

# Memorandum



**Date:** August 20, 2014

**To:** Honorable Chairman Paul J. Schwiep, Esq.  
and Members, Citizens' Independent Transportation Trust

**From:** Carlos A. Gimenez   
Mayor

**Subject:** People's Transportation Plan Amendment

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## Recommendation

It is recommended that the Citizens' Independent Transportation Trust approve the attached resolution recommending amending the People's Transportation Plan (PTP) Ordinance to suspend for one year the annual 3.5 percent increase to the Miami-Dade Transit (MDT) Maintenance of Effort (MOE) allocation from the general fund, to maintain surtax revenues to fund MDT operations, and maintain general fund support for FY 2014-15 at the current level of \$167.869 million. The County will continue to comply with the payments and terms of the Citizens' Independent Transportation Trust (CITT) Reinvestment Schedule as approved by the Board of County Commissioners (BCC) on July 7, 2005. The FY 2014-15 Proposed Budget recommends changes to this agreement to provide the countywide general fund with additional resources to address the FY 2014-15 budgetary gaps.

## Background

On July 7, 2005, the BCC and the CITT entered into an agreement that restored the County's MOE with MDT to the pre-surtax level and provided for an annual 3.5 percent increase to the general fund MOE support to MDT. In addition, the agreement started a reinvestment payment schedule to pay back pre-existing services funded by the PTP.

The FY 2014-15 Proposed Budget includes the suspension for one year of the 3.5 percent increase to the MOE. If approved, this adjustment would save \$5.875 million in the Countywide General Fund which would be to fund public safety services. As part of the strategy to balance the budget, including the one-year suspension of the MOE increase, a series of targeted service reductions were made which included administrative and operating efficiencies and revenue improvements. These adjustments were identified before proposing service adjustments of \$64 million. The budget as originally proposed, would have resulted in the reduction of a net 657 budgeted positions, 228 of which are sworn positions in the Police Department. Subsequent to the release of the Proposed Budget, we were able to identify other service efficiencies and revenue improvements to save 118 officer positions. The MOE is funded at \$167.869 million. If the MOE were increased by 3.5 percent, \$5.875 million in further service adjustments in the general fund would need to be identified for FY 2014-15.

Transit's Five Year Pro-Forma anticipates that by FY 2015-16 additional general fund support above and beyond the 3.5 percent MOE increase may be needed. PTP funding of on-going transit operation for FY 2014-15 is already lower than the current year subsidy, and over the long-term planning horizon will be significantly less as more debt service is incurred for planned improvements. It is clear to us that a comprehensive strategy of fare adjustments, general fund support, and operational efficiencies will be needed to maintain our transit services without impacting our community. Because of the limitations in general revenue available, once the MOE was set at \$167.869 million for FY 2014-15, Transit's budget faced a \$14.2 million budget gap. To close this budget gap, the FY 2014-15 Proposed Budget includes a fare increase to Bus and Rail services that will provide an additional \$7.6 million in revenue, and a fare increase to STS services that will provide an additional \$6.6 million in revenue and costs savings.

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Subsequent to the release of the Proposed Budget, the STS fare increase was eliminated, because MDT has identified additional cost savings of \$5.0 million from lower fueling cost in FY 2013-14 and higher savings from STS trips in FY 2014-15 to offset the impact of the STS fare adjustment but an additional \$1.6 million is required from PTP carryover to close the gap. The fare increase for Bus and Rail represents additional local revenue identified in the FY 2013-14 pro-forma for the People's Transportation Plan.

If the fare increase is not approved, then the alternative as anticipated by the pro-forma is service cuts. The Department has identified bus service adjustments that will save \$8.5 million, and rail service adjustment that will save \$1 million. The bus service adjustments will reduce the service frequencies of 40 routes, operate Saturday schedule for six holidays, discontinue early and late trips for low ridership, and discontinue completely six routes. The rail service adjustment will impact off-peak services.

c: Honorable Chairwoman Rebeca Sosa and Members,  
Board of County Commissioners  
R.A. Cuevas, Jr., County Attorney  
Charles Anderson, Commission Auditor  
Office of the Mayor Senior Staff  
Jennifer Moon, Director, Office of Management and Budget

RESOLUTION BY THE CITIZENS' INDEPENDENT  
TRANSPORTATION TRUST (CITT) RECOMMENDING THE  
BOARD OF COUNTY COMMISSIONERS (BCC) APPROVE  
AN ORDINANCE AMENDING EXHIBIT 1 TO THE PEOPLE'S  
TRANSPORTATION PLAN ALLOWING FOR A ONE YEAR  
WAIVER OF THE 3.5% MAINTENANCE OF EFFORT  
REQUIREMENT FOR FISCAL YEAR 2014-15

**WHEREAS**, the Citizens' Independent Transportation Trust ("CITT") renews its commitment to support and provide oversight for Miami-Dade Transit; and

**WHEREAS**, Charter County Transportation Surtax ("Surtax") funds are an essential component of the preservation of the public transit system; and

**WHEREAS**, the Office of the Mayor has indicated a proposed budget that calls for a suspension in the 3.5 percent increase in General Fund support for fiscal year 2014-15; and

**WHEREAS**, the CITT recognizes that this General Fund support can be used in this particular circumstance to prevent layoffs of sworn police officers and other deleterious budget impacts;

**WHEREAS**, despite the support for this one-year suspension, the CITT believes this cannot become a budget practice and renews its commitment to increase annually the General Fund support for Miami-Dade Transit by at least 3.5 percent over that provided in the preceding fiscal year commencing for fiscal year 2015-16; and

**WHEREAS**, the CITT wishes to permit and continue with the Reinvestment Schedule identified in CITT Resolution No. 05-025 notwithstanding the suspension of the 3.5 percent increase in General Fund support for Miami-Dade Transit in fiscal year 2014-15; and

**NOW, THEREFORE, BE IT RESOLVED BY THE CITT,** that this Trust recommends approval of an ordinance amending Exhibit 1 to the People's Transportation Plan by suspending the 3.5 percent increase in General Fund support for Miami-Dade Transit for Fiscal Year 2014-15. The Trust further resolves that Miami-Dade County may continue with the Reinvestment Schedule identified in CITT Resolution No. 05-025 notwithstanding the suspension of such annual increase for Fiscal Year 2014-15, as outlined in the corresponding document in substantially the form attached hereto and made a part hereof.

The foregoing resolution was offered by \_\_\_\_\_, who moved its adoption. The motion was seconded by \_\_\_\_\_ and upon being put to vote, the vote was as follows:

Paul J. Schwiep, Esq., Chairperson  
Hon. Anna E. Ward, Ph.D., 1<sup>st</sup> Vice Chairperson  
Glenn J. Downing, CFP®, 2<sup>nd</sup> Vice Chairperson

Joseph Curbelo  
Alfred J. Holzman  
Jonathan Martinez  
Miles E. Moss, P.E.  
Marilyn Smith

Peter L. Forrest  
Prakash Kumar  
Alicia Menardy  
Hon. James A. Reeder  
Hon. Linda Zilber

The Chairman thereupon declared the resolution duly passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_ 2014.