# FIVE-YEAR FINANCIAL OUTLOOK

The development of the annual budget provides us the opportunity to look at future revenue and expenditure trends. Decisions regarding service expansion or reduction not only need to align with the Strategic Plan, but also with what can be reasonably expected in terms of future resources. We have developed financial forecasts for all four County taxing jurisdictions, as well as for certain proprietary operations such as Aviation, Seaport, Waste Management operations, Water and Sewer, and Transit which support the economy and the sustainability of our community.

In developing the forecast, we utilize a set of assumptions which allow us to make reasonable projections and conclusions. However, these assumptions can be affected at any given time by external forces such legislative actions, changes in the economy, and to the greatest extent, by local policy decisions. We use this document as one of our planning tools and revise it twice each year.

For tax-supported functions we develop our financial outlook utilizing incremental/inflationary methodology using current year service levels as the baseline for projections, making adjustments for defined and scheduled service expansions or reductions.

Currently, the County and our various labor organizations representing our employees are at impasse regarding the current five percent group health contribution. We will soon begin negotiating the net three year agreements which may have significant fiscal impacts to the County in the years to come should existing concessions be discontinued.

To assess the fiscal impact the reinstatement of these labor concessions may have on the property tax-supported budgets, the five-year forecast includes three scenarios:

- Scenario 1: Assumes the five percent contributed by employees as well as other labor concessions remain in place for the scope of the five year plan
- Scenario 2: Assumes the five percent contributed by the employees is discontinued but other concessions remain
- Scenario 3: Assumes the five percent contributed by employees and other concessions are both discontinued

Financial outlooks have been developed only under the fiscal assumption prescribed under Scenario 1 for proprietary functions. Should concessions be returned to employees a determination would need to be made as to whether fees will be increased or services eliminated.

***Property Tax-Supported Budgets***

The Countywide property tax roll for FY 2013-14 increased 3.39 percent, as compared to FY 2012-13. However, the fiscal outlooks for the four property tax-supported budgets under the purview of the BCC have been and will continue to be significantly challenged. The millage rates used to develop the revenue forecast for the property tax-supported budgets assume that the FY 2013-14 adopted millage rates are held flat for FY 2014-15 and thereafter.

After a several years of tax roll losses the tax roll began to recover in 2012, growing by 1.98 percent and then 3.39 percent in 2013. We assume a four percent growth rate during this five-year period for all jurisdictions except UMSA, which has not experienced the same level of growth as incorporated areas and is expected to grow two percent per year.

The preliminary unaudited General Fund carryover balance for year-end FY 2012-13 is estimated at $71.3 million. The Countywide General Fund Emergency Contingency Reserve balance for FY 2012-13 is $52 million. However, in FY 2013-14, a $9 million transfer from this reserve will be made to the Fire Rescue District to compensate for the unexpected losses in ad valorem revenues as a result of Value Adjustment Board refunds. As part of this financial outlook, appropriate expenditure allocations have been made to replenish the Countywide Emergency Contingency Reserve to the FY 2008-09 levels starting in FY 2015-16.

As previously stated, in addition to trying to address service needs for the community, economic trends and federal and state legislation may have a significant impact on the overall County budget. Legislation such as potential increases in Medicaid costs, continuing increases in the County's contribution to the State's retirement fund, and policies that increase inmate jail population, can affect the budget significantly. For FY 2014-15, it is expected that the State legislature may keep Florida Retirement System rate contributions the same as in FY 2013-14; however, beyond FY 2014-15, as a result of actuarial updates and unless further plan modifications and/or employee contributions are adopted, it is our expectation that the FRS rates may continue to climb. Increase costs of health care coverage and other unanticipated events may also have an impact. Future incorporations and annexations by existing municipalities could also impact the County's budget. The Fire Rescue District and the Library System have curtailed any future service expansions due to revenue limitations. The UMSA budget is less dependent on property tax revenue and as such benefits from the growth in other revenues such as sales tax, utility taxes, communication tax, etc., which have shown robust performance in the last year. However, UMSA is constantly being impacted by increasing law enforcement costs which represent approximately 75 percent of its operating budget and as a result is forecasted to generate deficits in the last three years of this forecast.

Our practice is to be extraordinarily conservative with our revenue and expenditure projections. That coupled with the conditions previously described under Scenario 1, 2, and 3, create substantial fiscal challenges within the scope of this financial outlook for our tax-supported budgets.

Under Scenario 1, Countywide operations are forecasted to generate operational funding gaps throughout this five-year outlook. UMSA and the Fire Rescue District are expected to generate a small surplus in FY 2014-15, but funding gaps in the remaining years of this plan. The Library system is expected to experience negative balances throughout the scope of this scenario. Under Scenario 2, all jurisdictions develop funding gaps throughout the five year plan, with the exception of the Fire Rescue District which shows a small surplus in FY2014-15, but funding gaps the following years. Under Scenario 3, all jurisdictions develop funding gaps.

Strategies to address the funding gaps include new service provision opportunities and the implementation of new recurring revenues and/or the aggressive implementation of operational adjustments and efficiencies, within the goals and objectives dictated by the County's Strategic Plan. These strategies, however, will not systematically address all unmet needs identified by our departments, which total $89.6 million and are detailed in each department's narrative in Volumes 2 and 3.

***Assumptions***

<u>Millage Rates</u>

Operating millage rates for all four taxing jurisdictions are kept at the FY 2013-14 millage levels.

Tax Roll Growth

For planning purposes, the Countywide, Fire Rescue District and Library System property tax rolls are assumed to increase 4.0 percent in FY 2014-15 and thereafter. The UMSA property tax roll is only expected to grow 2.0 percent in the same span of time.

Inflation*

| Fiscal Year | Inflation Adjustment |
|---|---|
| 2015 | 2.10% |
| 2016 | 2.10% |
| 2017 | 2.20% |
| 2018 | 2.30% |

*Source: Congressional Budget Office

Incorporations and Annexations

No new incorporations or significant annexations are assumed for the next five years for purposes of forecasting revenues and expenditures.

Service Levels

It is assumed that proposed levels of service for FY 2013-14 are maintained for the next five years except for additional facilities programmed to come online such as the Mental Health Diversion Facility programmed to start operations in FY 2014-15.

Transit Growth

General Fund support to the Miami-Dade Transit Department in FY 2014-15 is increased by $16 million to offset increased debt service obligations that will limit the ability to utilize surtax funds to support operations.

New Facilities

This year the Fire Rescue District will commence construction of the North Bay Village, Miami Lakes West, and Palmetto Bay stations and begin the expansion of the North Miami Beach station. All units to be assigned to these new stations are currently in service at other stations or at temporary locations. This year the Library system is expected to open the Northeast Library. Due to funding limitations, the Library System has pushed the Doral, Killian, and Hialeah Gardens branch projects to future years.

One-Time Revenues

FY 2013-14 Adopted Budget includes approximately $26 million of one-time revenue consisting of tourist taxes and recaptured special taxing district funds.

Salary Expense

Salary expenses have been adjusted to reflect the assumptions previously described under Scenarios 1, 2, and 3.

Health Insurance Costs

Health Insurance costs are expected to remain stable through FY 2013-14 and increase approximately eight percent each year thereafter. The employee contributions for group health insurance have been adjusted to reflect the assumptions previously described under Scenarios 1, 2, and 3.

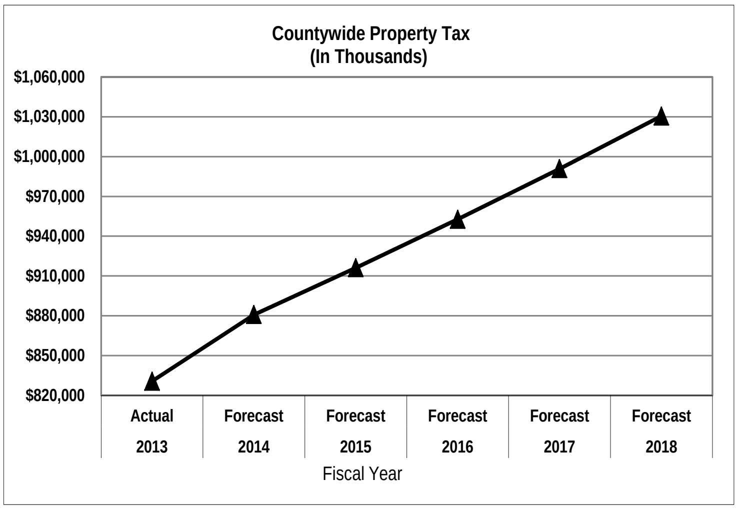
Emergency Contingency Reserve

This five year plan includes the appropriate allocations to bring the Countywide Emergency Contingency Reserve back to the FY 2008-09 levels by FY 2015-16.

# REVENUE FORECAST

## COUNTYWIDE REVENUE FORECAST

### Property Tax

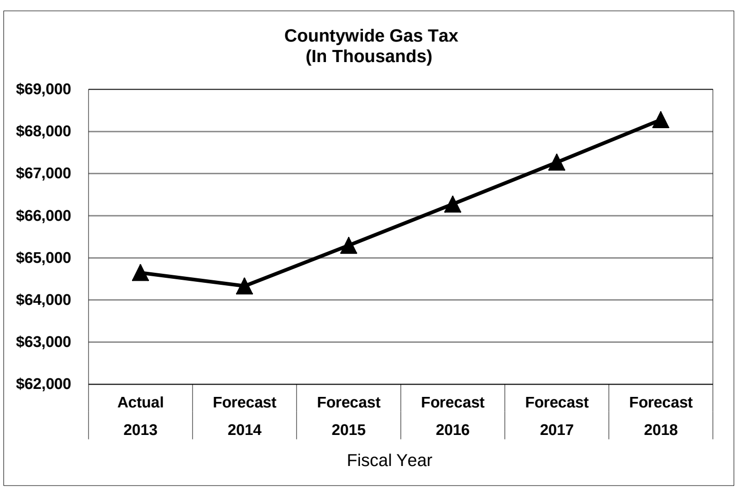



Description: Tax is levied on all nonexempt real and personal property in the county. Property tax revenues are calculated by multiplying the taxing jurisdiction's tax roll (as certified by the Miami-Dade County Property Appraiser's Office) by the adopted/forecasted millage for the fiscal year.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 4.00% |
| 2015-16 | 4.00% |
| 2016-17 | 4.00% |
| 2017-18 | 4.00% |

Comments: Growth based on expected tax roll performance.

### Gas Tax

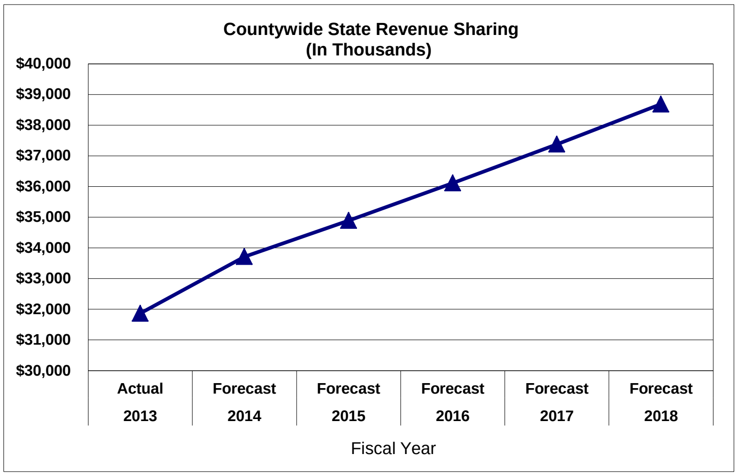



Description: Revenues comprised of the Constitutional Gas Tax, Local Option Gas Taxes, and County Gas Tax.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 1.50% |
| 2015-16 | 1.50% |
| 2016-17 | 1.50% |
| 2017-18 | 1.50% |

Comments: Revenues include only Miami-Dade County's allocation and do not include revenues which accrue to municipalities. Projections based on population growth.

### State Revenue Sharing

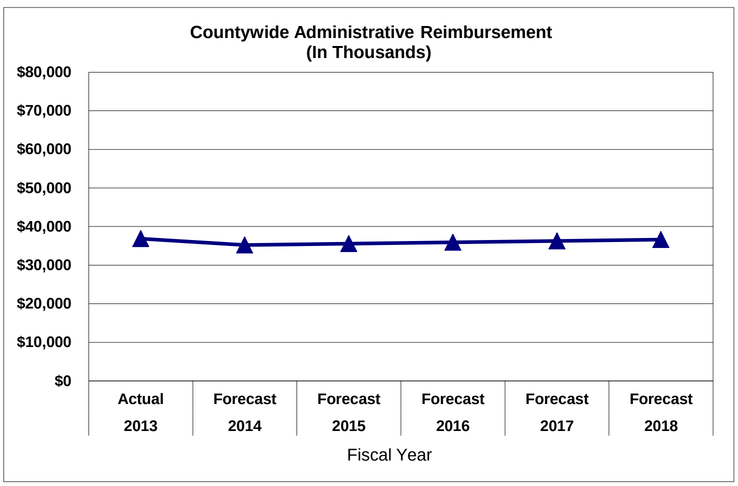



Description: At the State level, the County Revenue Sharing Trust Fund is made of 2.9 percent of the net cigarette tax collections and 2.044 percent of State sales tax collections.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 3.50% |
| 2015-16 | 3.50% |
| 2016-17 | 3.50% |
| 2017-18 | 3.50% |

Comments: Net of debt service requirements. Projections based on historical trends.

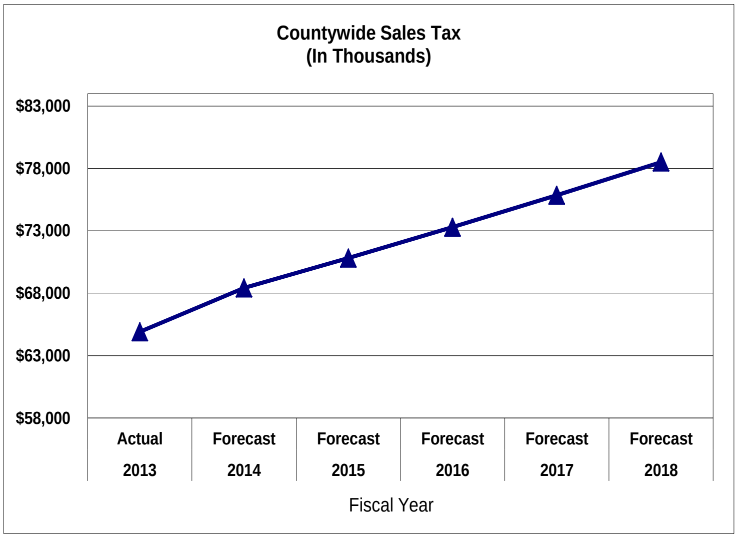
### Administrative Reimbursement




Description: Comprised of payments from proprietary operations towards County overhead.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 1.00% |
| 2015-16 | 1.00% |
| 2016-17 | 1.00% |
| 2017-18 | 1.00% |

### Sales Tax



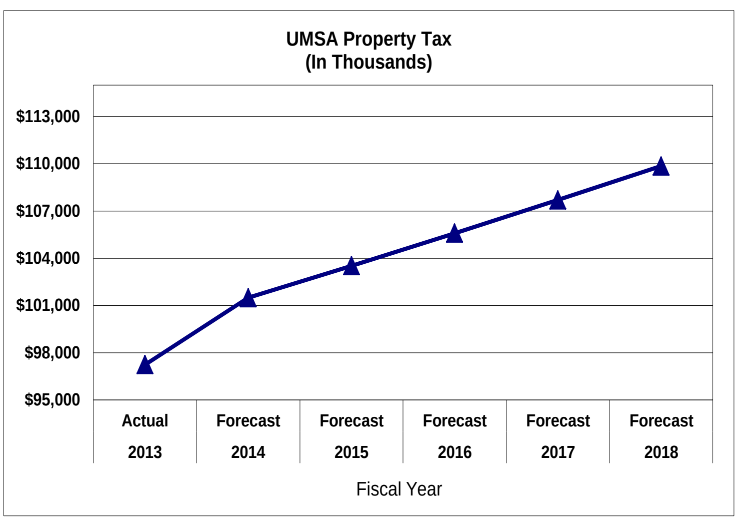

Description: The program consists of an ordinary distribution based on 8.8 percent of net sales tax revenues pursuant to F.S. 212.20 (6). Allocation to municipalities and to the Countywide and UMSA jurisdictions is based on formula established by State law.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 3.50% |
| 2015-16 | 3.50% |
| 2016-17 | 3.50% |
| 2017-18 | 3.50% |

Comments: Projections based on historical trends.

