





## 8 TRANSIT FINANCIAL PLAN

The previous chapters identify critical transit needs in Miami-Dade County without consideration of project cost. In this chapter, however, DTPW must reconcile its transit improvement needs with available financial resources. In the financial plan, the estimated costs of providing the agency's existing and planned new services are projected over a ten-year horizon. The financial resources that will support those services are also identified and estimated. Through the development of this financial plan DTPW determines which service improvements are financially feasible and establishes a time line by when said improvements can be implemented.

### 8.1 Operating Expenses and Revenues

DTPW is the largest transit operator in the State of Florida and the 14th largest transit provider in the U.S. according to the 2017 Public Transportation Fact Book (based on unlinked passenger trips and passenger miles). DTPW's size is reflected in the agency's direct operating budget, which is projected at approximately \$410 million in FY 2018. The primary components of the direct operating expenses are shown in Table 8-1.

Salaries and overtime make up 43 percent of DTPW's total operating expenses. Contractual services make up 8 percent of the operating budget. Metrobus is a fixed-route bus service that DTPW operates seven (7) days a week, 24 hours per day. A total of 79 routes comprise DTPW's regular bus service structure as served by a total fleet of 781 buses and 14 contracted routes with 29 buses.

In addition to these direct expenses, DTPW will support \$95 million of other operating expenses and debt service payments in FY 2019. These other expenses are detailed in the subsequent tables of this chapter.

In total, DTPW will spend \$410 million in FY 2018 for the ongoing operation of the transit system and the support of DTPW's other local and regional responsibilities.

**Table 8-1: DTPW Projected Transit FY 2018 Direct Operating Expenses**

Transit Operating Expenses		Projected Amount FY 19 (000s)
	Salary	\$206,214
	Overtime	\$22,555
	Group Health	\$45,423
	Benefits	\$31,936
	Court Costs	\$16
	Contractual Services	\$42,290
	Other Operating Expenses	\$94,638
	Charges for County Services	\$23,803
	Capital	\$304
	Distribution of Funds in Trust	\$11
	STS Services	\$41,936
	Payment to Vanpool Program	\$1,700
	Restoration of Proposed Reduction	\$5,703
	Future Transit Efficiency/Savings Plan	-\$6,622
	Retirement	\$18,135
	<b>Subtotal</b>	<b>\$528,042</b>
Transit Reimbursements		Projected Amount FY 19 (000s)
	Federal Reimbursements	-\$69,031
	Capital Fund Reimbursements	-\$8,167
	State Grant Reimbursements	-\$21,097
	CILOGIT Reimbursements	-\$19,549
	STS/JARC Reimbursements	-\$4,894
	<b>Subtotal</b>	<b>-\$122,738</b>
Transit Operating Adjustments		Projected Amount FY 19 (000s)
	Payment to SFRTA	\$4,235
	Transfer to Debt Service	\$828
	<b>Subtotal</b>	<b>\$5,063</b>
<b>Total Transit Operating Expenses</b>		<b>\$410,367</b>

Source: Transit Pro Forma FY 2017

\* Total may vary slightly due to rounding

DTPW's transit operations are supported by a range of federal, state, local, and directly-generated revenue streams. Table 8-2 shows the projected operating revenues for FY 2018 by major category that total over \$410 million.

**Table 8-2: DTPW Projected FY 2018 Transit Operating Revenues**

Transit Proprietary Revenue	Transit Proprietary Revenue	Projected Amount FY18 (000s)
	Bus, Rail, STS, & Farebox	\$89,966
	Planned Bus and Rail Fare and Fee Increase	\$4,578
	Other Revenues	\$8,416
	Interagency Revenue (Tri-Rail)	\$5,643
	<b>Operating Total</b>	<b>\$108,603</b>
State Grant Revenue	State Grant Revenue	Projected Amount FY18 (000s)
	Transportation Disadvantaged Program	\$6,000
	<b>State Total</b>	<b>\$6,000</b>
Local Revenue	Local Revenue	Projected Amount FY18 (000s)
	Miami Dade General Fund MOE (3.5 Percent)	\$196,924
	PTP Surtax	\$95,126
	Additional Local Revenue*	\$3,714
	<b>Local Total</b>	<b>\$295,764</b>
<b>Total Revenue</b>		<b>\$410,367</b>

Source: Transit Pro Forma FY 2017

\* Total may vary slightly due to rounding

Revenue categories listed in Table 8-2 are described below.

