local governing body to exceed the maximum millage rate for taxing purposes (as described previously).

Chapter 200.071, Florida Statutes mandates that no ad valorem tax millage shall be levied against real property and tangible personal property by counties in excess of 10 mills, except for voted levies. Any county which, through a municipal service taxing unit, provides services or facilities of the kind or type commonly provided by municipalities, may levy, in addition to the millage rates otherwise provided in this section, an ad valorem tax millage not in excess of 10 mills against real property and tangible personal property within each such municipal service taxing unit to pay for such services or facilities provided with the funds obtained through such levy within such municipal service taxing unit.

Miami-Dade County Legislation and Code

Miami-Dade County Resolution R-31-09 established the current investment policy for Miami-Dade County which states in summary that the County's investment strategy is an adherence to buy and hold thereby eliminating the potential for risky trading.

(<http://www.miamidade.gov/govaction/legistarfiles/MinMatters/Y2008/083625min.pdf>)

Article CXVIII.5 of the Miami-Dade County Code is entitled "Governing for Results" and codifies our results-oriented governing management concepts. Section 2-1795 lays out policies for the allocation of resources and requires the Mayor or his/her designee present up to 20 recommended priorities no later than January 31 of each year. It also requires the submission of a five-year financial forecast (http://www.miamidade.gov/csd/county_code.asp). Miami-Dade County Ordinance 07-45 amending Section 2-1795 of the Code revised the standardization of the resource allocation and reserve procedures for the preparation and adoption of the County's annual budget requiring budget format to provide clear basis for which to hold management accountable for operating within the Adopted Budget. In addition, the ordinance places restrictions on the re-appropriation of line items within funds. (<http://www.miamidade.gov/govaction/legistarfiles/MinMatters/Y2007/070515min.pdf>)

Miami-Dade County Ordinance 10-36 amending Section 2-1795 of the Code establishes procedures to be followed by the Commission Auditor in the preparation and adoption of the County's Annual Budget. The Commission Auditor is to perform in-depth review of the proposed budget of the Board of County Commissioners and all departments and divisions that report directly to the Board, including the County Attorney's Office, the Office of the Inspector General, the Commission on Ethics and Public Trust, the Office of Commission Auditor, and the Legislative Analysis Division under the Board of County Commissioners' fund. The analysis should include a review of any changes to the budget proposed by the Mayor made as

FY 2012-13 Proposed Budget and Multi-Year Capital Plan

a result of the budget prepared and recommended by the Mayor, and the Mayor's written response thereto, presented to the Commission in accordance with the second sentence of Section 5.03(B) of the Home Rule Charter. In addition, the Commission Auditor shall review and analyze any mid-year and year-end budget amendments proposed by the Mayor or his/her designee giving full consideration to the County Commission's adopted priorities and policy directives; and issue any final recommended written changes to the Mayor's and present to the County Commission prior to its consideration of such proposed budget amendments. (<http://www.miamidade.gov/govaction/legistarfiles/MinMatters/Y2010/101254min.pdf>)

THE BUDGET DEVELOPMENT PROCESS

Pursuant to Article 5 of the Miami-Dade County Charter, the Mayor is required to prepare a Proposed Budget between June 1 and July 15. The Mayor or his/her designee is then required to present the budget to the BCC before the BCC adopts the proposed millage rates, which usually occurs at the last BCC meeting in July.

Although submission of the Proposed Budget occurred on July 12 this year, budget development actually is a year-round process. As the fiscal year begins, departmental staff updates their business plans. In December and January, staff completes initial projections and estimates of revenues for the current and ensuing fiscal years. In January, the Mayor submits a list of recommended budget priorities to the BCC. In February, County departments submit their resource allocation requests to the Office of Management and Budget (OMB). Those requests are linked to the priorities in the departmental business plans. Departmental Budget Meetings are held with the departments and OMB to discuss service priorities and to begin the process to match them with available resources. These meetings are publicly noticed, to encourage residents and elected officials and their staffs to participate. The work requires numerous meetings among County staff to discuss and evaluate proposed service levels and funding. In March, the Mayor delivers a budget address putting forth his funding priorities. Throughout the budget development process, administrative staff interacts with Commission staff and the staff of the Commission Auditor to share revenue and expenditure information. Pursuant to the County Charter and Code, the Proposed Budget must be submitted to the Board of County Commissioners by July 15.

It is important to note that there are certain budget-related deadlines established by state statute. By July 1, the Property Appraiser certifies the Preliminary Final Property Tax Rolls. In July, the BCC considers the proposed millage rates to be used to calculate the estimated taxes published in the "Notice of Proposed Property Taxes" (also referred to as "Truth in Millage" or "TRIM" notices) sent to each property owner in August. That determination is a significant point in the budget development schedule since the millage rates included on the TRIM notices represent a ceiling for property taxes for the ensuing fiscal year. If the BCC chooses to increase the millage rate beyond that which was advertised, all taxpayers must be re-noticed.

In accordance with Ordinance 11-45, public meetings are required to be held throughout the County in August to discuss proposed new or increased rates for fees and taxes. 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, the BCC 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 by the BCC, which usually take place during mid-year and at year-end.

