

MIAMI-DADE COUNTY

People Transportation Plan Half Penny Surtax Proceeds Usage

Introduction

This report is in response to a request from Commissioner Sosa during a special meeting of the Strategic Planning and Government Operations Committee (SPGOC) on June 15, 2015. Its purpose is to provide information and assessment of how Miami-Dade Municipalities are utilizing the Half Penny Surtax, compared to how Miami-Dade County (County) is utilizing its portion of the Surtax proceeds. To provide our assessment, we reviewed prior audit reports from Audit and Management Services (AMS), the Office of the Commission Auditor (OCA) and other documents from the Citizens Independent Transportation Trust (CITT). We reviewed the municipalities' expenditures in light of the Surtax program guidelines. We specifically looked at how they have expended the funds received for Transit-related projects, Transportation-related activities, and debt service. Further, in response to a request from the Commissioner during the SPGOC meeting of August 8, 2015, we included Bus Routes and Ridership information for the Transportation and Public Works (TPW) Department as of June 2016 (*Table III*), with comparative numbers for the prior year.

Background

On July 9, 2002, the County enacted *Ordinance No. 02-116*, which imposed a one-half of one percent Surtax on eligible sales transactions for Transit and Transportation-related projects. The goal was to allow the County to raise money to fund the addition of more buses and routes; improvement of service; and expansion of rapid transit. That ordinance and its subsequent amendments became known collectively as the People Transportation Plan (PTP). According to the PTP, the County is required to distribute at least 20% of the proceeds to municipalities incorporated as of November 5, 2002, on a pro-rata basis using population statistics. The Surtax program is administered by the CITT, whose specific mission is to monitor, oversee, review, audit, and investigate the implementation of the projects funded by the program. The CITT is comprised of 15 members appointed by the Board of County Commissioners (BCC), County Mayor, and Miami-Dade League of Cities.

Accessing the 20% Surtax proceeds set aside for the municipalities required that the municipalities enter into an agreement with the County. Thus, beginning in 2002, all the municipalities, except for one, signed an Interlocal Agreement with the County. Only Indian Creek Village, a small municipality with a population of 86 residents, elected not to participate in the program. The Interlocal Agreement stipulates that in order for the municipalities to be eligible for the funds, they must:

- Continually maintain the same level of General Fund support for Transportation as appropriated in their budgets for fiscal year 2002 (*Maintenance of Effort (MOE)*) as in subsequent years;
- Apply at least 20% of the Surtax proceeds to Transit-related projects such as circulator buses, bus shelters, bus pullout bays, or other related infrastructures;
- Apply all of the portion of the municipal share that they receive to supplement, not replace, their General Fund support for Transportation; and

- Expend their portion of the municipal share only for Transit and Transportation purposes as specified by Florida Statutes.

Initially, the municipalities were obligated to use 20% of the money received for transit purposes on an annual basis. If a municipality could not fulfill that obligation, it could contract with the County and apply such portion on a County project that enhances traffic mobility within the boundaries of that municipality and in immediately adjacent areas. In case a municipality could not meet any of the two preceding requirements, the 20% portion of the municipal share would carryover and be added to the municipal share to be distributed among eligible municipalities in the ensuing year. However, on July 30, 2009, the County adopted *Trust Resolution No. 09-055*, which allows the municipalities to rollover unspent Surtax proceeds for a maximum of five years. As a result, the CITT allowed the municipalities to retroactively apply this policy to Fiscal Year (FY) 2003, thereby permitting them to take better advantage of the Surtax funds.

Unlike the municipalities, the County is not required to spend 20% of the Surtax proceeds on Transit-related projects or use 100% of the funds received in the year received. Proceeds may be used to develop, construct, equip, maintain, operate, or expand:

- County-wide bus systems;
- Fixed guide-way rapid transit systems; and
- Roads and bridges in the County.

Surtax proceeds may also be used to secure bonds or pay principal and interest on bonds issued for the above-mentioned systems. Countywide, the Surtax proceeds are currently forwarded to the TPW Department. Until recently, the Surtax proceeds were distributed to Miami-Dade Transit (MDT) and the Public Works and Waste Management (PWWM) Department. The two departments merged in 2015 and are now part of the TPW Department.

Summary Results

Our review indicates that, in general, the Surtax program has been fulfilling its intended purpose in both the municipalities and the unincorporated areas. This is evidenced by the list of accomplishments that have been recorded by the municipalities and Countywide.