## UMSA REVENUE FORECAST

### Property Tax

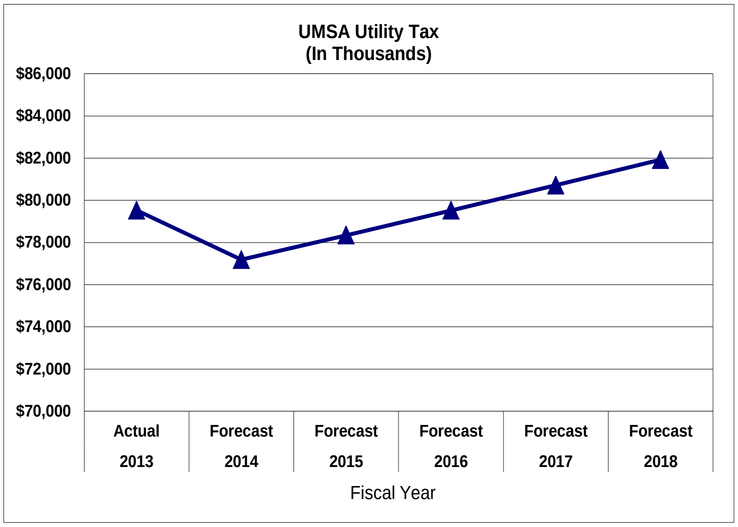



Description: Tax is levied on all non-exempt real and personal property in the county. Property tax revenues are calculated by multiplying the taxing jurisdiction's tax roll (as certified by the Miami-Dade County Property Appraiser's Office) by the adopted/forecasted millage for the fiscal year.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 2.00% |
| 2015-16 | 2.00% |
| 2016-17 | 2.00% |
| 2017-18 | 2.00% |

Comments: Growth based on expected tax roll performance.

## Utility Tax

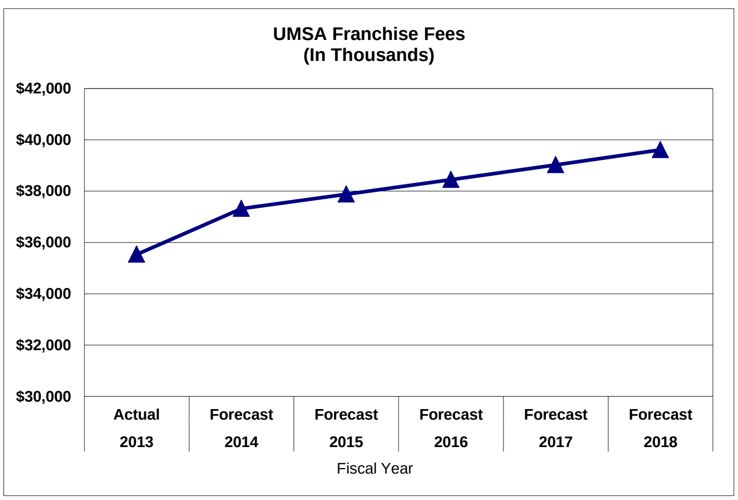



Description: Also known as Public Service Tax. Pursuant to F.S. 166.235, municipalities are authorized to levy by ordinance a Public Service Tax on the purchase of electricity, metered natural gas, liquefied petroleum, and water service.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 1.50% |
| 2015-16 | 1.50% |
| 2016-17 | 1.50% |
| 2017-18 | 1.50% |

Comments: Revenues are considered 100 percent UMSA. Projections based on area population growth.

## Franchise Fees

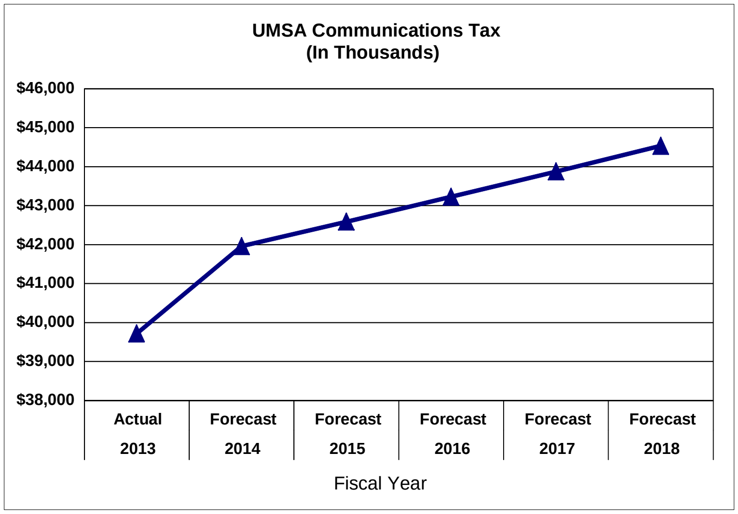



Description: Counties and municipalities may exercise this Home Rule authority to impose a fee upon a utility to grant a franchise for the privilege of using local governments' right-of-way.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 1.50% |
| 2015-16 | 1.50% |
| 2016-17 | 1.50% |
| 2017-18 | 1.50% |

Comments: Forecast based on population growth. Revenues are net of the portion that accrues to municipalities pursuant to inter-local agreements.

### Communications Tax

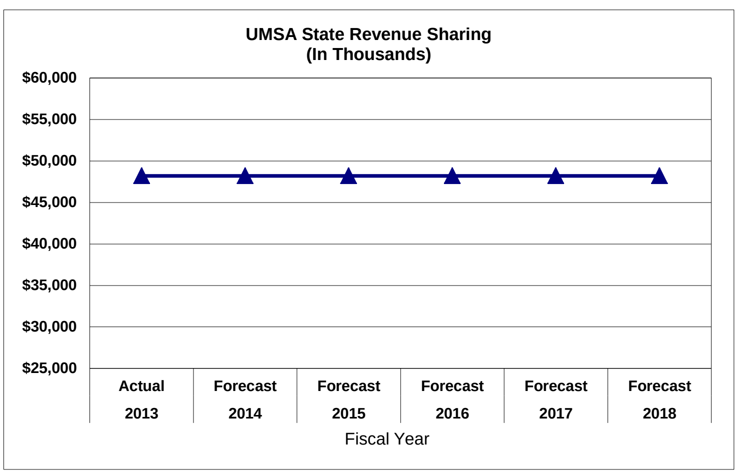



Description: Also known as the unified or simplified tax. Replaces utility tax on telephone and other telecommunication services, the cable television franchise fee, telecommunications franchise fee, and communications permit fee.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 1.50% |
| 2015-16 | 1.50% |
| 2016-17 | 1.50% |
| 2017-18 | 1.50% |

Comments: Revenues are considered 100 percent UMSA. Projections based on population growth.

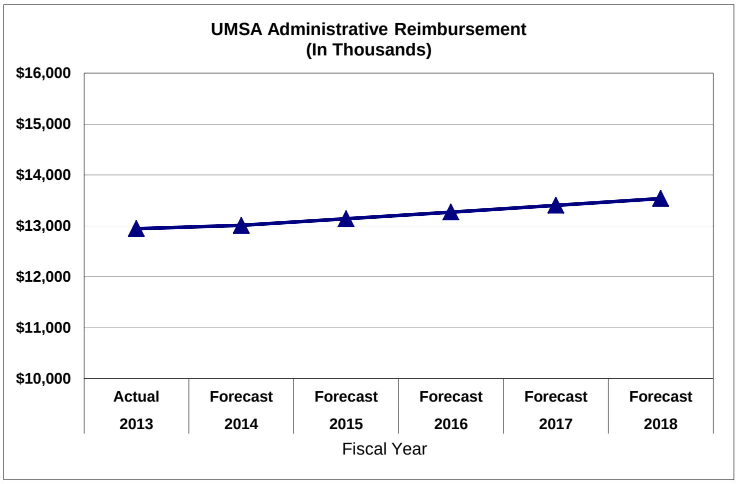
### State Revenue Sharing




Description: An apportionment factor is calculated for each eligible municipality using a formula consisting of the following equally weighted factors: adjusted municipal population, municipal sales tax collections, and municipality's relative ability to raise revenue. For UMSA, distributions have been fixed per State Statute.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 0.00% |
| 2015-16 | 0.00% |
| 2016-17 | 0.00% |
| 2017-18 | 0.00% |

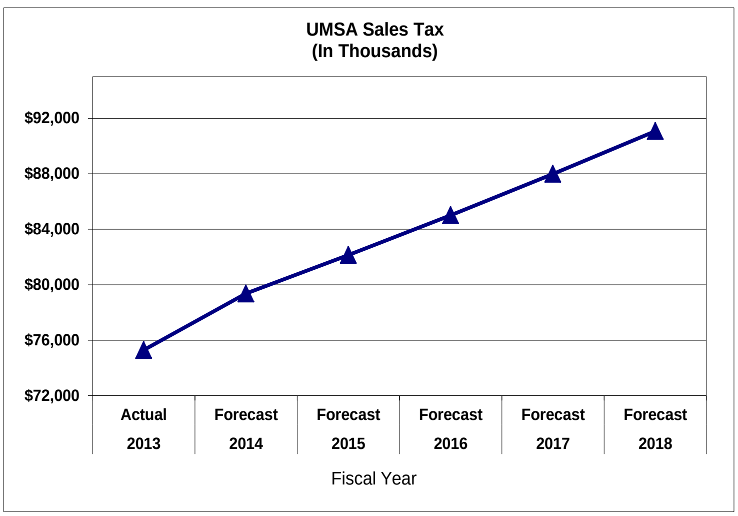
## Administrative Reimbursement




Description: Comprised of payments from proprietary operations towards County overhead.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 1.00% |
| 2015-16 | 1.00% |
| 2016-17 | 1.00% |
| 2017-18 | 1.00% |

## Sales Tax



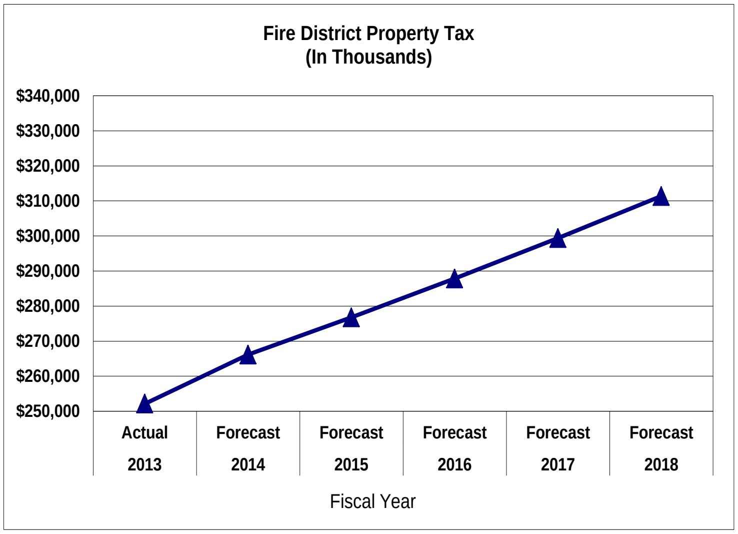

Description: The program consists of an ordinary distribution based on 8.8 percent of net sales tax revenues pursuant to F.S. 212.20 (6). Allocation to municipalities and to the Countywide and UMSA jurisdictions is based on formula established by State law.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 3.50% |
| 2015-16 | 3.50% |
| 2016-17 | 3.50% |
| 2017-18 | 3.50% |

Comments: Projections based on historical trends.

## FIRE DISTRICT REVENUE FORECAST

### Property Taxes

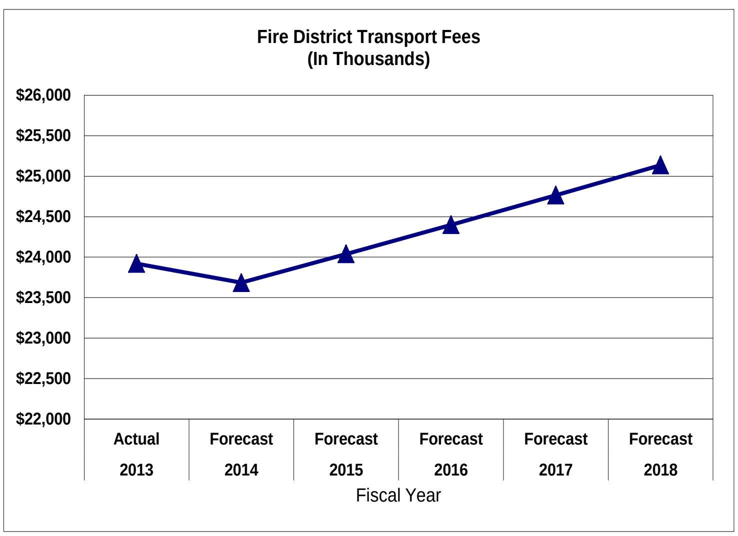



Description: Tax is levied on all non-exempt real and personal property in the county. Property tax revenues are calculated by multiplying the taxing jurisdiction's tax roll (as certified by the Miami-Dade County Property Appraiser's Office) by the adopted/forecasted millage for the fiscal year.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 4.00% |
| 2015-16 | 4.00% |
| 2016-17 | 4.00% |
| 2017-18 | 4.00% |

Comments: Growth based on expected tax roll performance.

### Transport Fee

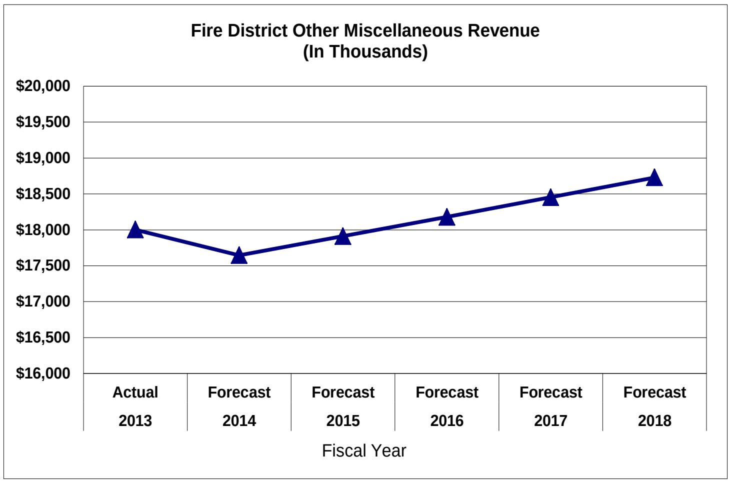



Description: Fees charged to individuals transported by Fire Rescue units.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 1.50% |
| 2015-16 | 1.50% |
| 2016-17 | 1.50% |
| 2017-18 | 1.50% |

Comments: Projections based on population growth.

### Other Miscellaneous



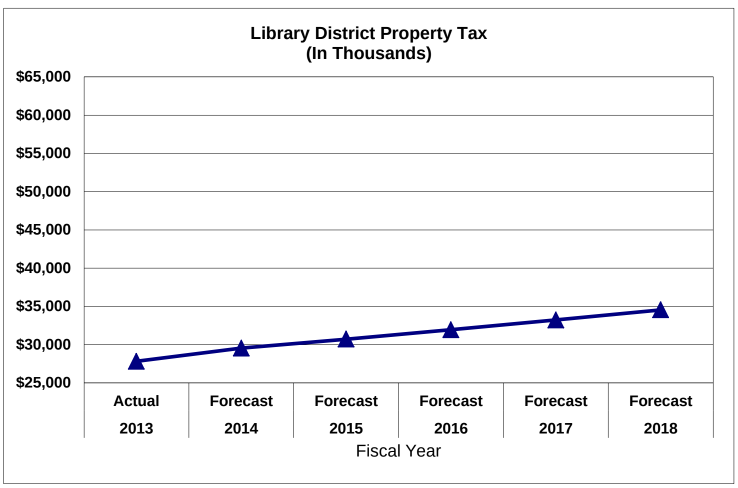

Description: Includes grants, plans review fees, and inspection service charges.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 1.50% |
| 2015-16 | 1.50% |
| 2016-17 | 1.50% |
| 2017-18 | 1.50% |

Comments: FY 2013-14 reflects reduction in federal grants.

## LIBRARY DISTRICT REVENUE FORECAST

### Property Taxes




Description: Tax is levied on all non-exempt real and personal property in the county. Property tax revenues are calculated by multiplying the taxing jurisdiction's tax roll (as certified by the Miami-Dade County Property Appraiser's Office) by the adopted/forecasted millage for the fiscal year.