FY 2012-13 Proposed Budget and Multi-Year Capital Plan

FY 2012-13 Budget Development Process

December – January



Budget forecasting for coming year

July 12



Proposed Budget presented

January



Recommended budget priorities released

July 17



Proposed maximum tax rates adopted by County Commission

January – April



Departmental budget preparation and meetings

August



Notices of proposed tax mailed in August; Commission workshops held

March



Mayor's budget address

September 6 and 20



Two public budget hearings

July 1



Tax Roll Released

October 1



New budget becomes effective

FY 2012-13 Proposed Budget and Multi-Year Capital Plan

THE FY 2012-13 PROPOSED BUDGET

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 UMSA, library services provided by the Miami-Dade County Public Library System (Library System), and fire rescue services provided within the Miami-Dade Fire Rescue Service 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 are restricted in their use, which complicates the process of balancing the budget.

The FY 2012-13 Proposed Budget is balanced at \$5.935 billion, of which \$4.304 billion represents the direct operating budget and \$1.630 billion is funding for capital projects. The operating budget is 3.78 percent lower than the FY 2011-12 Adopted Budget of \$4.473 billion. The tax supported budgets, the Countywide General Fund, Unincorporated Municipal Services Area (UMSA) General Fund, Library System, and Fire Rescue Service District budgets, total \$1.793 billion, or 41.6 percent of the total operating budget. Unfunded needs in the operating budget total \$71 million.

Reorganization

Reorganization Savings

	Positions	Tax Supported		Other	Total
Animal Services	1	\$ 7,000	\$ 43,000		\$ 50,000
Community Action and Human Services	26	1,194,997	837,476		2,032,473
Community Information and Outreach	4	160,663	87,278		247,941
Corrections and Rehabilitation	12	862,917	-		862,917
Cultural Affairs	1	-	80,067		80,067
Elections	1	48,283	-		48,283
Finance	3	-	223,405		223,405
Internal Services	59	1,232,884	2,744,628		3,977,512
Information Technology	11	191,693	747,738		939,431
Juvenile Services	1	83,519	-		83,519
Library	4	590,482	-		590,482
Management and Budget	4	348,430	-		348,430
Parks, Recreation and Open Spaces	130	4,848,870	1,655,213		6,504,083
Police	56	3,289,203	167,222		3,456,425
Port of Miami	6	-	331,600		331,600
Public Housing and Community Development	32	-	2,682,398		2,682,398
Public Works and Waste Management	70	2,110,802	2,346,749		4,457,551
Regulatory and Economic Resources	72	860,551	4,361,698		5,222,249
Transit*	-	-	6,000,000		6,000,000
Water and Sewer	85	-	5,077,166		5,077,166
Grand Total	578	\$ 15,830,294	\$ 27,385,637		\$ 43,215,931

* Note: Savings equivalent to freezing 52 positions for a one-year period as a result of reorganization reviews.

FY 2012-13 Proposed Budget and Multi-Year Capital Plan

The FY 2011-12 Adopted Budget included a reorganization that reduced the number of department under the Mayor's purview from 42 to 25. The goal of this reorganization is to reduce the cost of government by eliminating the duplication of back office and support services and enhance the delivery of service to our community by improving efficiency and reinvesting resources. The first phase of this reorganization identified 578 positions to be eliminated, saving the County budget more than \$43 million. Analysis of reorganization opportunities continue, with detailed process analysis currently being performed in the Public Works and Waste Management (PWWM), Community Action and Human Services (CAHS), Internal Services (ISD), and Regulator and Economic Resources (RER) departments. Areas of focus include review of financial, budget and planning, and human resources functions in each department, as well as specific service delivery functions, such as Adult Services and Self Help and Rehabilitative Services in CAHS, Design and Construction Services in ISD, and permitting in RER.

Revenues

The most significant source of discretionary revenue to local governments in Florida is property tax revenue. The estimated countywide tax roll change (from the 2011 preliminary roll) for FY 2012-13 is an increase of 1.98 percent. In accordance with Amendment 10 to the State Constitution, the increase in property assessments for 2011 homestead residential properties was set at three percent. Despite the property tax roll increase, ad valorem revenue is budgeted at \$4.329 million less than the FY 2011-12 Adopted Budget. Non-ad valorem revenues are projected to increase for FY 2012-13 as the weak economy begins to rebound.