As of the end of FY 2014, the municipalities have received \$469,401,331 in Surtax proceeds. Per their audited records, the municipalities have expended \$213,247,780 (approximately 46% of the received proceeds) on Transit and Transportation-related activities. Of this amount, \$40,904,211 was spent on Transit-related work, which represents approximately nine percent of the total funds disbursed to the municipalities. The rest of the funds expended (\$172,343,569) was used on Transportation-related work, and it represents approximately 37% of the total funds disbursed to the municipalities.

It is possible that the municipalities have expended more than \$213 million of Surtax proceeds, since the reported amount was based on their audited records – and many of the municipalities do not have their records audited up-to-date. As of July 2015, 30 of the municipalities have been audited by AMS, some of them twice. Of the 30 municipalities that have been audited, five had their records audited up to 2013, two up to 2012, and the remaining were audited up to earlier years ranging from 2011 through 2006, as shown in *Attachment II*. As per the CITT, more recent

audits are currently underway for some of the municipalities. All, except three municipalities - the City of Doral, the Town of Cutler Bay and the City of Miami Gardens - had previously been audited by AMS. These three municipalities only began receiving Surtax proceeds in 2012. *Attachment I* summarizes the distribution of funds to the municipalities, and *Attachment II* summarizes the amount of Surtax proceeds that the municipalities have expended for Transit and Transportation-related work.

For the municipalities, the Surtax has supported both transit and roadway improvements in the participating cities. Bus circulator systems supported by the CITT are successfully operating in 26 of the municipalities, carrying more than seven million passengers annually. Below are a few of the accomplishments in the municipalities that have been made possible by the Surtax funds:

- The City of Miami Trolley, which services high-demand areas such as the Health District, Biscayne Bay Boulevard, Downtown, Midtown, Brickell Avenue and Overtown areas;
- The City of North Miami Circulator service, which operates on four routes that crisscross the City, and boards 420,000 passengers annually;
- Cutler Bay Circulator, which boasts annual boardings of 80,000;
- The City of Miami's reconstruction of NW 62nd Street from NW 37th Avenue to I-95;
- The Traffic circle on Sans Souci Drive in the City of North Miami; and
- The City of South Miami's reconstruction of SW 72th Avenue from SW 20th Street to SW 40th Street.

Not all the municipalities use all their Surtax proceeds on capital expenditures. Some of them have contracted debt obligations that are being repaid with 80% Surtax funds while others have debt obligations that are being repaid with 100% Surtax funds. In 2013, the City of Hialeah, for instance, refinanced a bond for \$41,620,000. Of this amount, \$33,192,000 is being repaid with Surtax funds. In 2005, the City of Hialeah also issued a \$29,090,000 bond which is being repaid with 80% Surtax funds. In 2013, the City of Hialeah Gardens refinanced a \$2,195,000 bond that had an outstanding balance of \$2,058,000 which is being repaid entirely with Surtax funds. *Attachment III* details a complete list of those cities that rely on Surtax funds to fulfill their debt obligations.

Using Surtax funds, the County has made significant improvements to its public transit and roadway systems. Surtax funds have been used to add 586 new buses to the Metrobus fleet. Eco-friendly hybrid vehicles are being added to the Metrobus fleet at a cost of \$135 million, and are helping to reduce the carbon footprint of public transit. The Metromover fleet has been replaced, and the vehicles are in operation throughout downtown Miami. Transit ridership is over 100 million passenger trips per year including over nine million on Metromover alone.

Additionally, as of 2012, the Surtax proceeds have funded a broad spectrum of public works projects including 45 major highway and road improvement projects totaling \$166 million, and neighborhood improvements projects totaling \$96 million.

So far, the Surtax program has been used to fund improvements for more than 300 miles of roadways throughout the County including new pavements, guard rails, new bridges, street and traffic signage, and Americans with Disabilities Act (ADA) compliant sidewalks. The countywide traffic signalization system has been upgraded with the Advanced Traffic Management System

(ATMS) - a state-of-the-art distributed traffic signal monitoring and control system. The \$32 million new ATMS will facilitate improved traffic flow and reduced delays on area roadways.

