



ATTACHMENT 5 – PRO FORMA (as of November 2013)

Below presents the FY14 draft update of the Pro Forma. Following these tables is a summary of findings from analysis by the Trust's financial consultant IMG.

It is important to note ongoing labor negotiations will have an impact in the Pro Forma, with finalized agreements expected to be reflected in next year's update. Also, this County document continues to reflect "Additional Local Revenue or Service Cut", which has not yet been enacted by the Board of County Commissioners.

Revenue (000)	2014	2015	2016	2017	2018	2019-2042	Total
Operating Revenue							
Bus, Rail, STS, & Farebox	116,171	117,333	118,506	119,691	131,634	4,831,132	5,434,466
Other Revenues	10,834	10,942	11,052	11,162	11,274	307,137	362,401
Prior Year Carryover in PTP Fund	6,000	0	0	0	0	0	6,000
Additional PTP Surtax revenues at 100%	0	0	0	0	0	0	0
Grant Funds & Subsidies							
Federal							
Formula Grant Preventive Maintenance	62,336	62,959	63,589	64,225	64,867	2,119,372	2,437,348
JARC	0	0	0	0	0	0	0
State							
Block Grant	19,364	19,751	20,146	20,549	20,960	650,402	751,173
TD Program	8,953	9,132	9,315	9,501	9,691	300,715	347,307
Urban Corridor	3,899	3,899	3,899	3,899	3,899	93,576	113,071
TD Tokens	2,000	2,000	2,000	2,000	2,000	48,000	58,000
Local							
PTP Surtax (95 percent)	211,841	218,196	224,742	231,484	238,429	10,203,560	11,328,253
Miami Dade MOE (3.5 Percent)	167,869	173,743	179,825	186,119	192,633	7,310,391	8,210,580
<i>Additional Local Revenue or Service Cut*</i>	0	10,020	22,350	43,905	52,579	2,446,739	2,575,593
CI-LOGT (3 Cents)	17,130	17,387	17,648	17,736	17,825	455,583	543,308
SFRTA Payment	666	666	666	666	666	15,984	19,314
Capital Reimbursements	4,199	4,409	4,629	4,860	5,103	238,467	261,667
Total Operating Revenues	631,262	650,437	678,366	715,798	751,560	29,021,058	32,448,482

Expenses (000)	2014	2015	2016	2017	2018	2019-2042	Total
Direct Operating Expenses							
MDT Operating Expenses	480,518	489,786	505,960	520,596	535,995	19,402,842	21,935,698
Other Operating Expenses							
Municipal Contribution	42,368	43,639	44,948	46,297	47,686	2,040,712	2,265,651
New Municipal Contribution	6,355	6,546	6,742	6,945	7,153	306,107	339,848
CITT Staff	2,355	2,360	2,360	2,360	2,360	83,684	95,479
SFRTA Contribution	4,235	4,235	4,235	4,235	4,235	101,640	122,815
Deficit Repayment	3,000	0	0	0	0	0	3,000
PWD Project Management (Pay Go)	3,534	3,640	3,749	3,862	3,978	141,041	159,803
CITT Cap. Expansion Reserve	9,380	7,167	7,670	6,201	4,748	419,796	454,962
Debt Service							
Pre Existing Debt Service	2,495	2,495	2,495	2,495	0	0	9,980
Rezoning Bonds	784	784	784	784	784	18,816	22,736
PTP Debt Service (to 2018)	69,321	93,985	93,988	113,870	133,752	3,575,095	4,080,011
Bus Leasing Payment (\$100 million lease for 10yr)	0	2,717	5,435	8,152	10,869	108,694	135,868
PTP Debt Service (after 2022)	0	0	0	0	0	2,102,454	2,102,454
Total Expenses	624,345	657,354	678,367	715,797	751,560	28,300,881	29,489,982
Year-End Difference	6,917	(6,916)	(0)	1	(0)	720,177	2,958,500
Accumulated Difference	6,917	0	(0)	0	0		
Coverage Factor	2.44	1.86	1.91	1.63	1.43	1.39 - 2.33	

The Trust's financial consultant was tasked to review and analyze the Pro Forma again this year. The analysis focused on a detailed review of the FY 2014 MDT Pro Forma (as of November 2013), which included changes in few key assumptions and input data. The project team updated the CITT Model to check Pro Forma results, and to conduct sensitivity and scenario analysis of the Pro Forma under a variety of assumptions. The Trust's Strategic and Financial Planning Committee (SFPC) held a workshop at its regular meeting of February 20, 2014, which included a presentation of findings from the consultant.

The full IMG presentation on the Pro Forma and reports from previous years are available online at <http://www.miamidade.gov/citt/pro-forma.asp>.

Overall, even with tight budgets in the short-term, net cash flow is projected to be positive in the long-term, based upon the realization of MDT's operating revenue and expenditure assumptions. This point was made in CITT's analysis of the Pro-Forma presented at MPO Transportation Retreat on January 28, 2014.

Operating challenges faced by MDT include tight annual budgets that rely on additional expected revenue and reduction in expenses to balance the budget. The project team also noted the following key findings:

- Minimum debt service coverage ratio of 1.35x for PTP bonds violates bond covenant thresholds of 1.50x (senior debt) in several years starting in FY 2019.



- Collective bargaining agreements negotiated last year continue to be in effect. Employment level remains constant but labor costs set to rise from about 60% to 72% of total MDT operating costs.
- Long term capital program is a placeholder based on availability of funds.
- Beginning in 2016, some capital expenditures are to be deferred – amount of cumulative deferrals reaches about \$490 million in 2017 and reduces to \$150 million in 2019.
- Additionally, MDT is exploring the option of leasing compressed natural gas (CNG) buses along with contracting maintenance which includes required infrastructure. Costs and savings associated with this program are not included in the Pro-Forma.

The review also highlighted several key assumptions as follows.

- PTP Surtax long-term growth rate of 4.5%. It is assumed 3.00% from FY 2015-2019.
- Average annual growth rate for MDT operating expenses of 3.15%.
- "Additional Local Revenue or Service Cut" is expected from FY 2015 onwards - \$192 million from FY 2015-2019 and \$2.6 billion from FY 2015-2042. Reinstatement of additional two cents Local Option Gas Tax – shown as assumed or proposed in previous Pro-Formas – is no longer included.
- Constant levels of employment and bus service over 30-year forecast period with 3,235 MDT employees and about 29 million revenue bus miles. These assumptions are unchanged from previous year.

Addressing the continuing MDT financial challenges, particularly the upcoming budget gap, requires examining both the revenue and cost sides of the ledger. Toward these ends, the Trust is collaboratively working with the County on several strategic initiatives: the study of Revenue Enhancement Opportunities for operations, MDT Cost & Efficiency Study finalized (examining both peer comparison data and the effectiveness of implementing past study recommendations), the completed Innovative Financing for Capital Investments study and this Five Year Implementation Plan Update.

The SFPC followed its November 2012 meeting by developing recommended actions for about a dozen shortlisted items of Revenue Enhancements, for consideration at the December 2012 meeting of the Full Trust. The final CITT resolution was forwarded to the Citizens Transportation Advisory Committee of the Miami-Dade Metropolitan Planning Organization and for approval by the BCC.