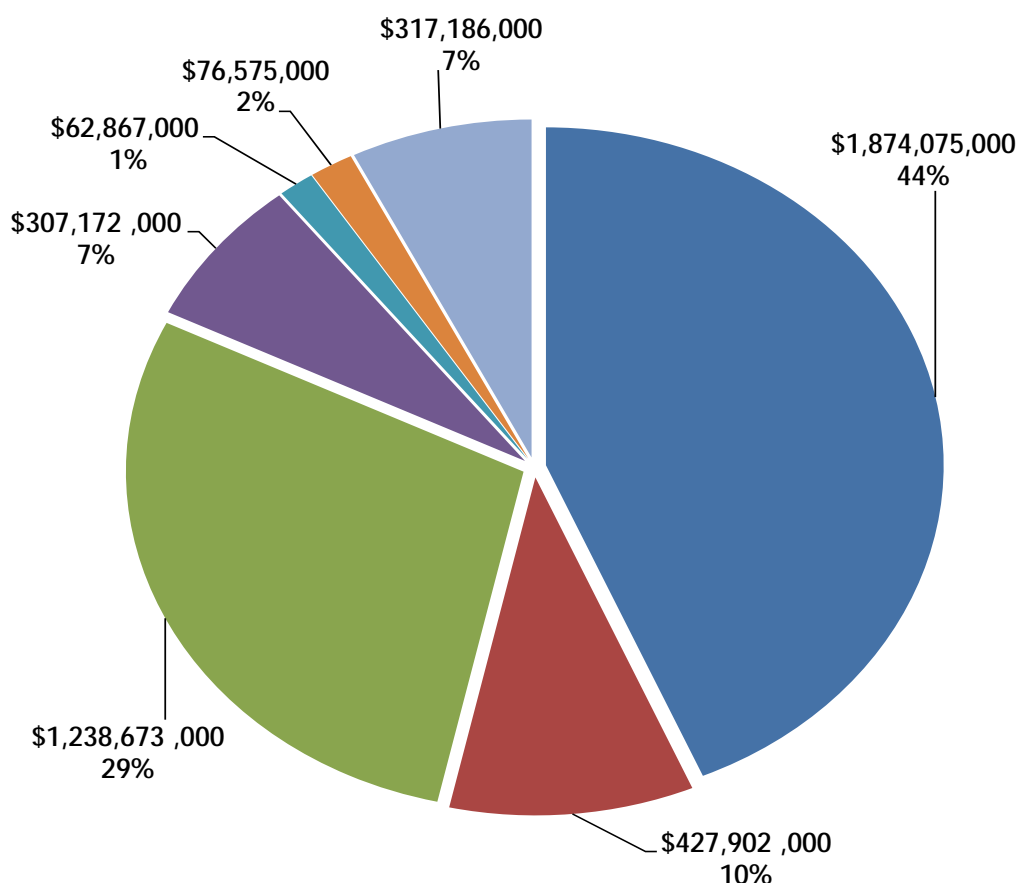
Proprietary agencies are supported entirely from fees and charges generated by their operations (as in the case of Aviation); by a special property tax (i.e. Miami-Dade Fire Rescue Service District and Library System); a special assessment (e.g. solid waste collection services in Public Works and Waste Management); or by proprietary revenue, including grants, which augment a General Fund subsidy (e.g. Parks, Recreation and Open Spaces). Certain proprietary revenues also support functions in multiple departments, such as storm water utility revenues, tourist tax revenues, and local option gas taxes (as described in Appendix J and K). Proprietary operations, such as the Aviation department and the Port of Miami, will grow to the extent that their activity and operating revenues permit. The residential solid waste collection fee is held flat at \$439 per year and solid waste disposal fees are adjusted by the consumer price index. Water and wastewater fees for operations are also held flat. The landing fee for Miami International Airport is currently projected to increase to \$2.54 from \$1.92. A small number of other miscellaneous rate adjustments are included in the budget, such as terminal, concourse and rental fees,

The proprietary departments pay an administrative reimbursement payment to the general fund. The administrative reimbursement payment is calculated by determining the percentage of the entire general fund represented by the internal support functions that serve the whole County and all departments. This percentage is then applied to the budget of the proprietary functions. This rate has been adjusted to 2.42 percent from 2.35 percent last year and then an additional contribution from proprietary funds was budgeted to support General Fund reserves. The payment from the Aviation Department is calculated utilizing a unique basis determined in concert with the Federal Aviation Administration. 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: 74 percent Countywide and 26 percent UMSA.

FY 2012-13 Proposed Budget and Multi-Year Capital Plan

OPERATING REVENUES (EXCLUDING INTERAGENCY TRANSFER)

Funding Source	Actuals		Actuals		Budget			
	FY 2009-10	%	FY 2010-11	%	FY 2011-12	%	FY 2012-13	%
Proprietary	\$2,173,085,000	44	\$2,192,035,000	45	\$2,047,279,000	46	\$1,874,075,000	44
Federal and State Grants	\$ 470,562,000	10	\$ 496,636,000	10	\$ 405,199,000	9	\$ 427,902,000	10
Property Tax	\$1,477,230,000	30	\$1,423,698,000	30	\$1,243,002,000	28	\$1,238,673,000	29
Sales Tax	\$ 287,759,000	6	\$ 249,882,000	5	\$ 283,285,000	6	\$ 307,172,000	7
Gas Taxes	\$ 64,157,000	1	\$ 66,485,000	1	\$ 62,120,000	1	\$ 62,867,000	1
Misc. State Revenues	\$ 82,065,000	2	\$ 83,677,000	2	\$ 83,480,000	2	\$ 76,575,000	2
Miscellaneous	\$ 342,082,000	7	\$ 317,977,000	7	\$ 348,545,000	8	\$ 317,186,000	7
Total	\$4,896,940,000		\$4,830,390,000		\$4,472,910,000		\$4,304,450,000	



Expenditures

The FY 2012-13 Proposed Budget is a continuation of the FY 2011-12 Adopted Budget. With an overarching goal of supporting economic development and attracting and retaining jobs, this Proposed Budget funds critical services to make the community livable and sustainable. In addition to returning the revenue resulting from the growth in the property tax roll to the taxpayers in the form of a millage rate reduction, we were able to fund a reserve should the Board choose to return a portion of the concessions from our employees needed to balance last year's budget.

FY 2012-13 Proposed Budget and Multi-Year Capital Plan

Public Safety

Public safety functions are the core service for every local government. In FY 2011-12, the Police department reduced specialized functions and eliminated vacant positions, without impacting the number of patrol officers on the street. In FY 2012-13, we will be holding two basic law enforcement classes to begin to strengthen our number of officers. Expenses continue to be adjusted in Corrections and Rehabilitation to reflect the current lower facility population. The general population of women inmates will be moved to the Turner Guilford Knight facility to allow for reduced operating cost at the Women's Detention Center. Additional sworn positions will be converted to civilian positions. No suppression or rescue units will be eliminated in the Fire Department and a recruit class will be held as needed. No further reductions are identified for the Juvenile Services Department beyond positions for which grant funding has been eliminated. The Medical Examiner will hire five additional positions to address weaknesses that would impact accreditation. We will continue to work through the fiscal year with the State Attorney, Public Defender, Clerk of Courts, and Chief Judge to make sure that our court system responsibilities are addressed within the limited revenues we have available.