- **Fare Revenues:** DTPW currently recovers approximately 17 percent of its operating expenses from transit fare revenue.
- **Other Operating Revenues:** These operating revenues include advertising.
- **State Block Grants:** These revenues were developed by the Florida Legislature to provide a stable source of funding for public transit. The grants are distributed to all eligible Florida transit providers on a formula basis.
- **Transportation Disadvantaged program:** Transportation Disadvantaged (TD) programs provide funding to assist TD populations, which include individuals with physical or mental disabilities, have low incomes, or are older individuals who are unable to transport themselves or purchase transportation.
- **People's Transportation Plan Surtax:** The People's Transportation Plan (PTP) provides for sales tax revenue to support public transit and roadway infrastructure improvements.
- **County General Funds:** Miami-Dade County supplies DTPW with funding each year from its general fund.
- **Additional Local Revenue:** DTPW may receive funds from other local sources in a given year.

## 8.1.1 Projected Operating Revenues

Future revenue growth is projected to fluctuate with a low level of tax revenue growth resulting from the existing state of the economy. However, in years without any major policy changes, total available funding for DTPW is expected to grow at a rate of slightly over three percent (3%) annually. In addition, DTPW does foresee a separate major policy action related to funding during FY 2019 – FY 2028 to include:

- Regular programmed fare increases: The Pro Forma projects a 25 cent increase in the base fare (from its current level of \$2.25 to \$2.50) in FY 2019, with additional 25 cent increases in fiscal years 2024 and 2029. These increases have the effect of increasing the overall revenue growth rate in those years. These programmed fare increases which occur every four (4) years are determined by policies approved by the Miami-Dade County Board of County Commissioners that authorize DTPW to implement regular fare increases to keep pace with inflation.

The critical funding growth assumptions that drive the Pro Forma financial projections are outlined below in Table 8-3.

**Table 8-3: DTPW Operating Transit Revenue Growth Assumptions**

Operating Revenue Growth Assumptions	Revenue Item	Annual Growth Rate
	PTP Surtax	-4%*
	General Funds (MOE)	3.5%
	Fare Revenue (Trip Growth)	0.5%
	State Block Grants	1.0%
	Transportation Disadvantaged Funds	0.0%
	Federal funds	2.4%
	Local Option Gas Tax	1.50%

Source: Transit Pro Forma FY 2017

\*PTP surtax is reported as negative growth because DTPW is reducing its reliance on PTP funds for Operations expenses and shifting those revenues to the capital budget for the purposes of expanding transit service.

## 8.1.2 Summary of Operating Budget

The operating budget, as presented in the 2017 Pro Forma for the ten-year period from FY 2019 to FY 2028, is balanced. The projected operating expenses are covered by the forecasted revenues from various sources. DTPW balances its operating budget by adhering to a combination of strategies aimed at producing cost efficiencies; an avoidance of any major service expansion and aggressive use of available local funding sources (LOGT and general funds). This operating budget is based upon the budgetary assumptions that were applied within the FY 2017 Pro Forma. It should be noted that these budgetary assumptions are subject to change due to the volatility in gas prices and pressure from the public to reduce the tax roll which could have impacts to the general fund share DTPW receives and the availability of federal and state grants, thus resulting in a different budgetary outcome than presented in this TDP.

**Table 8-4: DTPW Operating Transit Revenues (FY 2019 - FY 2028) (\$000s)**

Transit Proprietary Revenues	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027	FY 2027-2028
Bus, Rail, STS, & Farebox	\$89,966,000	\$95,017,000	\$95,492,000	\$95,969,000	\$96,449,000	\$96,449,000	\$101,648,000	\$102,156,000	\$102,667,000	\$103,180,000
Planned Bus and Rail Fare and Fee Increase	\$4,578,000	\$0	\$0	\$0	\$0	\$4,693,000	\$0	\$0	\$0	\$0
Interagency Revenue (Tri-Rail)	\$8,416,000	\$8,416,000	\$8,416,000	\$8,416,000	\$8,416,000	\$8,416,000	\$8,416,000	\$8,416,000	\$8,416,000	\$8,416,000
Other Revenues (Adv., Permitting, Joint Dev.)	\$5,643,000	\$5,643,000	\$5,643,000	\$5,643,000	\$5,643,000	\$5,643,000	\$5,643,000	\$5,643,000	\$5,643,000	\$5,643,000
<b>State Grant Revenue</b>										
TD Program	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000
<b>Local Revenue</b>										
Miami Dade General Fund MOE (3.5%)	\$196,924,000	\$207,660,000	\$273,545,000	\$295,299,000	\$316,029,000	\$357,206,000	\$377,456,000	\$390,667,000	\$404,340,000	\$418,492,000
PTP Surtax	\$95,126,000	\$46,054,000	\$39,416,000	\$33,990,000	\$9,873,000	\$4,612,000	\$7,997,000	\$11,587,000	\$15,373,000	\$17,272,000
Additional Local Revenue	\$3,714,000	\$56,635,000	\$11,768,000	\$10,043,000	\$29,098,000	\$7,486,000	\$0	\$0	\$0	\$0
<b>Total Transit Revenues</b>	<b>\$410,367,000</b>	<b>\$425,425,000</b>	<b>\$440,280,000</b>	<b>\$455,360,000</b>	<b>\$471,508,000</b>	<b>\$490,505,000</b>	<b>\$507,160,000</b>	<b>\$524,469,000</b>	<b>\$542,439,000</b>	<b>\$559,003,000</b>
Total Expenses	\$410,367,000	\$425,425,000	\$440,280,000	\$455,360,000	\$471,508,000	\$490,505,000	\$507,160,000	\$524,469,000	\$542,439,000	\$559,003,000
Operational Funding Surplus (Deficit)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Source: Transit Pro Forma FY 2017