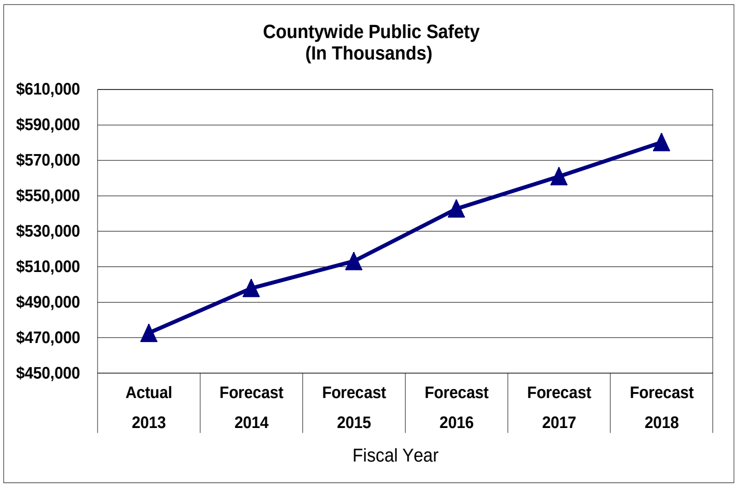
| Fiscal Year | Growth |
|---|---|
| 2014-15 | 4.00% |
| 2015-16 | 4.00% |
| 2016-17 | 4.00% |
| 2017-18 | 4.00% |

Comments: Growth based on expected tax roll performance. Reflects millage adjustment to compensate for the loss of carryover revenue.

# EXPENDITURE FORECAST

## COUNTYWIDE EXPENSE FORECAST

### Policy Formulation

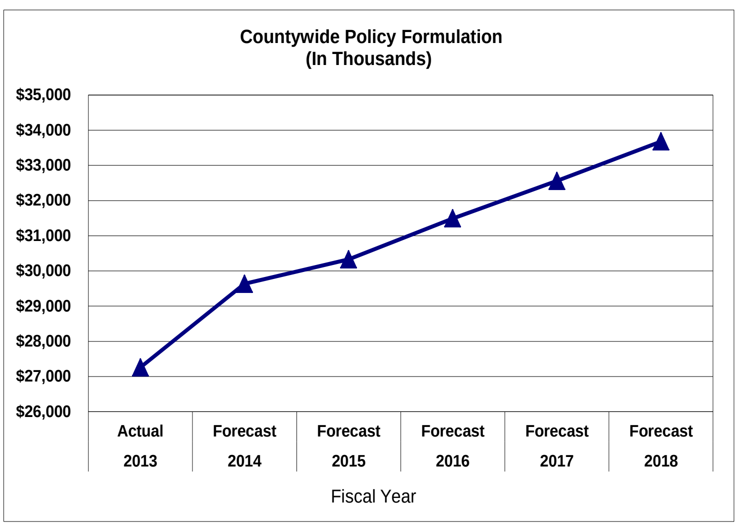



Description: Consists of the Office of the Mayor, Board of County Commissioners, and County Attorney.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 2.4% |
| 2015-16 | 3.8% |
| 2016-17 | 3.4% |
| 2017-18 | 3.4% |

Comments: Growth based on the county's inflationary rate.

### Public Safety

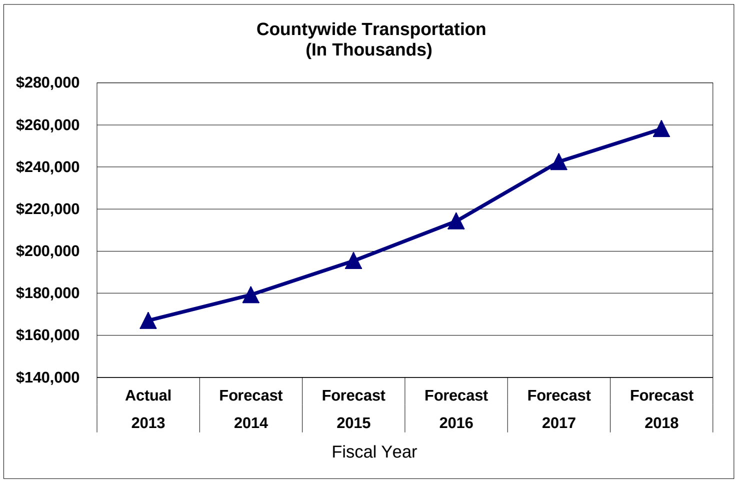



Description: Consists of Police, Juvenile Services, Judicial Administration, Office of the Clerk, Corrections and Rehabilitation, Fire Rescue, and Medical Examiner.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 3.1% |
| 2015-16 | 5.8% |
| 2016-17 | 3.4% |
| 2017-18 | 3.4% |

Comments: Growth based on county's inflationary rate and additional funding for the Mental Health Diversion Facility.

## Transportation

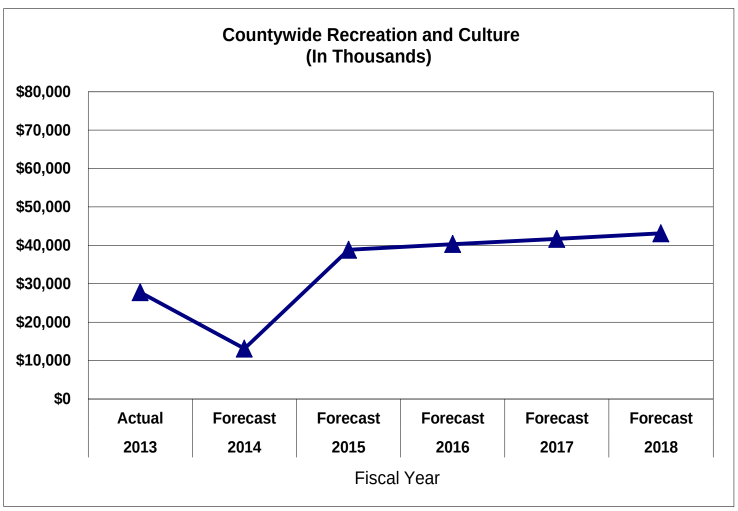



Description: Consists of transportation activities in Public Works and Waste Management and Miami-Dade Transit.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 9.0% |
| 2015-16 | 9.6% |
| 2016-17 | 13.2% |
| 2017-08 | 6.4% |

Comments: Growth affected by Transit maintenance of effort and the county's inflationary rate. Also includes additional support to transit to help offset new debt service requirements.

## Recreation and Culture

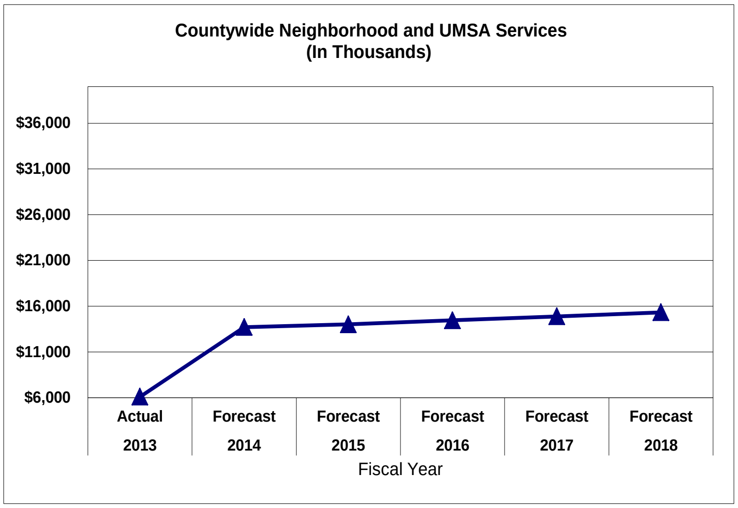



Description: Consists of Park, Recreation and Open Spaces and Cultural Affairs.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 196.7% |
| 2015-16 | 3.8% |
| 2016-17 | 3.4% |
| 2017-18 | 3.4% |

Comments: Growth based on the county's inflationary rate and the elimination of one time tourist tax proceeds to fund Park and Recreation eligible expenses.

## Neighborhood and Infrastructure

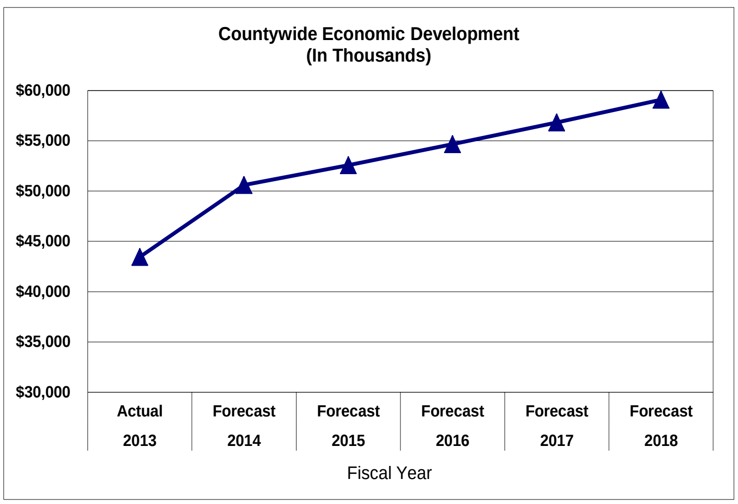



Description: Public Works and Waste Management and Animal Services.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 2.3% |
| 2015-16 | 3.2% |
| 2016-17 | 2.9% |
| 2017-18 | 3.0% |

Comments: Growth based on the county's inflationary rates and the impact of additional dedicated funding for Animal Services.

## Economic Development

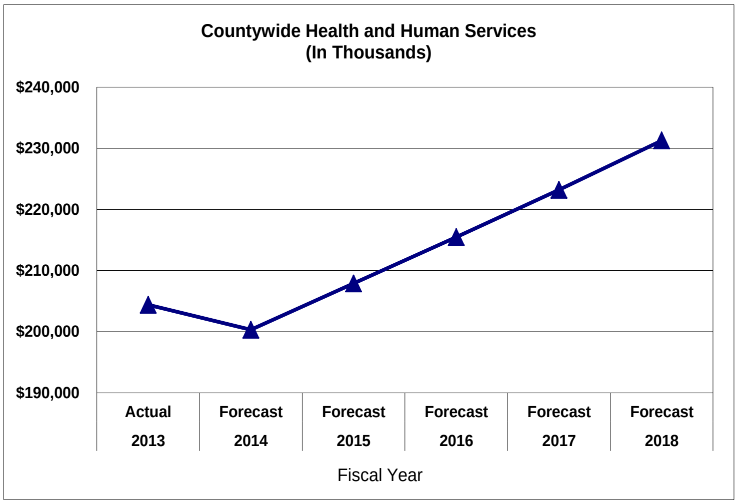



Description: Consists of Regulatory and Economic Resources, Miami-Dade Economic Advocacy Trust, and Tax Increment Financing payments associated with all Community Redevelopment Areas.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 3.9% |
| 2015-16 | 4.0% |
| 2016-17 | 4.0% |
| 2017-18 | 4.0% |

Comments: Growth based on the county's tax roll and inflationary rate.

### Health and Human Services



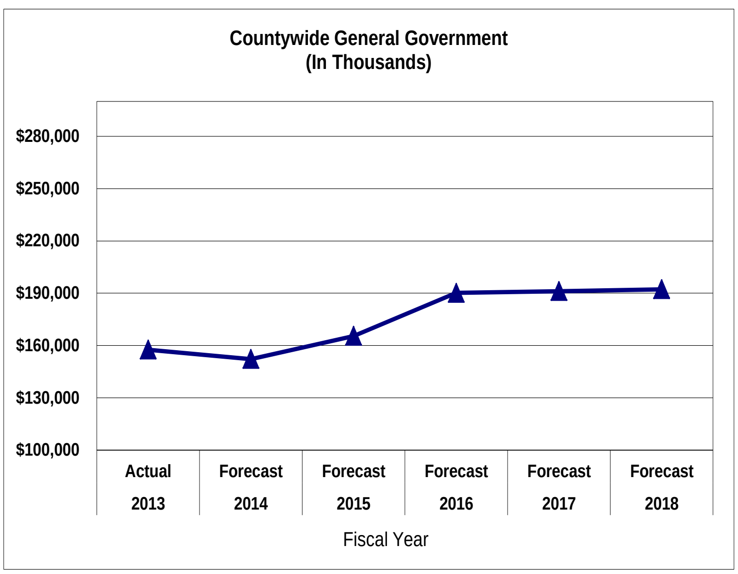

Description: Consists of the Public Health Trust (PHT) maintenance of effort payment and Community Action and Human Services.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 3.8% |
| 2015-16 | 3.6% |
| 2016-17 | 3.6% |
| 2017-18 | 3.6% |

Comments: Growth affected by PHT Maintenance of Effort and the county's inflationary rate. Includes Medicaid adjustment per State legislation provision.

### General Government

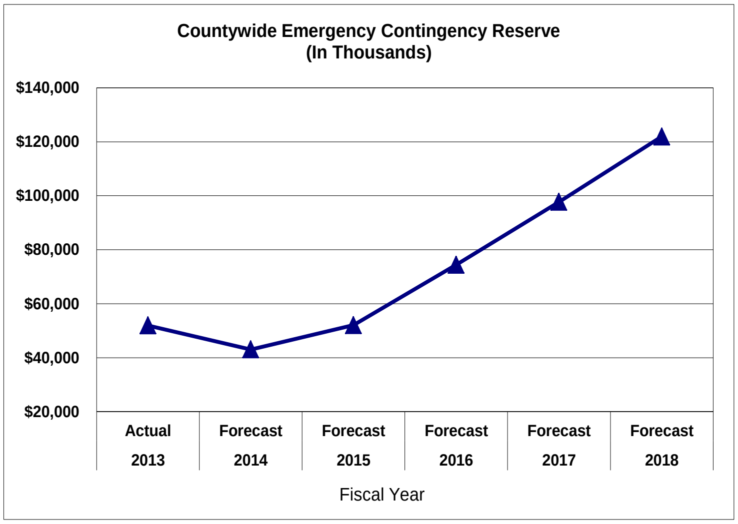
Description: Consists of Audit and Management Services, Human Resources, Internal Services, Management and Budget, Community Information and Outreach, Information Technology, Elections, Commission on Ethics and Public Trust, Inspector General, and the Property Appraiser.




| Fiscal Year | Growth |
|---|---|
| 2014-15 | 8.7% |
| 2015-16 | 14.9% |
| 2016-17 | 0.5% |
| 2017-18 | 0.6% |

Comments: Growth based on the county's inflationary rate, variation of election expenses, and planned transfers to the Countywide Emergency Contingency Reserve.

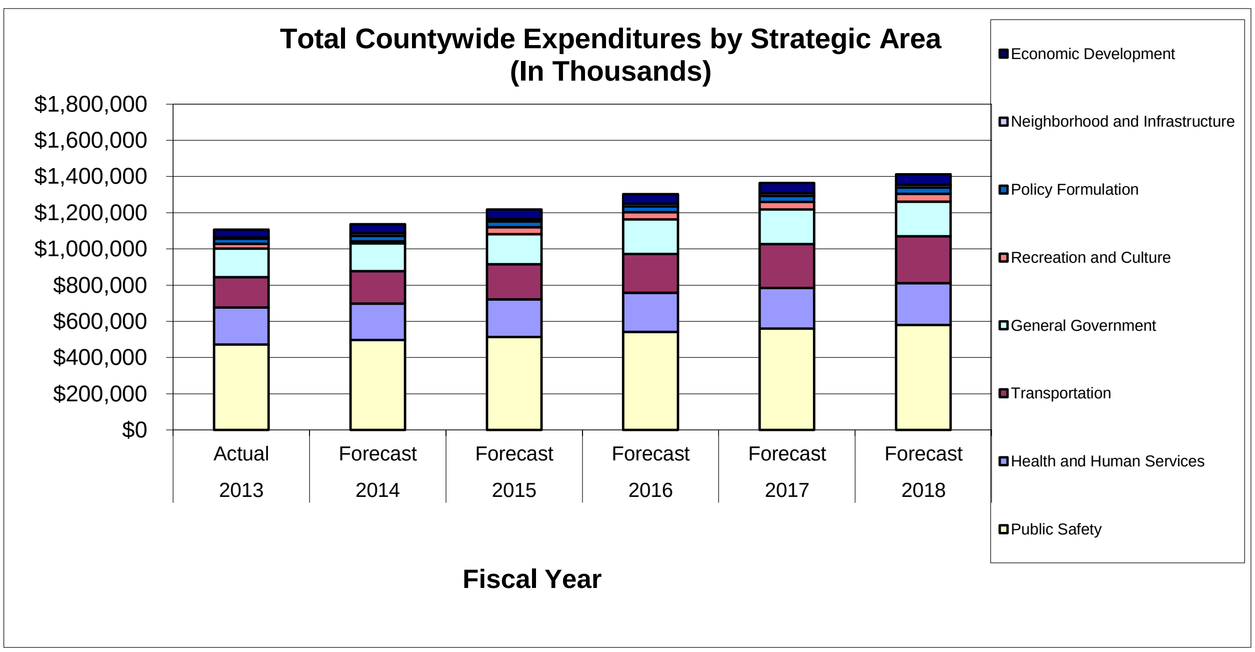
## Emergency Contingency Reserve




Description: Emergency reserve created to enhance the County's ability to respond to emergencies and to help strengthen the County's fiscal condition as it pertains to credit-rating agency reviews.