Economic Development

The Department of Regulatory and Economic Resources was created by combining key elements of departments that were previously involved with economic development and business and environmental regulation. The new department is focused on making Miami-Dade County a place where people want to do business, from the small Mom and Pop to the international conglomerate.

Neighborhoods and Infrastructure

The spending in this area continues at a scaled back level, but we still ensure mission critical services are provided and safety is not compromised. Mowing and landscape cycles, traffic and street sign replacement, and NEAT team efforts remain at current year levels. Residential fees for garbage and trash collection and water and sewer services are not increased. Infrastructure projects – particularly those in Water and Sewer addressing the anticipated consent decree from the Federal Environmental Protection Agency – are funded.

Recreation and Culture

Library services remain the same, as well as funding for County majors and cultural grants. Parks, Recreation and Open Spaces Department resources held steady. Funding for operational support to Miami Science Museum, Miami Art Museum, HistoryMiami, and Vizcaya Museum and Gardens is increased to FY 2006-07 levels.

Social and Human Services

County support for services provided to the elderly remains at current year levels. Again adjustments to administration and overhead in the social services area allowed for expenditure reductions without impacts to direct service for County funded programs. Services for children are also a priority and maintaining the current levels of Head Start services by delegating all slots allows for considerable cost savings without reducing either the number of children serviced or the days of service children are provided. The process for transferring slots is almost complete.

Funding for community-based organizations (CBOs) remains at FY 2011-12 levels and continuation funding to currently contracted CBOs is recommended.

FY 2012-13 Proposed Budget and Multi-Year Capital Plan

The maintenance of effort payment to the Public Health Trust will be \$133.127 million for FY 2012-13, \$120.764 million from the millage calculation and \$12.363 million as a percentage of the non-ad valorem revenue in the general fund.

Transportation

Implementation of efficiencies makes it possible to again reduce positions at both the Port of Miami and in the Aviation Department. Regional transportation services continue to be provided at current service levels, including the new AirportLink service, funded by an increase in the maintenance of effort for Transit of \$5.484 million (total MOE is \$162.191 million).

General Government and Policy Formulation

This organization continues to contract. The number of positions identified for elimination between FY 2011-12 and FY 2012-13, including the reorganization, is the highest reduction in the history of the County. Further analysis has been and will continue to be done to reorganize our functions and bring about not only direct savings but improved delivery of service.

General Government and Policy Formulation funding is continued at levels to support current services. The funding for the Board of County Commissioners district budgets is held flat, while funding for the overall offices of the Board and funding for the County Attorney's Office has been budgeted to support the current level of staffing, adjusted only for changes in personnel costs. The Office of the Mayor's budget has been further reduced by seven percent. The Office of the Inspector General will continue to hold vacant two positions and the Commission on Ethics budget is increased slightly from the FY 2011-12 Adopted Budget level.

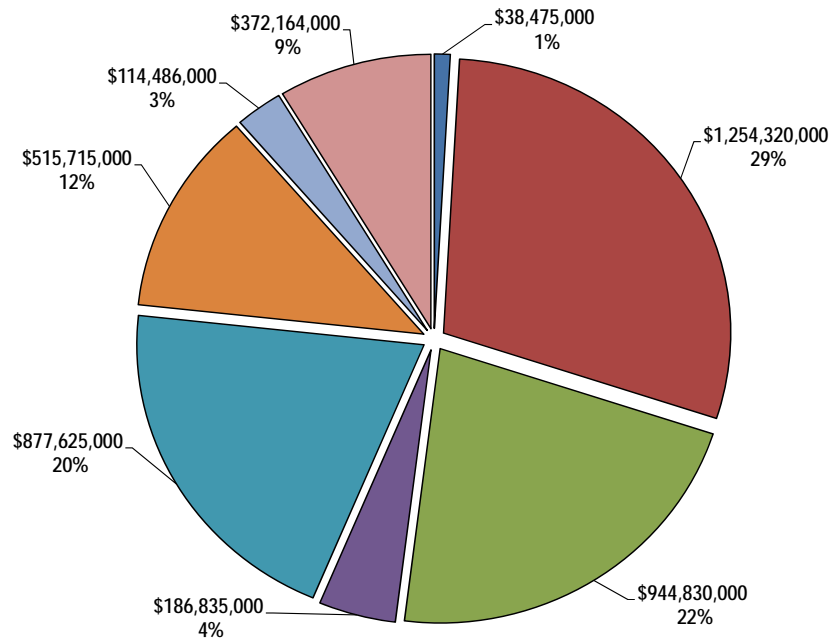
The Elections Department budget is funded to provide the resources necessary to support the November Presidential Election. Funding is allocated to support facility and asset needs in Internal Services, information technology resources in the Information Technology Department, and the 311 Answer Center at current levels of service.

The Budget maintains our reserves, particularly the Countywide Emergency Contingency Reserves as noted before. Budgeted reserves as a portion of the General Fund budget remain at 5.76 percent. The loan provided by the Water and Sewer funds to the General Fund, made in FY 2011-12 does not recur. That revenue is available to WASD to support capital needs and loan repayments will start in FY 2013-14.