Perhaps, the single most significant achievement of the Surtax program is the construction of the Metrorail Orange Line to the Miami International Airport (MIA), which is the largest investment of Surtax funds in its first ten years. The completion of this \$506 million Orange Line places the County among other counties that have a rapid transit connection to the airport. The Orange Line is distinguished by having been completed on time, on budget and with an exemplary safety record during construction.

Use of Surtax Proceeds and Compliance with Program Guidelines

Municipalities

The municipalities have had some challenges complying with program guidelines. A review of their records shows that most of them have been struggling to comply with the program's requirements. This is evident in the kind of findings reported by auditors in their audit of the municipalities' records. Those compliance issues can be summarized under the following categories: rollover, reporting, segregation of accounts, maintenance of effort, and the 20% Transit-related expenditures requirement. Some of the findings for each categories are highlighted below.

Rollover

Nearly all of the municipalities have had to rollover a portion of the proceeds received from the CITT. Below are some examples of Cities that had to rollover some of their funds:

- The City of South Miami received \$1.8 million from the CITT from 2009 through 2013. A 2014 AMS audit report disclosed that the City had to rollover \$1.5 million of unspent Surtax proceeds (*Audit Report-Charter County Transportation System Surtax Review-City of South Miami, October 14, 2014*);
- The City of Aventura received \$4.9 million Surtax proceeds from 2003 through 2008. As per AMS audit report of December 2009, \$2.9 million of that amount remained unspent, which became available for rollover or recapture by the CITT(*Audit Report-Charter County Transportation System Surtax Review-City of Aventura, December 8, 2013*);
- In 2010, the City of Miami had a total of \$29.6 million as rollover in its accounts (\$18 million and \$11.6 million as Transportation and Transit rollover respectively) (*Audit Report-Charter County Transportation System Surtax Review-City of Miami, September 30, 2011*);
- In 2013, AMS reported that the City of Hialeah Gardens had \$488,657 unspent Surtax proceeds as of September 2012 (*Audit Report-Charter County Transportation System Surtax Review-City of Hialeah Gardens, August 26, 2013*); and
- As of September 2013, according to an AMS audit report, the Village of Pinecrest had \$2.8 million in unspent Surtax proceeds available for rollover (*Audit Report-Charter County Transportation System Surtax Review-Village of Pinecrest, September 30, 2014*).

As per the CITT, the most prominent reason why many of the municipalities had not been spending the Surtax funds on a timely basis was that available funds at a particular period of time may not be sufficient to implement a desired or proposed PTP project, thereby necessitating a rollover of funds until additional money is available in subsequent years. As previously discussed, *Trust Resolution No. 09-055* allows for the rollover of unspent Surtax proceeds, provided the affected municipality presents a five year plan to the CITT detailing how it intends to use the funds to be rolled over. The rollover provision has enabled the municipalities to retain unspent funds, which otherwise would have been recaptured by the CITT. As of July 2014, only \$795,291 has been recaptured from the municipalities. Of this amount, \$766,362 was from the City of Sweetwater, and \$28,929 from the Town of Miami Lakes. The relatively small amount of recapture from the municipalities clearly testifies to the benefits of the rollover provision to the municipalities, given the total amount of money that the CITT has disbursed to them since the inception of the Surtax program.

According to AMS audits and the CITT's management, the above-mentioned funds were recaptured since they were applied toward projects that were deemed inappropriate. For instance, the City of Sweetwater returned its portion to the CITT after revising its expenditures reports in September 2010. The City of Sweetwater used that money to purchase equipment and fund personnel, which were not in accordance with the CITT's procedures and the Surtax program guidelines. There had been circumstances where funds recapturing was recommended, but the CITT decided not to follow through. That was the case with the City of Miami Beach. In 2010, AMS recommended that the CITT recaptured or rolled over \$1,619,510. However, after reviewing the situation, the CITT determined that the City spent funds in excess of the required amount in FY 2006; and that consequently, there was no need to recapture or rollover Surtax monies. The CITT has also recently initiated withholding all transportation funds from the City of Opa Locka, except for those relating to the City's trolleys.