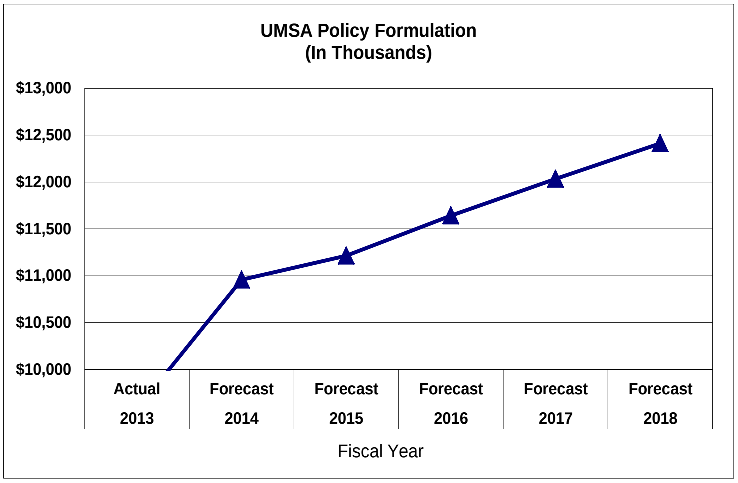
| Fiscal Year | Growth |
|---|---|
| 2014-15 | 21.0% |
| 2015-16 | 43.0% |
| 2016-17 | 31.0% |
| 2017-18 | 24.0% |

Comments: Plan assumes that transfers to the Countywide Emergency Contingency Reserve resume in FY 2015-16.



## UMSA EXPENSE FORECAST

### Policy Formulation

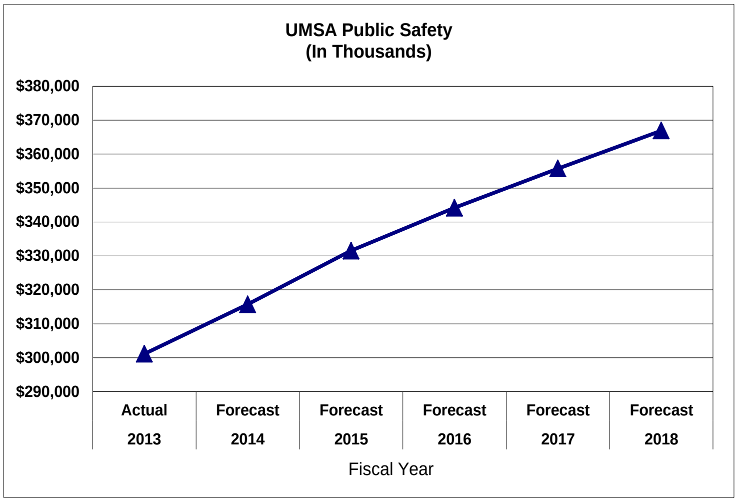



Description: Consists of the Office of the Mayor, Board of County Commissioners, and County Attorney.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 2.3% |
| 2015-16 | 3.8% |
| 2016-17 | 3.4% |
| 2017-18 | 3.1% |

Comments: Growth based on the county's inflationary rate.

### Public Safety

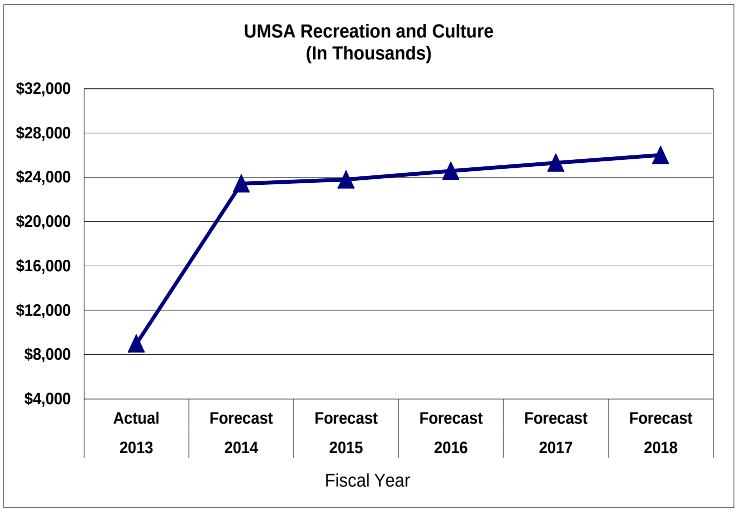



Description: Consists of Police Department.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 5.0% |
| 2015-16 | 3.8% |
| 2016-17 | 3.4% |
| 2017-18 | 3.1% |

Comments: Growth based on the county's inflationary rate and annualization of police positions filled in FY 2013-14.

## Recreation and Culture

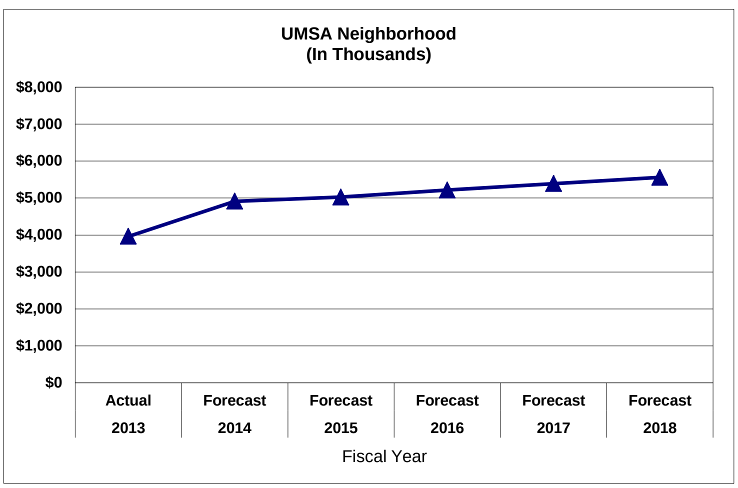



Description: Consists of Park, Recreation and Open Spaces and reflects cost allocation adjustment.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 1.6% |
| 2015-16 | 3.3% |
| 2016-17 | 2.9% |
| 2017-18 | 2.8% |

Comments: Growth based on the county's inflationary rate.

## Neighborhood and Infrastructure

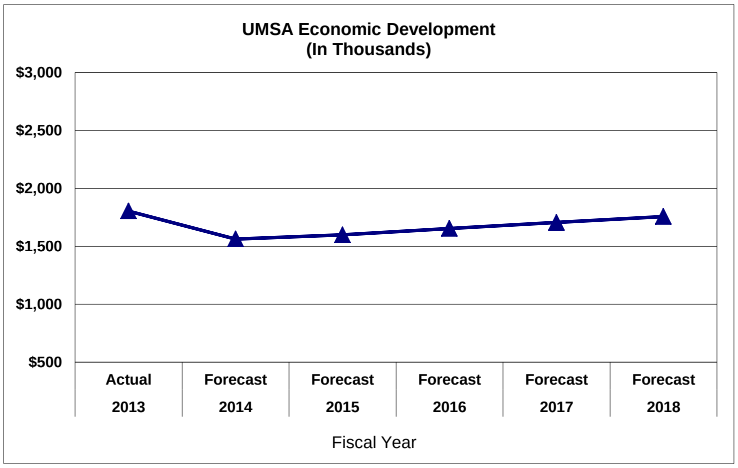



Description: Consists of Public Works and Waste Management.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 2.3% |
| 2015-16 | 3.8% |
| 2016-17 | 3.3% |
| 2017-18 | 3.1% |

Comments: Growth based on the county's inflationary rate.

## Economic Development

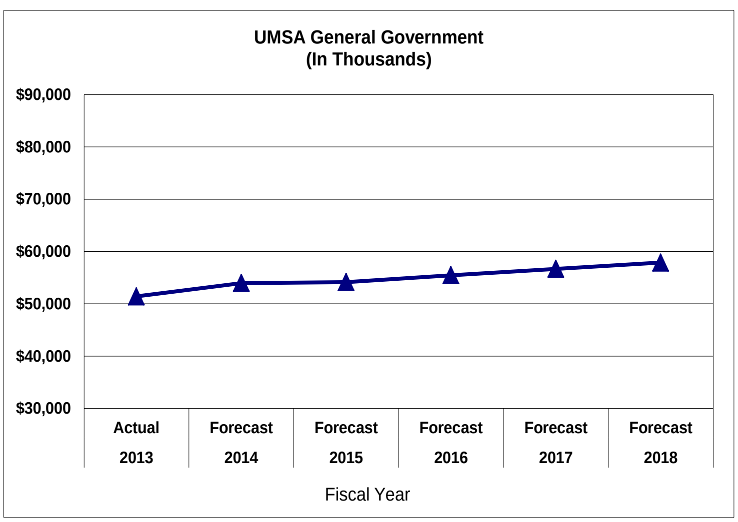



Description: Consists of Regulatory and Economic Resources and Tax Increment Financing payments associated with UMSA Community Redevelopment Areas.

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 1.9% |
| 2015-16 | 3.2% |
| 2016-17 | 3.2% |
| 2017-18 | 3.2% |

Comments: Growth based on the county's inflationary rate.

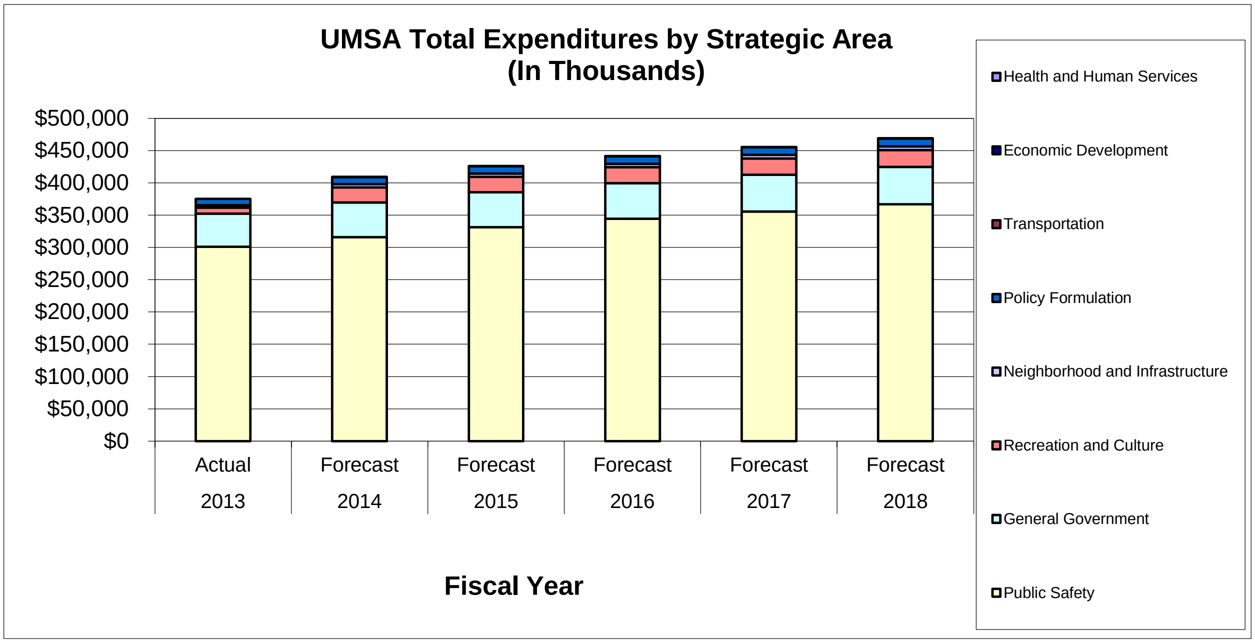
## General Government




Description: Consists of Audit and Management Services, Human Resources, Management and Budget, Internal Services, Community Information and Outreach, and Information Technology.

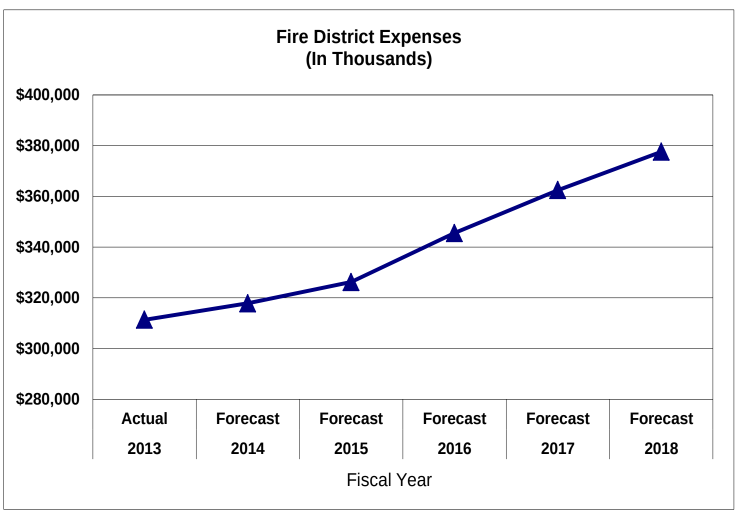
| Fiscal Year | Growth |
|---|---|
| 2014-15 | 0.3% |
| 2015-16 | 2.4% |
| 2016-17 | 2.2% |
| 2017-18 | 2.1% |

Comments: Growth based on the county's inflationary rate, reinstatement of flex and premium, and the elimination of furloughs and employee health insurance contribution.




## FIRE DISTRICT EXPENSE FORECAST

### Expenses



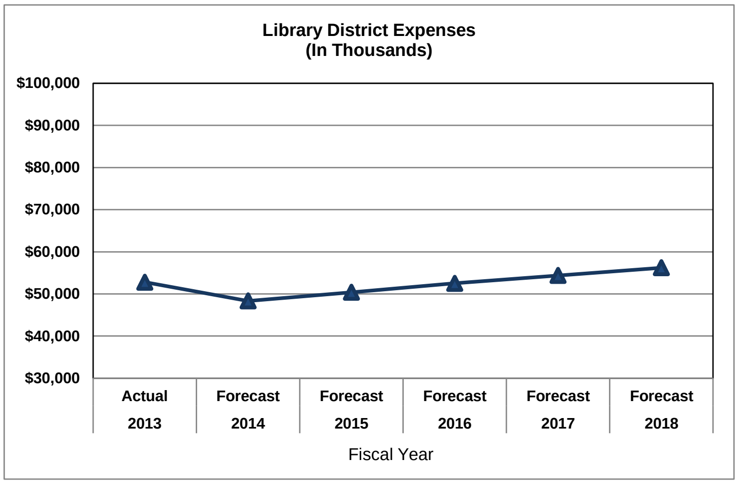

Description:

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 2.6% |
| 2015-16 | 5.9% |
| 2016-17 | 4.9% |
| 2017-18 | 4.2% |

Comments: Growth based on the county's inflationary rate.

## LIBRARY DISTRICT EXPENSE FORECAST

### Expenses




Description:

| Fiscal Year | Growth |
|---|---|
| 2014-15 | 4.3% |
| 2015-16 | 4.2% |
| 2016-17 | 3.6% |
| 2017-18 | 3.3% |

Comments: Growth based on County's inflationary rate and start-up and operational costs for one new library.