OPERATING EXPENDITURES (EXCLUDING INTERAGENCY TRANSFER)

Funding Use	Actuals		Actuals		Budget			
	FY 2009-10	%	FY 2010-11	%	FY 2011-12	%	FY 2012-13	%
Policy	\$ 45,042,000	1	\$ 44,023,000	1	\$ 40,157,000	1	\$ 38,475,000	1
Public Safety	\$ 1,236,841,000	29	\$ 1,314,680,000	31	\$ 1,256,754,000	28	\$ 1,254,320,000	29
Transportation	\$ 844,674,000	20	\$ 879,215,000	20	\$ 930,409,000	21	\$ 944,830,000	22
Recreation/Culture	\$ 236,328,000	5	\$ 221,363,000	5	\$ 213,655,000	5	\$ 186,835,000	4
Neighborhood/Infrastructure	\$ 824,199,000	20	\$ 836,218,000	19	\$ 867,773,000	19	\$ 877,625,000	20
Health and Human Services	\$ 595,391,000	14	\$ 575,135,000	13	\$ 557,713,000	12	\$ 515,715,000	12
Economic Development	\$ 161,719,000	4	\$ 137,511,000	3	\$ 228,241,000	5	\$ 114,486,000	3
General Government	\$ 287,983,000	7	\$ 291,397,000	7	\$ 378,208,000	8	\$ 372,164,000	9
Total	\$4,232,177,000		\$4,299,542,000		\$4,472,910,000		\$4,304,450,000	

FY 2012-13 Proposed Budget and Multi-Year Capital Plan



Summary information describing major revenue sources and expenditure by strategic area as well as information for each department showing the activities by supporting revenue source and the categories of expenditures are included as Appendix A and B in this volume.

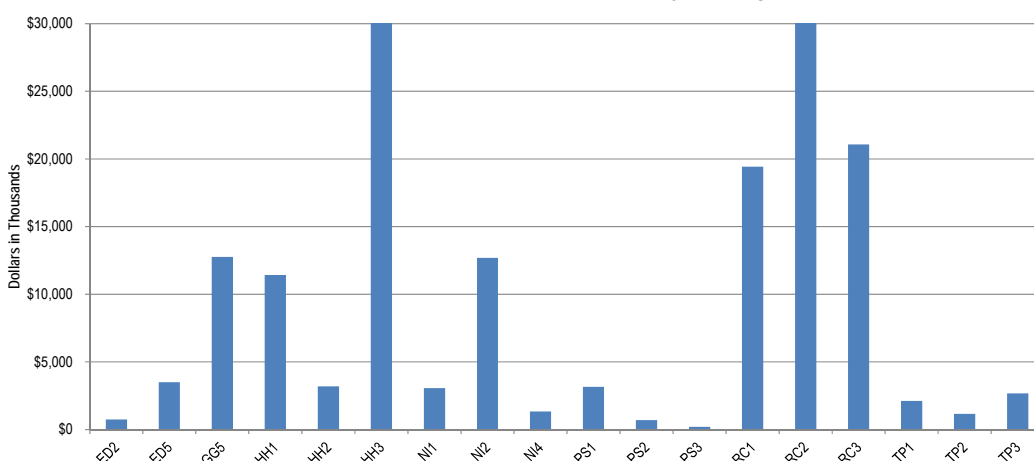
FY 2012-13 PROPOSED CAPITAL BUDGET AND MULTI-YEAR CAPITAL PLAN

The Capital Budget and Multi-Year Plan (also known as the Capital Improvement Plan) is prepared pursuant to state growth management legislation and the Miami-Dade County Code and is prepared along with the operating budget. It is used as the basis for updating the Capital Improvement Element of the Comprehensive Development Master Plan, the Five-Year Transportation Improvement Plan, and the other major County capital planning documents.

The Capital Budget and Multi-Year Plan outlines revenues and expenditures for current and new capital projects necessary to maintain, improve, and expand public facilities and infrastructure to support County operations and meet the service demands of residents and visitors to Miami-Dade County. The Capital Budget has projects in each of the County's Strategic Areas: Public Safety, Transportation, Recreation and Culture, Neighborhoods and Infrastructure, Health and Human Services, Economic Development, and General Government. Beginning with the Building Better Communities General Obligation Bond Program (BBC-GOB), this year we are more closely tying the capital budget with the County's strategic plan by linking expenditures to strategic goals and objectives. The chart below shows expenditures in the BBC-GOB program for FY 2012-13 by strategic goal.