**Table 8-5: DTPW Operating Transit Expenses (FY 2019 - FY 2028) (\$000s)**

Direct Operating Expenses/ Fiscal Year	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026	FY 2026-2027	FY 2027-2028
<b>Direct Operating Expenses</b>										
Total Transit Operating Expenses	\$528,042,000	\$545,329,000	\$562,465,000	\$580,320,000	\$598,938,000	\$615,938,000	\$633,567,000	\$651,858,000	\$670,820,000	\$688,387,000
<b>Transit Transfer Out Expenses</b>										
SFRTA Contribution	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000
MDT Debt Service Fund	\$828,000	\$828,000	\$828,000	\$828,000	\$828,000	\$828,000	\$828,000	\$828,000	\$828,000	\$828,000
<b>Transit Reimbursements</b>										
Federal Grant Reimbursements	-\$69,031,000	-\$70,756,000	-\$72,526,000	-\$75,086,000	-\$77,339,000	-\$75,122,000	-\$75,874,000	-\$76,632,000	-\$77,398,000	-\$78,173,000
State Grant Reimbursements	-\$21,097,000	-\$21,308,000	-\$21,521,000	-\$21,736,000	-\$21,953,000	-\$22,173,000	-\$22,395,000	-\$22,619,000	-\$22,845,000	-\$23,073,000
Capital Fund Reimbursements	-\$8,167,000	-\$8,167,000	-\$8,167,000	-\$8,167,000	-\$8,167,000	-\$8,167,000	-\$8,167,000	-\$8,167,000	-\$8,167,000	-\$8,167,000
CILOGIT Reimbursements	-\$19,549,000	-\$19,842,000	-\$20,140,000	-\$20,140,000	-\$20,140,000	-\$20,140,000	-\$20,140,000	-\$20,140,000	-\$20,140,000	-\$20,140,000
STS/JARC Reimbursement	-\$4,894,000	-\$4,894,000	-\$4,894,000	-\$4,894,000	-\$4,894,000	-\$4,894,000	-\$4,894,000	-\$4,894,000	-\$4,894,000	-\$4,894,000
<b>Total Expenses</b>	<b>\$410,367,000</b>	<b>\$425,425,000</b>	<b>\$440,280,000</b>	<b>\$455,360,000</b>	<b>\$471,508,000</b>	<b>\$490,505,000</b>	<b>\$507,160,000</b>	<b>\$524,469,000</b>	<b>\$542,439,000</b>	<b>\$559,003,000</b>

Source: Transit Pro Forma FY 2017

## 8.2 Transit Capital Expenditures and Funding Sources

### 8.2.1 Planned Capital Expenditures

The Department's planned transit capital budget for the period FY 2019 to FY 2028 is summarized in Table 8-6. Large capital projects or ongoing projects during FY 2019 – FY 2028 (such as bus acquisition and replacement), may be funded by a combination of debt proceeds and cash.

Many of the projects listed in the following table, such as the rail vehicle replacement, will greatly improve the quality and longevity of the existing DTPW transit system. However, most of the projects in Table 8-6 are scheduled for completion on or before 2023. After 2023, the capital program consists only of scheduled bus acquisitions, rail vehicle replacement, and the Infrastructure Renewal Program (IRP), which is the agency's long-term projection of future rehabilitation and replacement needs throughout the transit system.