# FINANCIAL OUTLOOK SUMMARY INFORMATION

As discussed before, due to the uncertainty regarding collective bargaining negotiations, the five-year financial forecast includes three scenarios:

- Scenario 1: Assumes the five percent contributed by employees as well as other labor concessions remain in place for the scope of the five year plan
- Scenario 2: Assumes the five percent contributed by the employees is discontinued but other concessions remain
- Scenario 3: Assumes the five percent contributed by employees and other concessions are both discontinued

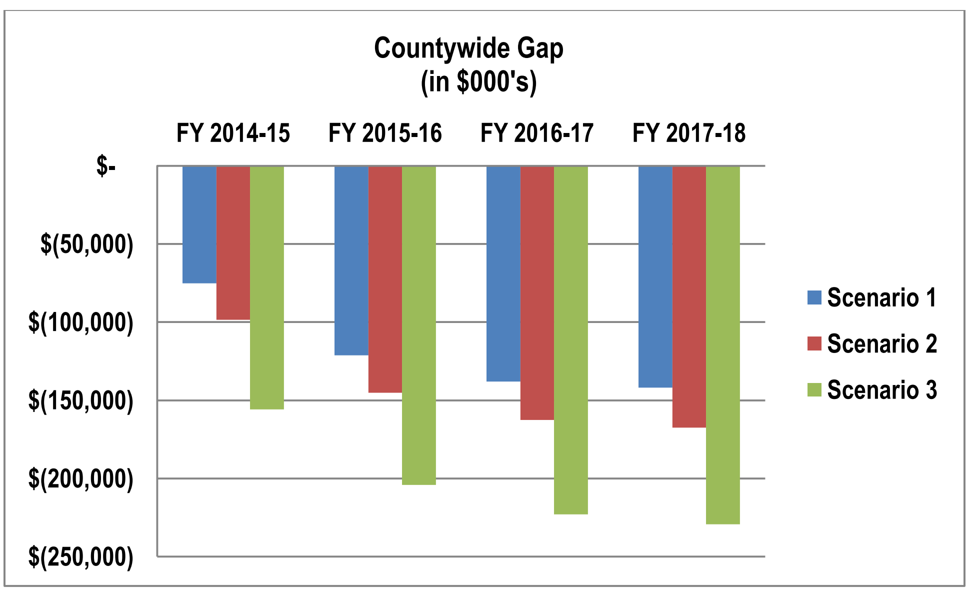
Information tables detailing revenue and expenditure multiyear information are only provided for base Scenario 1. However, under each jurisdiction's information table you will also find multiyear base graphs comparing the net results of all scenarios throughout the scope of this plan. As funding gaps are addressed each year to balance the budget, as required by state law, there will be a significant negative effect on the following year's budgetary position. These fiscal challenges do not include the numerous operational unfunded needs which have been identified as part of the FY 2013-14 budget process.

As shown under Scenario 1, the Countywide jurisdiction will develop shortfalls throughout the scope of this five-year financial outlook. UMSA is expected to experience operational shortfalls starting in FY 2015-16. The Fire Rescue District will remain sustainable through FY 2014-15. The Library system will experience funding gap throughout the scope of this plan.

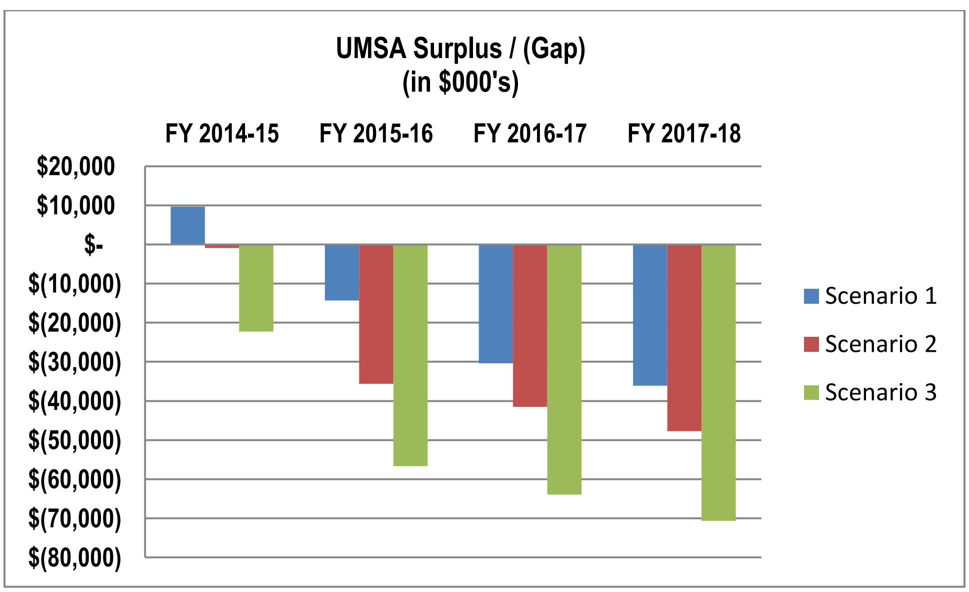
Under Scenario 2, Countywide, UMSA and the Library System will generate funding gaps throughout the scope of this plan. The Fire Rescue District still remains sustainable through FY 2014-15.

Under Scenario 3, all taxing jurisdictions generate funding gap throughout the scope of this plan.

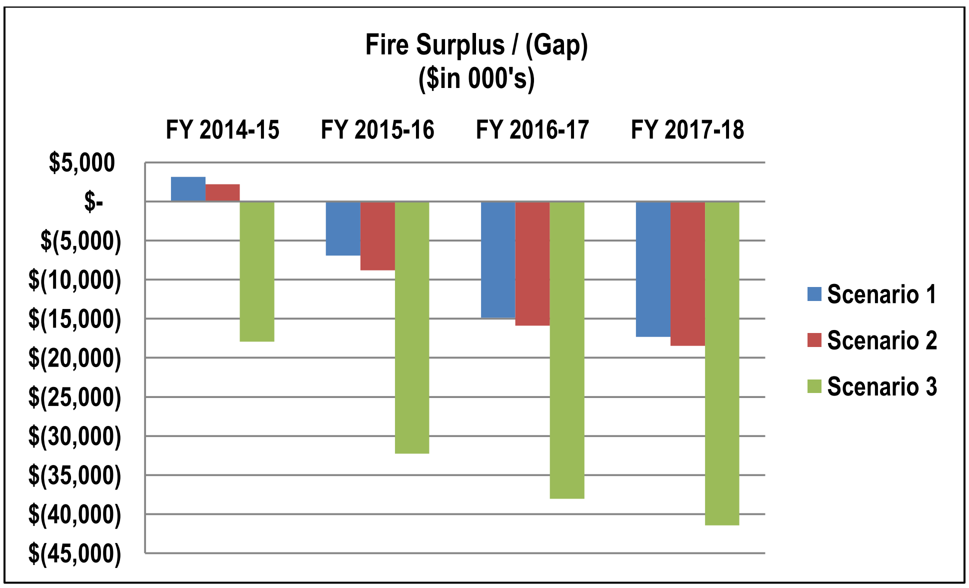
| | 2013 Actual | 2014 Forecast | 2015 Forecast | 2016 Forecast | 2017 Forecast | 2018 Forecast |
|---|---|---|---|---|---|---|
| | | | | | | |
| **COUNTYWIDE** | | | | | | |
| **SCENARIO 1** | | | | | | |
| **Revenues** | | | | | | |
| | | | | | | |
| Property Tax | $830,607 | $880,859 | $916,091 | $952,735 | $990,845 | $ 1,030,478 |
| Gas Tax | $64,648 | $64,331 | $65,295 | $66,275 | $67,269 | $ 68,278 |
| Carryover | $94,645 | $38,937 | $2,164 | $0 | $0 | $0 |
| Interest | $922 | $935 | $972 | $1,011 | $1,052 | $ 1,094 |
| State Revenue Sharing | $31,869 | $33,713 | $34,893 | $36,114 | $37,378 | $ 38,686 |
| Administrative Reimb. | $36,846 | $35,180 | $35,532 | $35,887 | $ 36,246 | $ 36,608 |
| Sales Tax | $64,904 | $68,418 | $70,813 | $73,291 | $ 75,856 | $ 78,511 |
| Other | $20,660 | $16,487 | $16,734 | $16,985 | $ 17,240 | $ 17,499 |
| | | | | | | |
| **Total Revenues** | $1,145,101 | $1,138,859 | $1,142,495 | $1,182,298 | $1,225,885 | $1,271,154 |
| | | | | | | |
| **Expenses** | | | | | | |
| | | | | | | |
| Public Safety | $472,636 | $497,904 | $513,195 | $542,749 | $ 561,032 | $ 580,223 |
| Policy Formulation | $27,258 | $29,632 | $30,329 | $31,493 | $ 32,560 | $ 33,680 |
| Transportation | $166,985 | $179,246 | $195,406 | $214,263 | $ 242,518 | $ 258,135 |
| Recreation and Culture | $27,743 | $13,086 | $38,833 | $40,318 | $ 41,681 | $ 43,110 |
| Neighborhood and Infrastruture | $6,108 | $13,714 | $14,023 | $14,465 | $ 14,888 | $ 15,334 |
| Economic Development | $43,439 | $50,606 | $52,566 | $54,663 | $ 56,827 | $ 59,079 |
| Health & Human Services | $204,387 | $200,301 | $207,879 | $215,449 | $ 223,184 | $ 231,257 |
| General Government | $157,608 | $152,206 | $165,445 | $190,133 | $191,136 | $192,261 |
| | | | | | | |
| **Total Expenses** | $1,106,164 | $1,136,695 | $1,217,676 | $1,303,533 | $1,363,825 | $1,413,080 |
| | | | | | | |
| **Surplus/Funding Gaps** | $38,937 | $2,164 | -$75,181 | -$121,235 | -$137,940 | -$141,925 |



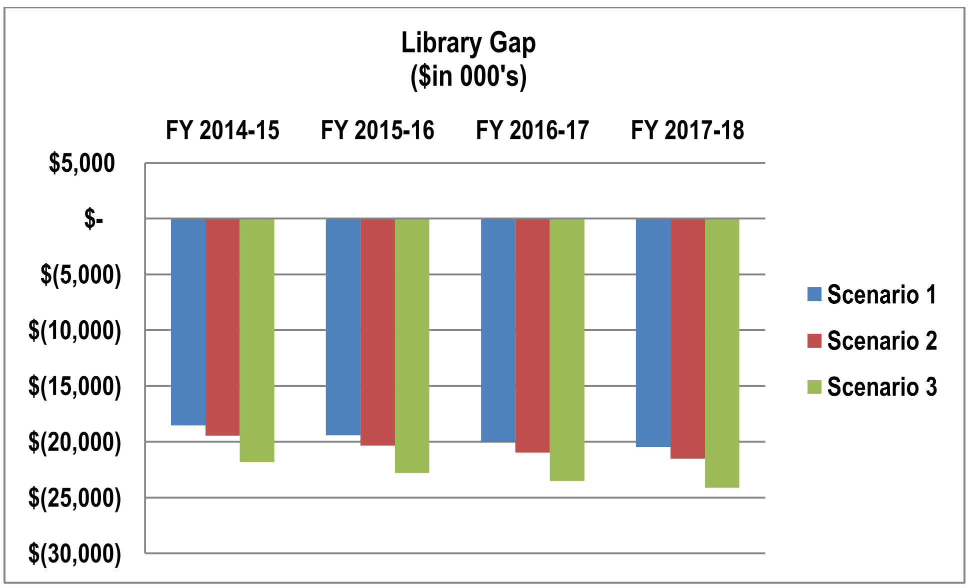
| | 2013 Actual | 2014 Forecast | 2015 Forecast | 2016 Forecast | 2017 Forecast | 2018 Forecast |
|---|---|---|---|---|---|---|
| **UMSA** | | | | | | |
| **SCENARIO 1** | | | | | | |
| **Revenues** | | | | | | |
| | | | | | | |
| Property Tax | $97,241 | $101,488 | $103,517 | $105,588 | $107,699 | $109,853 |
| Utility Tax | $79,528 | $77,187 | $78,345 | $79,520 | $80,713 | $81,924 |
| Franchise Fees | $35,536 | $37,321 | $37,881 | $38,449 | $39,026 | $39,611 |
| Communications Tax | $39,717 | $41,958 | $42,587 | $43,226 | $43,874 | $44,533 |
| Carryover | $16,333 | $32,376 | $25,703 | $9,621 | $0 | $0 |
| Interest | $324 | $329 | $336 | $342 | $349 | $356 |
| State Revenue Sharing | $48,210 | $48,210 | $48,210 | $48,210 | $48,210 | $48,210 |
| Administrative Reimb. | $12,946 | $13,011 | $13,141 | $13,273 | $13,405 | $13,539 |
| Sales Tax | $75,290 | $79,366 | $82,144 | $85,019 | $87,995 | $91,075 |
| Occupational License | $1,478 | $1,950 | $1,979 | $2,009 | $2,039 | $2,070 |
| Transfer from Reserve | $0 | $0 | $0 | $0 | $3,268 | $3,317 |
| Other | $2,640 | $3,125 | $3,172 | $3,219 | $0 | $0 |
| | | | | | | |
| **Total Revenues** | $409,243 | $436,322 | $437,015 | $428,477 | $426,579 | $434,487 |
| | | | | | | |
| **Expenses** | | | | | | |
| | | | | | | |
| Policy Formulation | $9,576 | $10,959 | $11,215 | $11,643 | $12,034 | $12,413 |
| Public Safety | $301,125 | $315,716 | $331,542 | $344,179 | $355,743 | $366,928 |
| Transportation | $0 | $0 | $0 | $0 | $0 | $0 |
| Recreation and Culture | $8,988 | $23,429 | $23,797 | $24,588 | $25,313 | $26,013 |
| Neighborhood and Infrastructure | $3,962 | $4,913 | $5,027 | $5,216 | $5,390 | $5,559 |
| Health and Human Services | $0 | $70 | $71 | $71 | $71 | $71 |
| Economic Development | $1,804 | $1,563 | $1,599 | $1,654 | $1,706 | $1,757 |
| General Government | $51,412 | $53,969 | $54,144 | $55,467 | $56,685 | $57,869 |
| | | | | | | |
| **Total Expenses** | $376,867 | $410,619 | $427,394 | $442,818 | $456,943 | $470,610 |
| | | | | | | |
| **Surplus/Funding Gaps** | $32,376 | $25,703 | $9,621 | -$14,342 | -$30,365 | -$36,123 |



| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|
| | Actual | Forecast | Forecast | Forecast | Forecast | Forecast |
| **FIRE DISTRICT** | | | | | | |
| **SCENARIO 1** | | | | | | |
| **Revenues** | | | | | | |
| | | | | | | |
| Property Tax | $252,151 | $266,154 | $276,800 | $287,872 | $299,387 | $311,362 |
| Transport Fees | $23,921 | $23,684 | $24,039 | $24,400 | $24,766 | $25,138 |
| Interest | $66 | $70 | $73 | $76 | $79 | $82 |
| Interfund Transfer | $4,996 | $4,928 | $4,928 | $4,928 | $4,928 | $4,928 |
| Other Miscellaneous | $27,016 | $22,917 | $23,182 | $18,180 | $18,453 | $18,730 |
| | | | | | | |
| Carryover | $3,595 | $415 | $333 | $3,133 | $0 | $0 |
| | | | | | | |
| **Total Revenues** | $311,745 | $318,168 | $329,355 | $338,589 | $347,613 | $360,239 |
| | | | | | | |
| **Total Expenses** | $311,330 | $317,835 | $326,222 | $345,515 | $362,469 | $377,576 |
| | | | | | | |
| **Surplus/Funding Gaps** | $415 | $333 | $3,133 | -$6,926 | -$14,856 | -$17,336 |



| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|
| | Actual | Forecast | Forecast | Forecast | Forecast | Forecast |
| LIBRARY DISTRICT | | | | | | |
| SCENARIO 1 | | | | | | |
| Revenues | | | | | | |
| | | | | | | |
| Property Tax | $27,817 | $29,533 | $30,714 | $31,943 | $33,220 | $34,549 |
| State Aid | $1,807 | $1,500 | $500 | $500 | $500 | $500 |
| Carryover | $36,852 | $16,647 | $0 | $0 | $0 | $0 |
| Other | $2,953 | $647 | $657 | $667 | $677 | $687 |
| | | | | | | |
| Total Revenues | $69,429 | $48,327 | $31,871 | $33,109 | $34,397 | $35,736 |
| | | | | | | |
| Total Expenses | $52,782 | $48,327 | $50,398 | $52,515 | $54,388 | $56,203 |
| | | | | | | |
| Surplus/Funding Gaps | $16,647 | $0 | -$18,527 | -$19,406 | -$19,991 | -$20,467 |



# FIVE-YEAR FORECAST FOR MAJOR PROPRIETARY FUNCTIONS

In addition to forecasting the revenues and expenditures for the tax-supported portion of the County's operations, our five year outlook also focuses on the major proprietary functions that support Miami-Dade County's economy. Not only do these functions provide thousands of jobs in our community, they also support the infrastructure that makes our community livable and attracts and retains business. These functions are all supported by fees and charges to the users of the services provided – the airlines, cruise lines and cargo lines that use the Port of Miami, Miami International Airport and the general aviation airports; the people who ride our public transit system; and the residents and businesses that utilize our solid waste, water and wastewater facilities and services. The setting of our rates and fees must balance ensuring resources are available to support continued growth, while not standing in the way of economic development in our community.