FY 2012-13 Proposed Budget and Multi-Year Capital Plan

FY 2012-13 GOB Proposed Expenditures By Strategic Goal

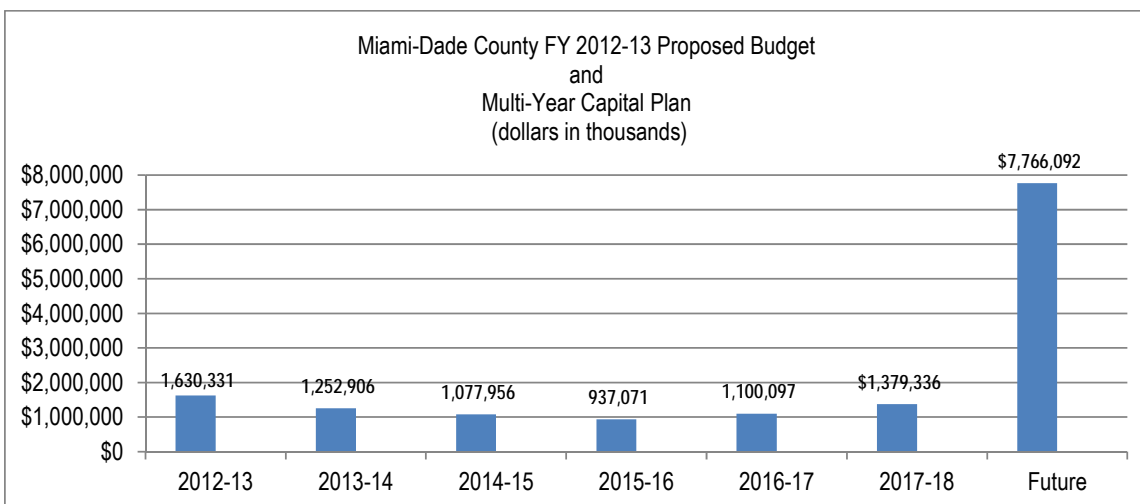


Strategic Goals

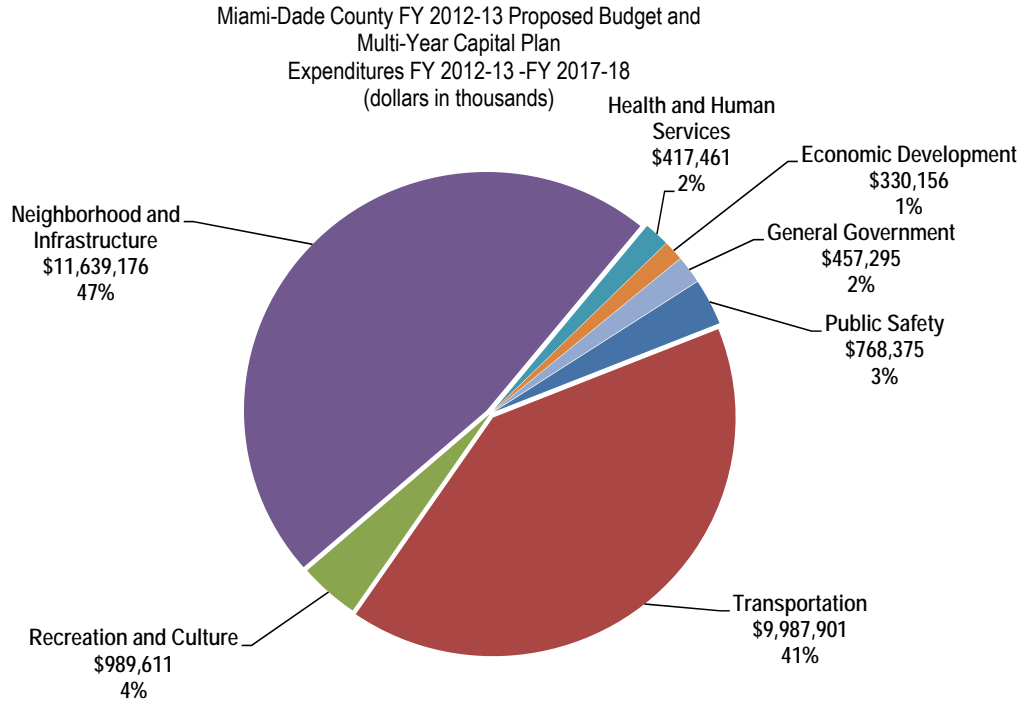
ED2: Expanded domestic and international travel and tourism
 ED5: Revitalized communities
 GG5: Goods, services and assets that support County operations
 HH1: Healthy Communities
 HH2: Basic needs of vulnerable Miami-Dade County residents are met
 HH3: Self-sufficient population
 NI1: Responsible growth and a sustainable built environment
 NI2: Effective infrastructure services
 NI4: Safe, healthy and attractive neighborhoods and communities
 PS1: Reduced crime

PS2: Reductions in preventable death, injury and property loss
 PS3: Effective emergency and disaster management
 RC1: Recreation and cultural locations and facilities that are sufficiently distributed throughout Miami-Dade County
 RC2: Attractive and inviting venues that provide world-class recreational and cultural enrichment opportunities
 RC3: Wide array of outstanding programs and services for residents and visitors
 TP1: Efficient transportation network
 TP3: Well-maintained transportation system and infrastructure

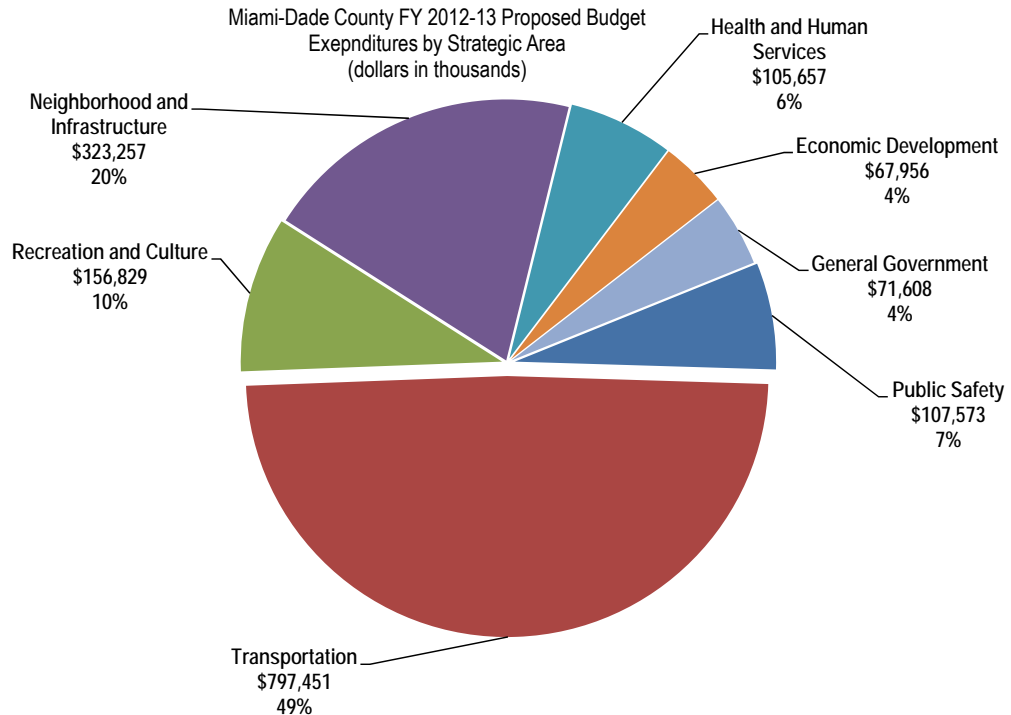
The County's Proposed Multi-Year Capital Improvement Plan totals \$24.59 billion and includes 632 capital projects across all strategic areas. The graph below details the annual programmed expenditure. The funding sources for the Proposed Capital Improvement Plan include 4.62 percent from the Federal Government, 3.29 percent from the State of Florida, 57.51 percent from Revenue or Special Obligation Bonds, 6.98 percent from General Obligation Bonds, 4.28 percent from County Proprietary Operations, 1.03 percent from Impact Fees, 22.29 percent from other County Sources and other non-County Sources.