Table 8-6: DTPW Capital Transit Budget (FY 2018 - FY 2023) (\$000s)

Project	FY 18-19		FY 19-20		FY 20-21		FY 21-22		FY 22-23		Future		Total*		
	PTP	Other	PTP	Other	PTP	Other	PTP	Other	PTP	Other	PTP	Other	PTP	Other	Total
Bus and Bus Facilities	\$3,200	\$2,550	\$3,200	\$0	\$3,200	\$0	\$3,200	\$0	\$0	\$0	\$0	\$0	\$15,350	\$12,800	\$2,550
Bus Enhancements	\$717	\$6,157	\$6,860	\$947	\$0	\$419	\$0	\$0	\$0	\$0	\$0	\$0	\$15,100	\$7,577	\$7,523
Bus Related Projects	\$0	\$190,000	\$0	\$181,000	\$0	\$200,000	\$0	\$220,000	\$0	\$242,000	\$0	\$266,840	\$1,299,840	\$0	\$1,299,840
Federally-Funded Projects	\$70,591	\$20,667	\$72,330	\$20,915	\$74,115	\$20,915	\$76,689	\$20,915	\$78,948	\$20,915	\$0	\$0	\$477,000	\$372,673	\$104,327
Infrastructure Renewal Plan (IRP)	\$12,500	\$0	\$12,500	\$0	\$12,500	\$0	\$12,500	\$0	\$12,500	\$0	\$12,500	\$0	\$75,000	\$75,000	\$0
Lehman Yard	\$2,625	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,625	\$2,625	\$0
Metromover Improvement Projects	\$25,304	\$5,219	\$16,158	\$5,488	\$23,167	\$0	\$3,100	\$0	\$0	\$0	\$0	\$0	\$78,436	\$67,729	\$10,707
Metrorail Stations and Systems Improvements	\$35,272	\$545	\$8,640	\$1,035	\$8,130	\$490	\$7,910	\$500	\$0	\$0	\$0	\$0	\$62,522	\$59,952	\$2,570
Metrorail Track and Guideway Projects	\$20,451	\$0	\$15,006	\$0	\$13,020	\$0	\$10,106	\$0	\$10,106	\$0	\$68,106	\$0	\$136,795	\$136,795	\$0
Metrorail Vehicle Replacement	\$93,682	\$0	\$18,587	\$0	\$1,777	\$0	\$1,793	\$0	\$1,811	\$0	\$9,170	\$0	\$126,820	\$126,820	\$0
Metrorail and Metromover Projects	\$6,776	\$2,206	\$6,776	\$3,555	\$6,776	\$3,555	\$6,776	\$3,569	\$2,776	\$3,583	\$0	\$0	\$46,348	\$29,880	\$16,468
Park and Ride Transit Projects	\$2,371	\$2,674	\$7,407	\$977	\$6,340	\$0	\$210	\$0	\$0	\$0	\$0	\$0	\$19,979	\$16,328	\$3,651
Strategic Miami Area Rapid Transit Plan (SMART) Phase 1	\$3,666	\$2,334	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$3,666	\$2,334
The Underline	\$0	\$8,424	\$0	\$8,170	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,594	\$0	\$16,594
Transit Operations System (TOS) Replacement Project	\$154	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$154	\$154	\$0
Transit Signage And Communication Projects	\$3,209	\$2,088	\$1,189	\$637	\$1,189	\$0	\$1,189	\$0	\$1,190	\$0	\$0	\$0	\$10,691	\$7,966	\$2,725
SUBTOTAL	\$280,518	\$242,864	\$168,653	\$222,724	\$150,214	\$225,379	\$123,473	\$244,984	\$107,331	\$266,498	\$89,776	\$266,840	\$2,335,836	\$891,851	\$1,443,985
TOTAL	\$523,382		\$391,377		\$375,593		\$368,457		\$373,829		\$356,616				

Source: DTPW Capital Book, F2 (revenue) and F5 (expense) Reports

\* Project totals do not reflect prior year funds

## 8.2.2 Summary of Capital Plan

Revenue sources for capital projects are presented in Table 8-7 for the ten-year period from FY 2019 to FY 2028. All projected capital expenditures could be funded with either PTP surtax debt proceeds or on a pay-as-you-go basis, depending on the availability of funds. This capital budget is achieved by aggressive borrowing against the PTP surtax (ultimately requiring the inclusion of additional LOGT and general funds in DTPW's budget, as described above, to guarantee debt coverage).