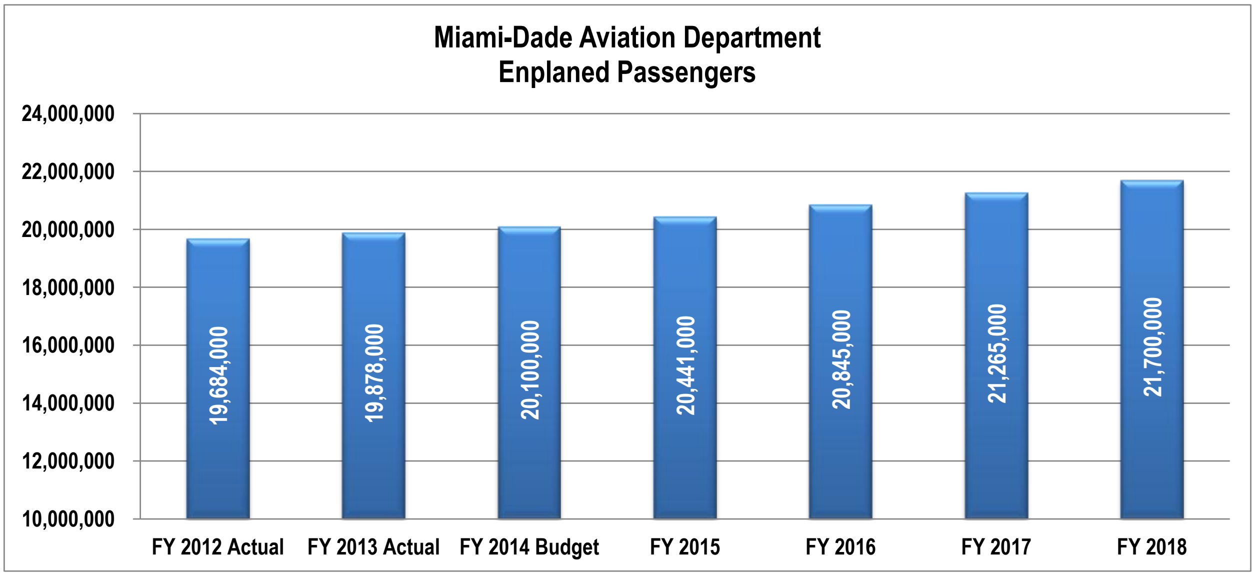
## Miami-Dade Aviation Department

The Miami-Dade Aviation Department (MDAD) operates a system of airports for Miami-Dade County which includes Miami International Airport (MIA) and four general aviation and training airports: Opa-locka Airport, Kendall-Tamiami Executive Airport, Homestead General Aviation Airport, and Dade-Collier Training & Transition Airport. The Airport System is considered the primary economic engine for Miami-Dade County, as well as for South Florida. Over 35,000 people are employed in the Miami-Dade County system of airports, 1,227 of whom are County employees. An economic impact study released in 2009 reported that MIA and the General Aviation Airports had an annual impact of \$26.7 billion on the region's economy. MIA and related aviation industries contribute approximately 272,395 jobs directly and indirectly to the South Florida economy, responsible for one out of every 4.1 jobs. Additionally, the airport system contributed \$923.3 million in state and local taxes and \$644.1 million of federal aviation tax revenue.

### Enplaned Passengers

In FY 2013-14, a diverse group of airlines will provide scheduled passenger service at MIA including 9 U.S. airlines and 37 foreign-flag carriers. It is projected that during FY 2013-14, 20.1 million enplaned passengers will transit through MIA, representing a one percent increase over FY 2012-13 when 19.9 million enplaned passengers moved through MIA. Similarly domestic enplaned passenger traffic is projected to increase 3.3 percent in FY 2013-14 to 10.370 million from the figure of 10.033 million passengers in FY 2012-13. Domestic traffic represents 52 percent of MIA total passengers while international traffic is projected at 48 percent or 9.73 million enplaned passengers.

In international air travel, MIA's geographical location, close proximity to cruise port, and cultural ties provide a solid foundation for travel to and from Latin America, handling 48 percent of the South American market, 28 percent of Central America and 27 percent of the Caribbean market. With 48 percent of total passenger traffic being international, MIA ranks second in the USA for international passenger traffic and maintains one of the highest international-to-domestic passenger ratios of any U.S. airport.

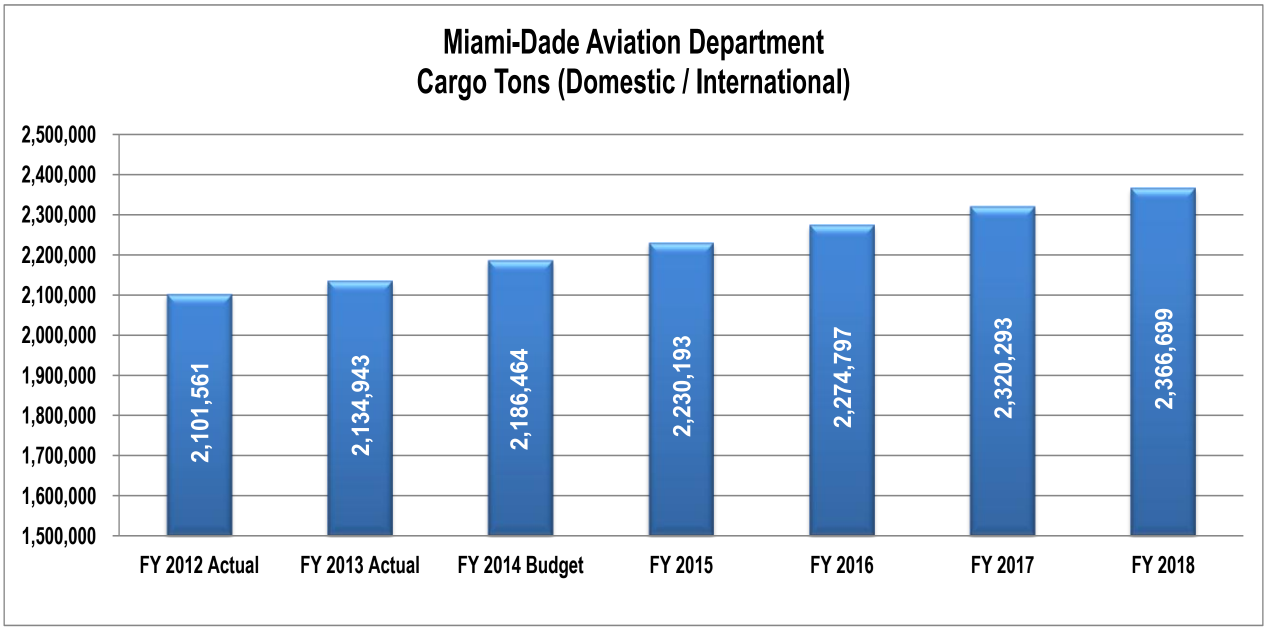



## Cargo

In international trade, MIA is the major air cargo trans-shipment point between Latin America and the Caribbean, and other global markets primarily in the USA and Europe, ranking number one in the USA for international freight. Actual cargo tonnage (freight plus mail) was 2.135 million tons in FY 2012-13, resulting in an increase of 1.6 percent above the prior's year's tonnage of 2.102 million tons. Cargo tonnage is projected to increase by two percent in FY 2013-14 to 2.186 million tons and maintain a two percent growth rate thereafter. International tonnage, representing 86 percent of total tonnage is projected to be 1.888 million tons in FY 2013-14 and domestic tonnage is projected at 298,000 tons. It is projected that these amounts will grow proportionally at a two percent growth factor.

MIA's total air trade is valued at $69.9 billion annually, or 97 percent of the dollar value of Florida's total air imports and exports, and 44 percent of the State's total (air and sea) trade with the world. As a center for hemispheric air trade, MIA now handles 84 percent of all air imports and 81 percent of all air exports between the United States and the Latin American/Caribbean region. MIA is the USA's leading airport in the handling of perishable products, handling 71 percent of all perishable products, 90 percent of all cut-flower imports, 58 percent of all seafood imports, and 73 percent of all fruit and vegetable imports.

MIA's cargo facility development program that began in 1992 has been completed, providing the Airport with over 2.7 million square feet of space in 17 new cargo buildings. Apron space has grown to over 3.8 million square feet, capable of handling 17 B747s or 38 DC-10Fs. Additionally, the Aeroterm / Centurion Cargo Facility was completed which can accommodate eight B747 wide-body freighters.




**MIA Operating Strategy**

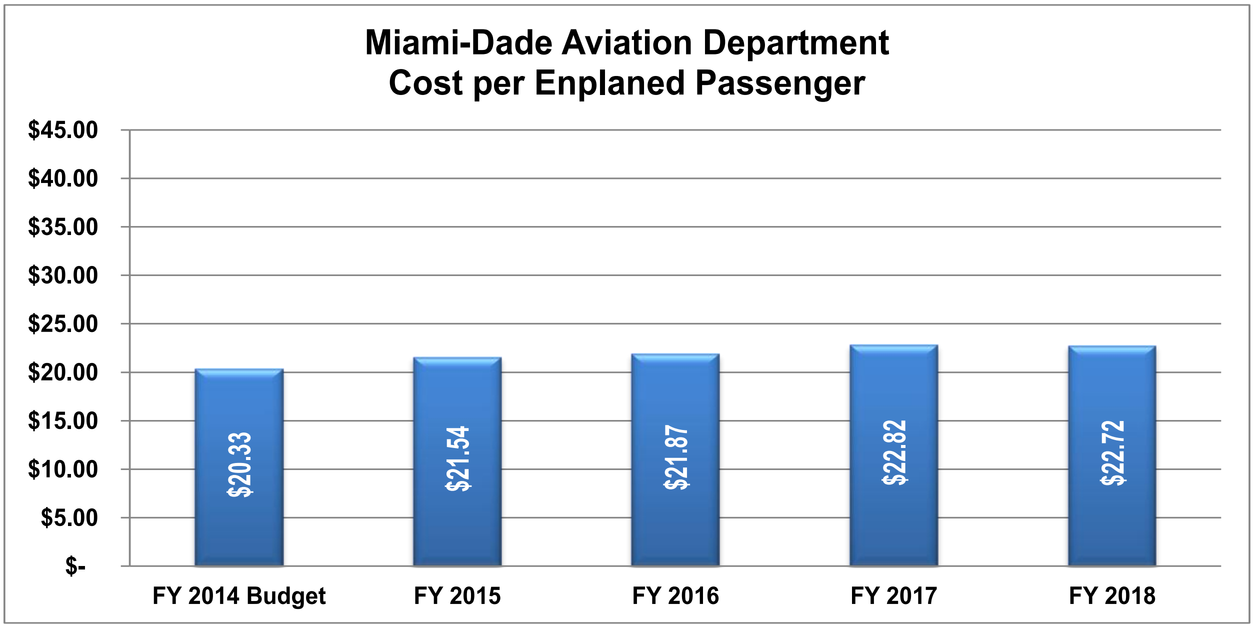
MIA's strategy to enhance the airport system's competitive position with other airports and to attract more airlines as well as increase existing volume includes:

- Re-evaluating and restructuring needed business arrangements with existing and new airlines to attract additional activity
- Implementing procedures to enhance passenger experience and satisfaction
- Establishing procedures to increase commercial revenues and market rentals in the near and long-term
- Developing and beginning implementation of a plan to reduce the operating costs in the near and long-term in an effort to bring MIA's airport charges to a more affordable level
- Managing the construction of the capital program including the repair of facilities so that the airport system has the infrastructure required by its tenants

**CIP Financial Update**

The overall purpose of the CIP is to accommodate future MIA growth and to make the Airport more efficient from an airline operational perspective (e.g., North Terminal). The CIP is funded primarily by long-term debt, to be paid from charges to the airlines, supplemented by grants and limited pay-as-you-go revenues. MDAD completed $6.509 billion in capital improvements that included a new North Terminal, expansion of the South Terminal, improvements to the Central Terminal, construction of the automated people mover (MIA Mover), roadway and facilities improvements and replacement of airport business systems.

In order to improve efficiency of operations, the Department plans to mitigate inflationary cost increases in the future with reductions in operating expenses. A goal was established to reduce these operating expenses by 20 percent over five years.




**Safety and Security**

MDAD strives to operate a system of airports that provides for the safe and comfortable movement of people and goods in efficient and attractive facilities while offering competitive prices to all users. With the current threat against civil aviation, the Miami-Dade County system of airports has been faced with an ever-growing number of security directives from the federal government. MDAD has reacted promptly to meet the deadlines imposed by the federal government and has adjusted staff assignments and used uniform police officers when possible to minimize overtime costs in an effort to respond to these increased requirements. Other issues require continuing dialogue with the Department of Homeland Security (DHS) and members of Congress to secure funding for federal security mandates, as well as ensuring that the DHS officials, and the policies they create, recognize the unique features of MIA, its passengers and the community. MDAD continues to work with DHS to achieve an effective balance between implementing necessary security measures and protecting and expanding MIA's air service operations and the associated economic impact. MDAD has worked with TSA on a viable long-term solution to efficiently screen passenger checked baggage by installing Explosive Detection System (EDS) in-line with MIA's baggage conveyor system. The TSA has committed $74.4 million to offset the cost of an inline EDS.

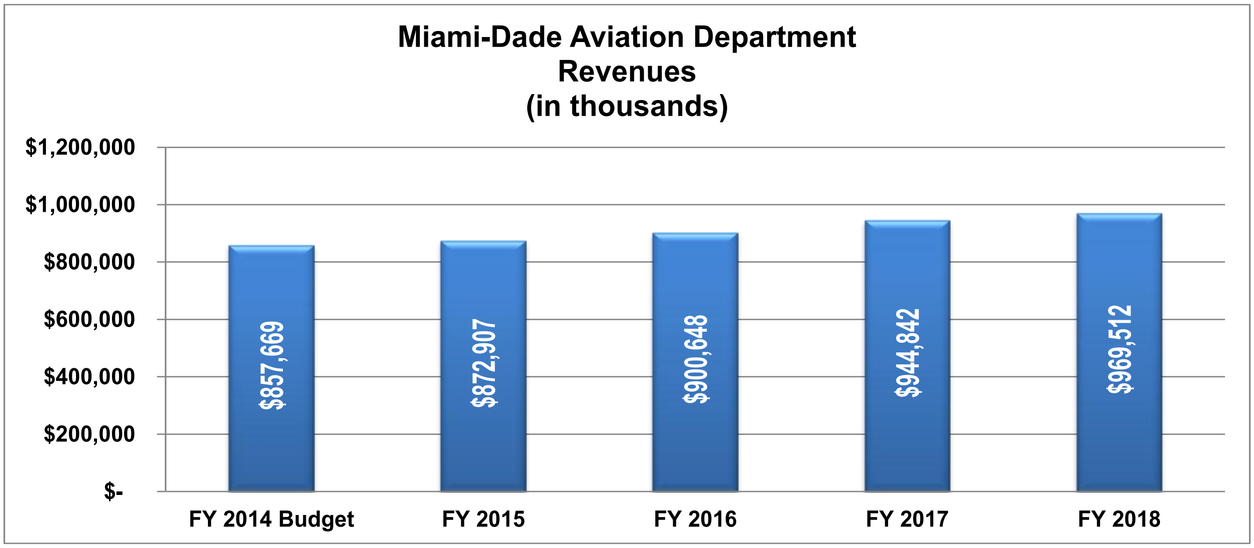
**Economic Outlook**

MDAD recognizes sound management and financial investment strategies as a priority outcome. Currently, the Department's bonds are rated A2 by Moody's, A by Standard & Poor's, and A by Fitch Ratings. All of the rating agencies cite MIA's role as the nation's largest international gateway to Latin America as an important strength.