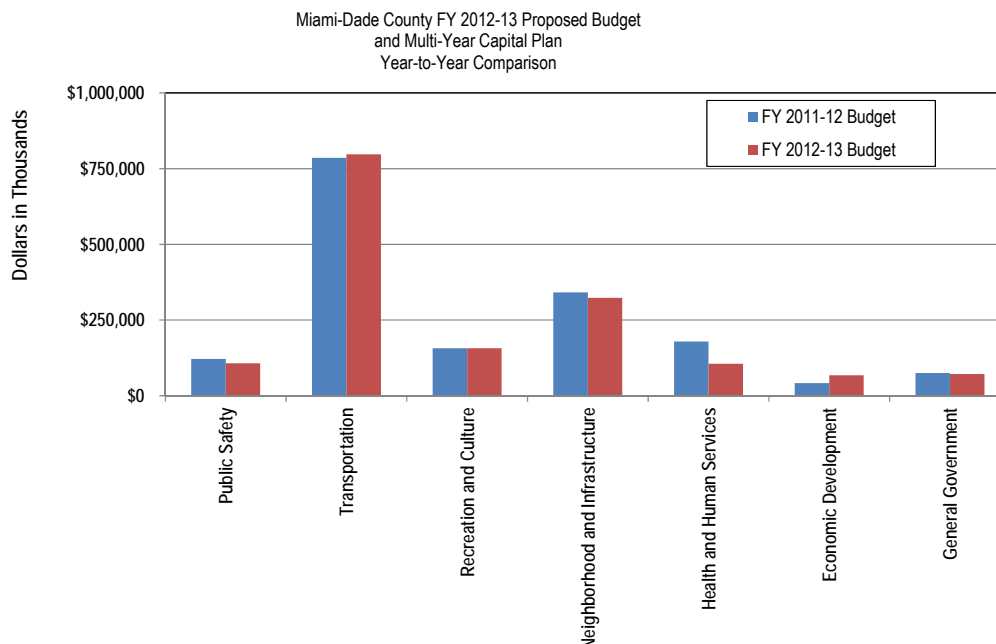
FY 2012-13 Proposed Budget and Multi-Year Capital Plan



The FY 2012-13 Proposed Capital Budget, the first programmed year of the Proposed Multi-Year Plan, totals \$1.63 billion, which is approximately 4.29 percent lower than the FY 2011-12 Adopted Budget of \$1.703 billion, primarily because certain major capital projects were completed this past year or are nearing completion this year. The Proposed Capital Budget was developed with the intent to fund projects that support economic development, livability and sustainability of our community.