This capital budget is based upon the budgetary assumptions applied within the FY 2017 Pro Forma and these assumptions are subject to change correspondingly in line with the finalization of the DTPW's Transit Budget and Capital Operating Plan resulting in a different budgetary outcome than presented in this TDP.

**Table 8-7: Projected "Cash" Revenue Sources for Transit Capital Projects (FY 2019 - FY 2028) (\$000s)**

Funding Source	Prior	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	Future	Total
BBC GOP Financing	\$53,008	\$8,740	\$6,433	\$5,000	\$5,000	\$5,052	\$1,867	<b>\$85,100</b>
Capital Improvements Local Option Gas Tax	\$49,195	\$20,665	\$20,707	\$20,408	\$20,104	\$20,104		<b>\$151,183</b>
Charter County Transit System Surtax	\$37,812	\$500	\$500	\$500	\$500	\$0	\$0	<b>\$39,812</b>
City of Miami Beach Contribution	\$5,105	\$167	\$0	\$0	\$0	\$0	\$0	<b>\$5,272</b>
City of Miami Contribution	\$250	\$167	\$0	\$0	\$0	\$0	\$0	<b>\$417</b>
City of Miami Park Impact Fees	\$0	\$1,963	\$1,571	\$0	\$0	\$0	\$0	<b>\$3,534</b>
FDOT Funds	\$111,494	\$13,837	\$10,010	\$4,007	\$4,007	\$4,007	\$0	<b>\$147,362</b>
FTA 5339 Bus & Bus Facility Formula	\$18,871	\$8,366	\$5,311	\$4,791	\$4,911	\$5,034	\$5,160	<b>\$52,444</b>
FTA 5307/5309 Formula Grant	\$243,170	\$85,538	\$83,128	\$78,588	\$80,772	\$82,546	\$0	<b>\$653,742</b>
Lease Financing - County Bonds/Debt	\$161,054	\$185,440	\$176,326	\$195,209	\$215,089	\$236,966	\$260,840	<b>\$1,430,924</b>
People's Transportation Plan Bond Program	\$907,678	\$232,630	\$106,505	\$79,649	\$42,784	\$25,607	\$89,776	<b>\$1,484,629</b>
People's Transportation Plan Capital Reserve Fund	\$35,390	\$3,499	\$0	\$0	\$0	\$0	\$0	<b>\$38,889</b>
Road Impact Fees	\$405,933	\$65,422	\$66,031	\$64,223	\$64,226	\$0	\$31,822	<b>\$697,657</b>
Secondary Gas Tax	\$49,684	\$15,981	\$15,981	\$15,981	\$15,981	\$15,981	\$0	<b>\$129,589</b>
Stormwater Utility	\$16,849	\$5,330	\$2,950	\$2,950	\$2,450	\$2,450	\$0	<b>\$32,979</b>
<b>Total:</b>	<b>\$2,095,493</b>	<b>\$648,245</b>	<b>\$495,453</b>	<b>\$471,306</b>	<b>\$455,824</b>	<b>\$397,747</b>	<b>\$389,465</b>	<b>\$4,953,533</b>
Expenditure Commitments	\$2,054,144	\$692,330	\$523,230	\$505,929	\$470,211	\$403,707	\$412,672	<b>\$5,062,223</b>
<b>Capital Funding Surplus/Deficit</b>	<b>\$41,349</b>	<b>-\$44,085</b>	<b>-\$27,777</b>	<b>-\$34,623</b>	<b>-\$14,387</b>	<b>-\$5,960</b>	<b>-\$23,207</b>	<b>-\$108,690</b>

Source: DTPW FY 2017-18 Proposed Budget and Multi-Year Capital Plan Volume 2, Page 150

## 8.3 Total Unfunded Transit Need

DTPW's FY 2019 – FY 2028 TDP Annual Update is based upon initiatives as identified by DTPW that are currently unfunded, which represent important areas of need to include:

- Bus route service improvements, including modifications to existing routes and the introduction of new routes, which have both a capital cost component and an operating cost component;
- Additional Capital Improvement Program (CIP) projects that represent selective improvements to the existing transit network as identified under the Infrastructure Renewal Program.

DTPW's total unfunded need between FY 2019 – FY 2028 – covering bus service improvements, capital investment in priority travel corridors, and CIP projects – is \$636 million. The unfunded need is calculated as the sum of the capital cost of Table 6-5 – Unfunded Transit Projects FY 2019 – 2028 and the unfunded portion of Table 6-4 – Partially Funded Transit Projects FY 2019 – 2028. A portion of the unfunded need identified may be programmed in a LRTP priority and are eligible to receive funding as additional funds become available.



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