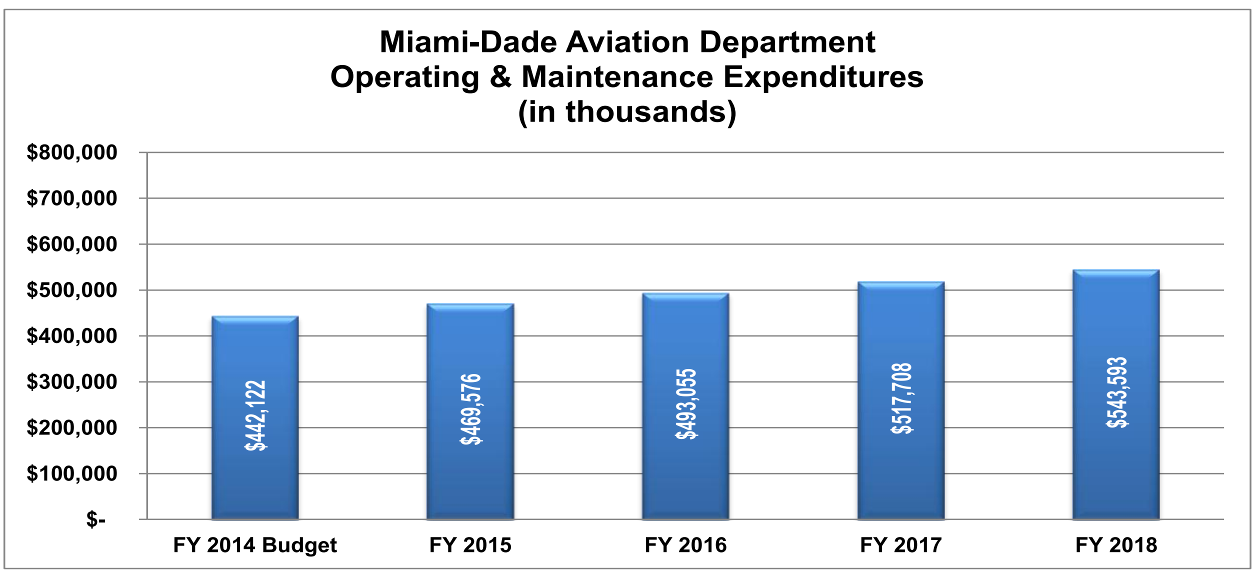
After a sustained growth period from FY 2001-02 through FY 2007-08, in FY 2008-09, MDAD experienced a leveling of traffic consistent with the consolidation of the airline industry due to economic conditions worldwide. The upward trend in total passengers resumed in FY 2009-10 and continued through FY 2012-13. During FY 2012-13, MDAD experienced a 1.2 percent decline in domestic traffic and a 4.2 percent improvement in international traffic resulting in an overall increase of 1.4 percent when compared to FY 2011-12. The Department is projecting a 1.1 percent growth rate in FY 2013-14 over FY 2012-13 actual enplaned passengers. Passenger Facility Charges (PFC), imposed per passenger to provide revenues to pay debt service for approved projects within the CIP, have generated $953.9

million since its inception in October 2001. MDAD is authorized to collect $2.757 billion, including interest, before the authorization expires on October 1, 2037.

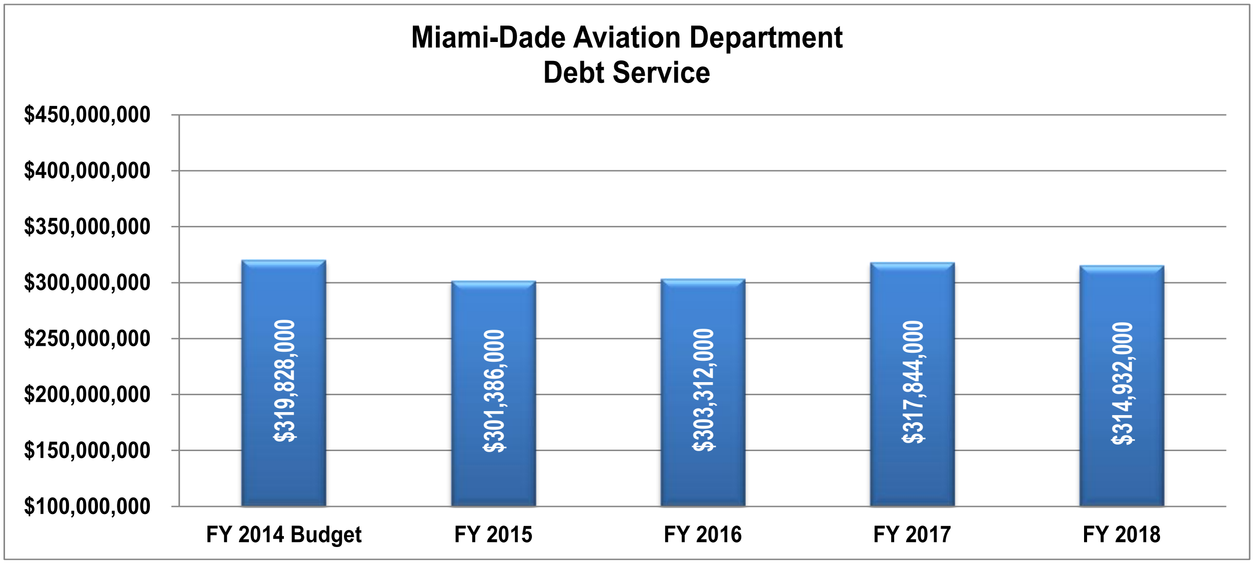
The airline rates and charges at MIA have continued to increase due to the issuance of additional debt required for the department's ongoing Capital Improvement Program.




MDAD's revenue forecast is based on a residual revenue model. Unlike traditional fee for service models, MDAD calculates the landing fee rate based on expenses that are not covered by direct fee for services provided. The revenue forecast incorporates additional debt service related expenditures that will be incurred in FY 2013-14, which may require an increase in landing fee rates.

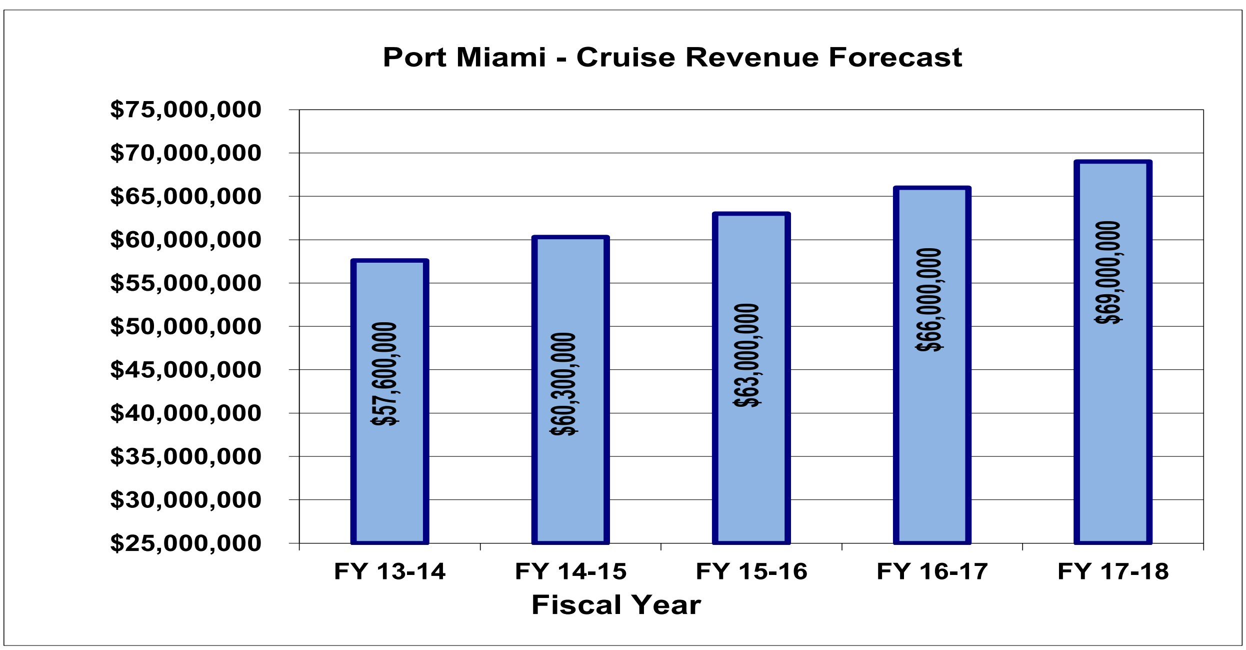


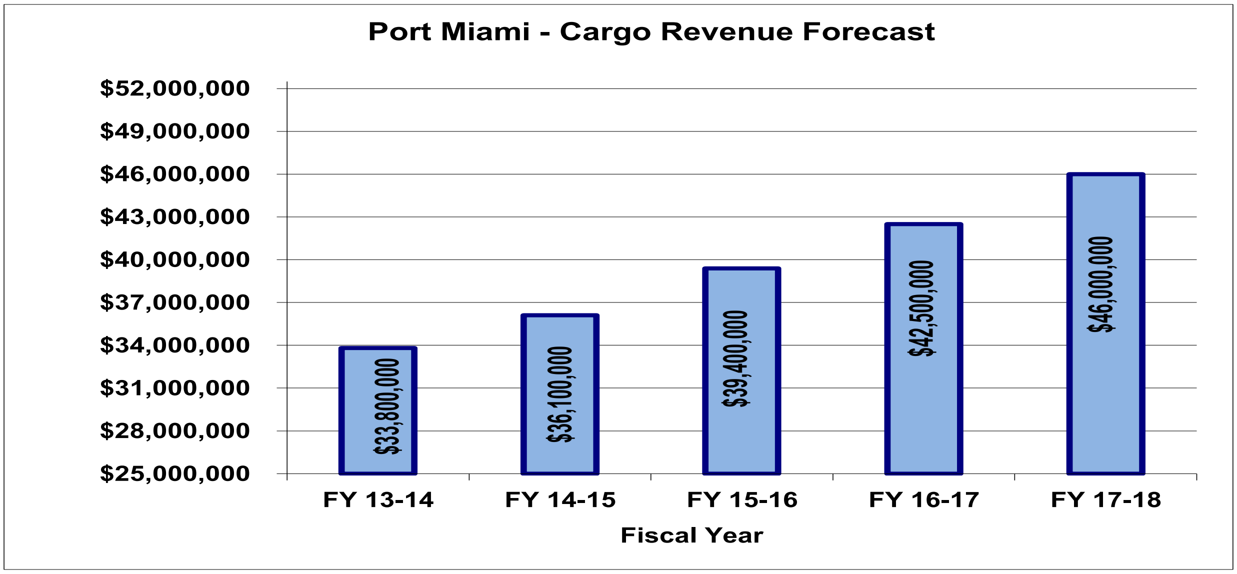

MDAD's operating and maintenance expenditures include expenditures associated with running Miami International Airport as well as four general aviation airports. This amount excludes depreciation, transfers to debt service accounts, improvement fund and maintenance reserve accounts, as well as a mandated operating cash reserve. The North Terminal is now open and the related incremental expenses for maintaining the new facility have been reflected in the adopted operating budget of the Aviation Department. The last component of the North Terminal, Federal Inspection Services area was opened July 31, 2012.




## Port Miami

More than four million passengers embarked and disembarked at the Dante B. Fascell Port of Miami (POM) in FY 2012-13. Bookings are expected to reach 4.9 million by FY 2013-14. Also, the amount of cargo flowing through POM has increased, growing to a projected 940,000 TEUs in FY 2013-14, a three percent increase over the previous year. Multi-year agreements with both cruise and shipping lines will support operations and facility expansion and improvements over the next five years. The following charts illustrate cruise and cargo revenues for the period of this forecast.

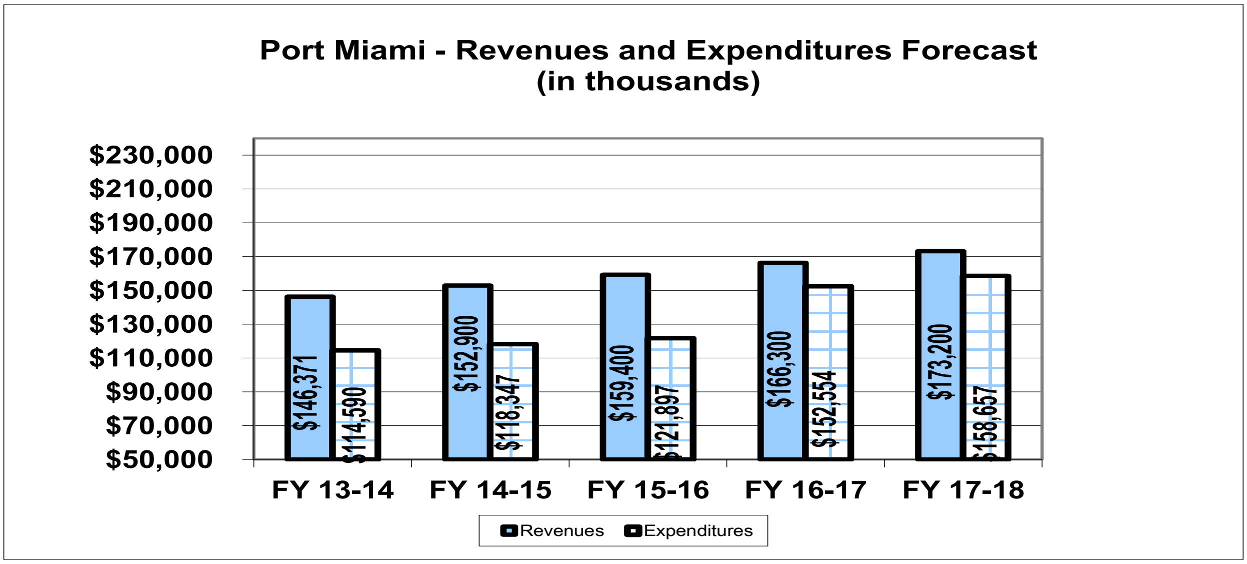





Two significant projects are the largest part of the POM capital improvement plan: the Port Tunnel and the Deep Dredge. Both the Port Tunnel, which will improve traffic flow into and out of POM, and the Deep Dredge project, which will bring the south channel to a depth of 50 feet so that POM will be ready to accept the post-panamax shipping lines, are expected to be completed during FY 2014-15. Other projects include enhancements to the container yards, acquisition of gantry cranes, improvements to rail connections, and upgrades to cruise terminals.

During FY 2012-13 the Port successfully issued revenue bonds to support its Capital Improvement Program. This issuance will pay for the port improvements completed and underway before and during FY 2012-13. The Port is working on a second bond issuance expected to be completed in the spring of FY 2013-14.

In anticipation of upcoming bond sales, POM recently retained a consultant to estimate future revenue projections of the Port. The analysis was based on projections resulting from a detailed assessment of the cargo and cruise markets in which the Port competes. In addition, operating costs were developed from recent historical trends. These net revenue streams were then compared with future anticipated debt service requirements to identify levels of debt coverage. This analysis is constantly being updated to determine the amount and type of debt issuances that will be offered.




Revenues include cruise, cargo, rentals, parking, carryover and other miscellaneous items like harbor fees and ground transportation. Expenditures include salary, fringe, other operating, and debt service but exclude cash reserves for presentation purposes.

For the purposes of this Five Year Financial Outlook, cruise line revenue forecast is based on anticipated cruise lines itineraries coupled with existing agreements through FY 2014-15. Future estimates include an annual 1.7 percent increase in passengers with a three percent tariff increase. Cargo throughput is projected to increase annually by three to four percent, and tariff rates are projected to increase by three percent through FY 2017-18. There is an extraordinary increase in rental revenues by 32 percent in FY 2014-15 as a new contractual agreement with a terminal operator.

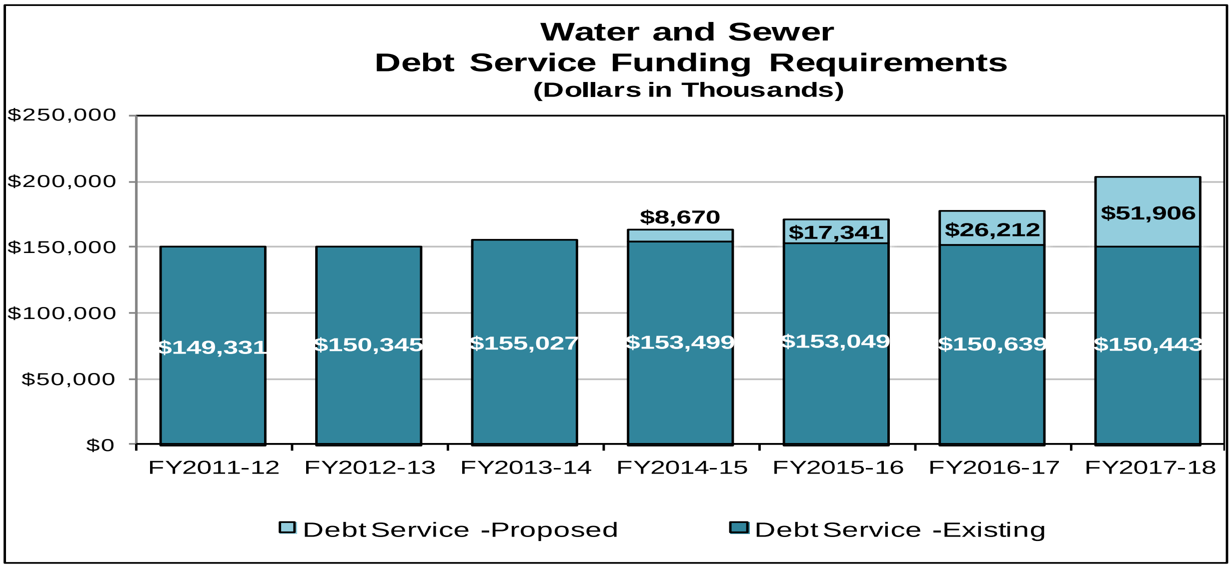
Associated expenditures for salary and fringes are programmed to grow in accordance with the projections in the County's five year plan. Other operating is projected to grow three percent year over year and various increases in debt service payments as the Port continues to fund its capital program. Current year and future year borrowings assume amortization of principal and annual interest payments at five percent; existing Sunshine State loans effective interest rate is assumed at 1.5 percent for FY 2013-14 and growing one percent until at 4.5 percent in FY 2016-17. The Seaport is actively examining alternative revenue options, refinancing opportunities and expenditure adjustments that may significantly affect the data used to develop this five year plan. Currently under consideration are concessionaires, management agreements, and advertising opportunities.