FY 2012-13 Proposed Budget and Multi-Year Capital Plan



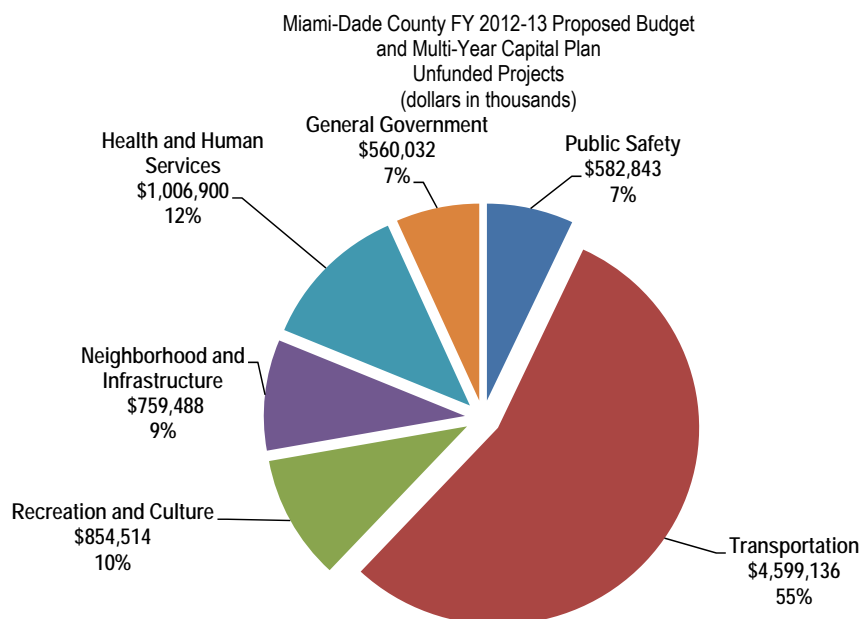
A number of major capital projects are continued in the FY 2012-13 Proposed Budget. Construction costs for the Children's Courthouse (\$57.310 million) and the Mental Health Facility (\$3.277 million) are funded, along with the required narrow banding work to be done to meet federal requirements for our radio system (\$5.880 million). Final funding needed to complete the North Terminal Development at Miami International Airport (\$87.635 million) is included, as is funding for MIA support facility improvements (\$59.888 million). Both the Deep Dredge (\$129.056 million) and the Port Tunnel (\$55 million in future years) are in the budget. More than \$130 million is included for transportation-related road projects, along with final funding of the AirportLink and revenues to support replacement of the rail cars and installation of a test track for Metrorail. Significant funding for the Miami Art Museum (\$30 million) and the Miami Science Museum (\$45 million) is budgeted, and more than \$34 million for parks projects. Funding to begin renovation or replacement of the Culmer/Overtown and Wynwood/Allapattah neighborhood service centers (\$1.1 million) and nearly \$39 million of funding for affordable housing projects is included. The Public Health Trust is planning \$68 million worth of capital expenditures and we will begin the implementation of a full Enterprise Resource Planning system. More than \$235 million of projects for the Water and Sewer Department are planned for the current year, out of a \$10 billion system-wide capital plan. Funding to proceed with renovation of the interior and exterior of the Miami-Dade County Courthouse is included.

The FY 2012-13 Proposed Capital Outlay Reserve (COR) fund includes \$56.31 million of programmed projects. Revenue appropriations to fund the COR include a transfer from the Countywide General Fund of \$2.924 million, with the balance of the COR funded from \$38.609 million of various proprietary fund transfers and miscellaneous payments from other governments or leases and \$14.777 million of carryover from FY 2011-12. Of the recommended COR appropriation, \$36.846 million (65 percent) is programmed to fund principal and interest payments non-ad valorem general fund backed debt for capital projects across all strategic areas.

For presentation purposes in the FY 2012-13 Proposed Budget and Multi-Year Capital Plan, for ongoing or recurring yearly projects, prior year revenues that were expended are not shown in most cases to avoid artificially inflating the overall capital plan by showing cumulative expenditures that have already occurred.

FY 2012-13 Proposed Budget and Multi-Year Capital Plan

There are 233 projects in the unfunded section, estimated to cost a total of \$8.363 billion as compared to \$15.551 billion in FY 2011-12, a 46 percent decrease. The decrease reflects fully funding the Water and Sewer system infrastructure plan in the multi-year Capital plan, utilizing future revenue bonds. The following chart illustrates the unfunded capital budget by strategic area.



General Obligation Bond (GOB) Programs

General obligation bonds are general obligations of the County and are payable from unlimited ad valorem taxes on all taxable real and tangible personal property within the County (excluding exempt property as required by Florida law). The full faith, credit, and taxing power of the County is irrevocably pledged to the prompt payment of both principal of and interest on the Bonds as the same become due and payable. Pursuant to the Florida Constitution, there is no limit on the amount of ad valorem taxes a county may levy for the payment of general obligation bonds. Although titled as a Special Obligation Bond Program, this same rule of law applies to the voted debt for the Fire District Bonds, but only for taxable real and tangible personal property within the Fire Rescue District.

The FY 2012-13 proposed countywide voted debt millage for general obligation bonds remains constant at 0.285 mills. We continue to evaluate responsible financing options within the current constrained tax roll conditions to deliver as many projects as possible in the near term that are ready to go while minimizing both capital interest expense and future operating impacts. Therefore, in order to more efficiently manage project cash flow requirements and to optimize the County's capacity to do more projects, a commercial paper program has been approved by the Board for implementation in FY 2011-12. The FY 2012-13 Proposed Fire Rescue District voted debt service millage, which funds principal and interest payments for the 2002 Fire District Special Obligation Bond Program is 0.0131 mills.

FY 2012-13 Proposed Budget and Multi-Year Capital Plan

Planning Financings

The Proposed Capital Budget includes capital financings that are planned during FY 2012-13. The financial markets are very unpredictable so final amounts for these will be determined when the authorizing legislation is presented to the Board of County Commissioners for approval:

- General Obligation Bonds Building Better Communities Program Commercial Paper Program (Fall 2012)
- Capital Asset Acquisition bonds for the Port of Miami in a programmed amount of approximately \$250 million to fund certain departmental capital projects (Fall 2012)
- Refunding of Aviation, Fire, and Special Obligation Bonds (Fall 2012)
- Water and Sewer, Solid Waste, and Juvenile Courthouse Revenue bonds (Summer of 2013)

County's Credit Rating

The County continues to have very strong credit quality. Ratings for general obligation and general fund-related debt issuances are as follows at the time of publication.

Category	Moody's	Fitch	Standard and Poor's
General Obligation Bonds	Aa2	AA	AA-
Fire Rescue	Aa2	N/R	AA-
Public Service Tax	Aa3	AA	N/R
Convention Development Tax	A2	A+	A+
Professional Sports Tax	A1	A+	A+
Budget to Appropriate	Aa3	A+	A+
Courthouse Bonds	Aa3	AA-	A+
Stormwater Utility Bonds	Aa2	AA-	N/R