## Water and Sewer

Water and Sewer services are provided throughout the County to more than 425,000 water and 343,000 wastewater retail customers. Additionally, wholesale water services are provided in 15 municipalities and wholesale sewer services in 13 municipalities. Retail rates were held flat for both FY 2011-12 and FY 2012-13, although for FY 2013-14 a retail water and sewer rate increase of eight percent was adopted on June 4, 2013, to support increased costs of operations and maintenance, but also to fund required capital projects for regulatory compliance, aging infrastructure, plant rehabilitation and day-to-day rehabilitation activities.

A consent agreement was negotiated with the Federal Environmental Protection Agency (EPA) that addresses regulatory violations resulting from failing infrastructure at an estimated cost of $1.6 billion dollars; the agreement was presented and adopted by the Board of County Commissioners on May 21, 2013; all projects are currently included in the multi-year capital plan; increased debt requirements will require future rate adjustments.

In FY 2012-13, Senate Bill 444 modifying the State of Florida Ocean Outfall Statute was signed into law by the Governor, providing additional flexibility for the affected utilities to manage peak flows and to fulfill the wastewater reuse requirements in the statute. The changes enable the Miami-Dade Water and Sewer Department to avoid about $1 billion in capital costs for the project, which is now budgeted at $2.9 billion through 2025 when the project must be operational.




Water and Sewer Department's Multi-Year Capital Plan includes the testing and replacement as needed of all large diameter concrete water and sewer pipes, the substantial overhaul of all the water and wastewater plants and the installation of redundant water supply mains and storage tanks to ensure continuous delivery of water even when pipe failures occur, and completion of water supply projects required in the State Water Use Permit to meet service demands in the future. The department's operating budget includes an employee contribution of five percent towards health care expenditures. The following table shows the cash flows for both the water and wastewater systems.

| (Dollars In Thousands) | | | Retail Rate Increase 8% | Retail Rate Increase 6% | Retail Rate Increase 6% | Retail Rate Increase 5% | Retail Rate Increase 5% |
|---|---|---|---|---|---|---|---|
| | Revenues at 100% | Revenues at 100% | Revenues at 98%95% | Revenues at 98%95% | Revenues at 98%95% | Revenues at 98%95% | Revenues at 98%95% |
| **Water and Wastewater Operations** | **FY 2011-12 Actual** | **FY 2012-13 Projected** | **FY 2013-14 Adopted** | **FY 2014-15 Future** | **FY 2015-16 Future** | **FY 2016-17 Future** | **FY 2016-17 Future** |
| **Revenues** | | | | | | | |
| Retail Water | $ 202,634 | $ 205,322 | $ 217,030 | $ 229,967 | $ 243,677 | $ 255,861 | $ 268,654 |
| Wholesale Water | 35,330 | 32,903 | 32,566 | 39,069 | 40,632 | 42,257 | 43,947 |
| Retail Wastewater | 226,369 | 227,557 | 241,034 | 255,592 | 271,030 | 284,582 | 298,811 |
| Wholesale Wastewater | 47,380 | 55,149 | 53,698 | 50,646 | 52,671 | 54,778 | 56,969 |
| Other Operating Revenue | 24,589 | 25,375 | 25,629 | 25,892 | 26,147 | 26,405 | 26,665 |
| **Total Operating Revenues** | **$ 536,302** | **$ 546,306** | **$ 569,957** | **$ 601,166** | **$ 634,157** | **$ 663,883** | **$ 695,046** |
| **Expenses** | | | | | | | |
| Water Operating and Maintenance | $ 145,514 | $ 156,896 | $ 163,114 | $ 168,984 | $ 175,154 | $ 181,478 | $ 188,034 |
| Wastewater Operating and Maintenance | 179,563 | 182,128 | 193,464 | 200,322 | 207,529 | 214,909 | 222,553 |
| **Total Operating Expenses** | **$ 325,077** | **$339,024** | **$356,578** | **$369,306** | **$382,683** | **$ 396,387** | **$ 410,587** |
| **Non-Operating** | | | | | | | |
| Other Non-Operating Transfers | $ 8,794 | $ 628 | $ (10,916) | $ (8,205) | $ 4,300 | $ 16,304 | $ 10,711 |
| Interest Income | (1,672) | (1,491) | (3,060) | (4,455) | (5,591) | (8,057) | (11,023) |
| Debt Service - Existing (net of SWAP receipts) | 149,331 | 150,345 | 155,027 | 153,499 | 153,049 | 150,639 | 150,443 |
| Debt Service - Future | - | - | - | 8,670 | 17,341 | 26,212 | 51,906 |
| Capital Transfers | 54,772 | 57,800 | 72,328 | 82,351 | 82,375 | 82,398 | 82,422 |
| **Total Non-Operating Expenses** | **$ 211,225** | **$ 207,282** | **$ 213,379** | **$231,860** | **$251,474** | **$ 267,496** | **$ 284,459** |

Rate increases will be necessary over the period of this analysis to support the operating and maintenance expenses, as well as the debt service requirements to support the system, while maintaining adequate reserves and coverage ratios. The following table illustrates the coverage requirements.

**WATER AND SEWER DEBT RATIOS**

| (Dollars In Thousands) | Actual FY 2011-12 | Projected FY 2012-13 | Adopted FY 2013-14 | Future FY 2014-15 | Future FY 2015-16 | Future FY 2016-17 | Future FY 2017-18 |
|---|---|---|---|---|---|---|---|
| PERCENT OF PROPOSED, FUTURE RATE INCREASES | | | 8.0% | 6.0% | 6.0% | 5.0% | 5.0% |
| REQUIRED PRIMARY DEBT SERVICE COVERAGE RATIO | 1.10 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 |
| ACTUAL/PROJECTED PRIMARY DEBT SERVICE COVERAGE RATIO | 1.54 | 1.43 | 1.56 | 1.57 | 1.61 | 1.64 | 1.59 |
| REQUIRED STATE REVOLVING LOAN DEBT SERVICE COVERAGE RATIO | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 | 1.15 |
| ACTUAL/PROJECTED STATE REVOLVING LOAN DEBT SERVICE COVERAGE RATIO | 4.53 | 5.45 | 5.77 | 5.31 | 6.58 | 7.98 | 9.19 |
| RATE STABILIZATION FUND | $30,536 | $30,536 | $30,536 | $30,536 | $30,536 | $30,536 | $30,536 |
| GENERAL RESERVE FUND | $28,255 | $27,164 | $19,201 | $28,295 | $35,367 | $54,387 | $67,732 |
| **TOTAL FLEXIBLE CASH RESERVES** | **$54,109** | **$57,700** | **$49,737** | **$58,831** | **$65,903** | **$84,923** | **$98,268** |
| RESERVES REQUIRED BY ORDINANCE | $55,664 | $57,383 | $59,430 | $61,551 | $63,780 | $66,064 | $68,431 |

## Collection and Disposal Operations

PWWM collects garbage and trash from approximately 324,000 residential customers in the Waste Collection Service Area (WCSA), which includes UMSA and nine municipalities. Twice-per-week automated garbage collection, twice-per-year trash and bulky waste collection, and access to 13 Trash and Recycling Centers is provided in the WCSA. The residential recycling collection program serves more than 348,000 households in WCSA and an additional 12 municipalities. PWWM is responsible for disposal of garbage and trash countywide and operates three regional transfer stations and four active disposal facilities, along with contracting to utilize private landfills as necessary to maintain landfill capacity. The FY 2013-14 Adopted Budget includes a change in the expiration date for the annual bulky waste pickup from September 30th to December 31st to improve waste collection efficiency; service demand for bulky waste collection is highest in the summer months when vegetative growth is at its peak when many customers rush to use their remaining bulky waste pickups before September 30 creating an artificial spike in the already heavy bulky waste workload results; to accommodate the date change, PWWM will allow all households up to three bulky waste pickups of up to 25 cubic yards each for the 15 month period between October 1, 2013 and December 31, 2014.

Projections for collections and disposal activity assume minimal household growth and tons, which are slowly rebounding from a decline due to the economy downturn. Collections from the WCSA represent 30 percent of the total tons disposed, which is projected to be 1.542 million tons in FY 2013-14. This is a 6.4 percent increase from the FY 2012-13 Budget. In addition to collection and disposal operations, revenues generated by fees and charges are used to support the landfills, remediation and closure, ongoing monitoring, and equipment through both pay-as-you-go projects and issuance of debt. The department's operating budget does not include an employee contribution of five percent towards health care expenditures based on action taken by the BCC in August 2013.

Based on the current fee structure, starting in FY 2014-15, the collections and disposal funds in PWWM will not be able to meet its bond covenant of a 60-day operating reserve, and satisfy bond coverage requirements. An increase to the residential household collection fee may be required effective FY 2014-15. The following table shows the proposed cash flows resulting from a collection fee adjustment of $55 from $439 to $494, starting FY 2014-15. This plan also includes the contract driven Consumer Price Index (CPI) South All Urban Consumers to disposal charges. This forecast also assumes transfers from Collections and Disposal Operating revenue for construction projects that are projected to increase the capacity of the Disposal system and for the replacement of a large portion of the existing fleet. The Department will be challenged to find mitigating strategies, either operational or financial to reduce the need of a collection fee increase to a minimum.

| Collection and Disposal Operations | FY 2012-13 Prel. Actual | FY 2013-14 Budget @100% | FY 2014-15 Future | FY 2015-16 Future | FY 2016-17 Future | FY 2017-18 Future |
|---|---|---|---|---|---|---|
| **Household Collection Fee** | $439 | $439 | $494 | $494 | $494 | $494 |
| **Revenues** | | | | | | |
| Collection Fees and Charges | 185,026 | 180,423 | 188,231 | 192,917 | 198,950 | 211,122 |
| Disposal Fees and Charges | 303,199 | 276,082 | 252,890 | 233,687 | 204,030 | 194,292 |
| **Total Operating Revenues** | **$488,225** | **$456,505** | **$441,122** | **$426,604** | **$402,980** | **$405,414** |
| **Expenses** | | | | | | |
| Collection Operating and Maintenance | 136,852 | 137,996 | 141,457 | 145,010 | 148,657 | 152,402 |
| Disposal Operating and Maintenance | 145,049 | 139,280 | 140,337 | 148,951 | 152,771 | 159,809 |
| **Total Operating Expenses** | **$281,901** | **$277,276** | **$281,794** | **$293,961** | **$301,428** | **$312,211** |
| Debt Service | 30,277 | 25,786 | 22,903 | 22,836 | 22,814 | 20,657 |
| Capital | 24,068 | 43,615 | 46,824 | 50,505 | 21,640 | 25,732 |
| **Total Non-Operating Expenses** | **$54,345** | **$69,401** | **$69,727** | **$73,341** | **$44,454** | **$46,389** |
| | | | | | | |
| **System-wide Revenue Minus Expenditures** | **$151,979** | **$109,829** | **$89,600** | **$59,302** | **$57,098** | **$46,814** |
| | | | | | | |
| **Overage/Shortage in Required Restricted Reserves** | **$70,381** | **$71,126** | **$50,286** | **$18,120** | **$14,834** | **$7,503** |
| | | | | | | |
| **Debt Service Coverage Using Rate Stabilization (Required 120%)** | **169%** | **165%** | **275%** | **262%** | **250%** | **249%** |

## Regional Transportation

Since the authorization of the People's Transportation Plan (PTP) half-cent surtax in November of 2002, progress has been made to improve Miami-Dade County's regional transportation system. To date, $716 million of transit projects and $342 million of roadway projects have been completed as part of the PTP. The "AirportLink" (Earlington Heights Connector), was put into service this past summer, connecting the Metrorail system to the Miami International Airport and the new rail cars are expected to commence delivery September 2015.

The 30-year proforma analysis for the PTP is updated annually, adjusted for actual revenue performance, debt issuances, changes in employee salaries and benefits due to collective bargaining, and other operating expenditure variations. The table below summarizes the revenue and expenditure projects for the next five year. Of note, in FY 2014-15, an extraordinary adjustment in maintenance of effort support will be required due to increased debt service requirements. This five year forecast assumes savings by implementing a bus grid system beginning in FY 2014.

| **Revenue (000)** | **2014** | **2015** | **2016** | **2017** | **2018** |
|---|---|---|---|---|---|
| **Operating Revenue** | | | | | |
| Bus, Rail, STS, & Farebox | 116,171 | 117,333 | 118,506 | 119,691 | 131,634 |
| Other Revenues | 10,834 | 10,942 | 11,052 | 11,162 | 11,274 |
| PTP Carryover in PTP Fund prior years | 6,000 | 0 | 0 | 0 | 0 |
| **Grant Funds & Subsidies** | | | | | |
| **Federal** | | | | | |
| Formula Grant Preventative Maintenance | 62,336 | 62,959 | 63,589 | 64,225 | 64,867 |
| **State** | | | | | |
| Block Grant | 19,364 | 19,751 | 20,146 | 20,549 | 20,960 |
| TD Program | 8,953 | 9,132 | 9,315 | 9,501 | 9,691 |
| Urban Corridor | 3,899 | 3,899 | 3,899 | 3,899 | 3,899 |
| TD Tokens | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| **Local** | | | | | |
| PTP Surtax | 211,841 | 218,196 | 224,742 | 231,484 | 238,429 |
| Miami Dade MOE (3.5 Percent) | 167,869 | 173,743 | 179,825 | 186,119 | 192,633 |
| Additional Local Revenue or Service Cut | 0 | 10,020 | 22,350 | 43,905 | 52,579 |
| CI-LOGT (3 Cents) | 17,130 | 17,387 | 17,648 | 17,736 | 17,825 |
| SFRTA PMT | 666 | 666 | 666 | 666 | 666 |
| Capital Reimbursements | 4,199 | 4,409 | 4,629 | 4,860 | 5,103 |
| **Total Operating Revenues** | **631,262** | **650,437** | **678,366** | **715,798** | **751,560** |

| Expenses (000) | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|
| **Direct Operating Expenses** | | | | | |
| MDT Operating Expenses | 480,518 | 489,786 | 505,960 | 520,596 | 535,995 |
| **Total MDT Operating Expenses** | **480,518** | **489,786** | **505,960** | **520,596** | **535,995** |
| **Other Operating Expenses** | | | | | |
| Municipal Contribution | 42,368 | 43,639 | 44,948 | 46,297 | 47,686 |
| New Municipal Contribution | 6,355 | 6,546 | 6,742 | 6,945 | 7,153 |
| CITT Staff | 2,355 | 2,360 | 2,360 | 2,360 | 2,360 |
| SFRTA Contribution | 4,235 | 4,235 | 4,235 | 4,235 | 4,235 |
| Deficit Repayment | 3,000 | 0 | 0 | 0 | 0 |
| PWD Project Management (Pay Go) | 3,534 | 3,640 | 3,749 | 3,862 | 3,978 |
| CITT Reserve | 9,380 | 7,167 | 7,670 | 6,201 | 4,748 |
| **Debt Service** | | | | | |
| Pre Existing Debt Service | 2,495 | 2,495 | 2,495 | 2,495 | 0 |
| Rezoning Bonds | 784 | 784 | 784 | 784 | 784 |
| PTP Debt Service ($2.2 billion program) | 69,321 | 93,985 | 93,988 | 113,870 | 133,752 |
| Bus Replacement | 0 | 2,717 | 5,435 | 8,152 | 10,869 |
| **Total Expenses** | **624,345** | **657,354** | **678,367** | **715,797** | **751,560** |
| **Year-End Difference** | **6,917** | **(6,916)** | **0** | **0** | **0** |
| **Accumulated Difference** | **6,917** | **0** | **0** | **0** | **0** |