Reporting

According to the Interlocal Agreement, municipalities are required to report on their activities to the CITT on both a quarterly and annual basis. As per various AMS audit reports, there have been cases of late or inaccurate reporting by some municipalities. Some had failed to report altogether. The cases identified below illustrate the kind of issues municipalities have had with reporting:

- The Town of Medley did not submit the quarterly reports that were due by January and April 2009, October 2010 and January 2011. Further, out of the 12 other quarterly reports that were submitted, seven were received after the due date. Additionally, Certification Letters for FYs 2009 through 2011 and Budgets for FYs 2009 and 2010 were submitted in late December 2012 (*Audit Report-Charter County Transportation System Surtax Review-Town of Medley, March 11, 2013*);
- For the period January 2003 through September 2007, the Village of Biscayne Park was unable to provide auditors with certain annual reports required by the Interlocal Agreement, including reports of qualifying expenditures. In addition, the Five-Year Transportation Plan was not submitted to the CITT in two of the five years (*Audit Report-Charter County Transportation System Surtax Review-Village of Biscayne Park, July 29, 2008*);
- For the four years ended September 30, 2012, the Town of Bal Harbor failed to submit to the CITT Independent Audit Reports that were due six months after the fiscal year-end.

Further, quarterly reports and Five-Year Transportation Plans did not accurately and completely demonstrate how Surtax proceeds were used, as claimed expenditures exceeded those presented in the quarterly reports by more than one million dollars (*Audit Report-Charter County Transportation System Surtax Review-Town of Bal Harbour, September 30, 2013*);

- The City of Hialeah Gardens failed to submit the required FY 2009 Letter certifying the MOE and the first quarterly report listing Surtax funded projects. The City forwarded some other reports after the due date (*Audit Report-Charter County Transportation System Surtax Review-The City of Hialeah Gardens, August 26, 2013*); and
- For the period of January 2003 through September 2007, the City of Coral Gables was unable to provide auditors with copies of several annual reports required by the Interlocal Agreement (*Audit Report-Charter County Transportation System Surtax Review-The City of Coral Gables, August 29, 2008*).

According to the CITT, as of March 2016, all the municipalities have addressed their Reporting issues. Additionally, based on the recommendation of AMS, the CITT is implementing a reporting schedule whereby municipalities that fail to submit a report to the CIIT on time will receive a first notice of non-compliance 30 days after the due date of the report. They will receive a second notice of non-compliance 45 days after the due date of the report, and a third and final notice of non-compliance 60 days after the due date of the report. If the report is not received within 15 days of the final notice, Surtax funding will be withheld.

Segregation of Accounts

The municipalities are required to separate all Surtax funds from other funds, and keep separate Surtax funds set aside for Transit projects from Transportation-related projects. Per their audit reports, many municipalities have been identified as being non-compliant with these requirements. Some of the reported cases are highlighted below:

- For the four years ended September 30, 2012, Bal Harbor Village did not maintain separate accounts for its Transportation and Transit-related activities as required by the Interlocal Agreement (*Audit Report-Charter County Transportation System Surtax Review-Bal Harbor Village, September 30, 2013*);
- For the period of January 2003 through September 2008, the City of Florida City kept all its Surtax monies in its General Fund, contrary to the language of the Interlocal Agreement that requires separate accounts for Surtax-related revenue and expenditures beginning in FY 2008 (*Audit Report-Charter County Transportation System Surtax Review-The City of Florida City, March 9, 2009*);
- As of the end of FY 2010, the City of Miami could not substantiate that unused funds were legally available in bank accounts and had been appropriately restricted for future Surtax projects (*Audit Report-Charter County Transportation System Surtax Review-The City of Miami, September 30, 2011*);
- For the six years ended September 30, 2013, the Village of Pinecrest comingled 80% of its Surtax funds in a Transportation account that included Local Option Gas Tax, Federal Stimulus, and other grant monies (*Audit Report-Charter County Transportation System Surtax Review-The Village of Pinecrest, September 30, 2014*); and
- As of September 30, 2011, the City of Sweetwater had an unspent balance of \$720,044 but was unable to substantiate to the auditor that the unused funds were legally available

in bank accounts and had been appropriately restricted for future use (*Audit Report-Charter County Transportation System Surtax Review-The City of Sweetwater, June 30, 2012*).

Maintenance of Effort (MOE)

There have been a number of reported cases where municipalities did not comply with the MOE requirement. Municipalities are required to continually maintain in subsequent years the same level of General Fund support for Transportation as appropriated in their FY 2002 Budget. In some cases, they simply failed to account for the MOE; and where accounted for, MOE was either understated or overstated. Below are a few examples of cities with some irregularities in the way they handled this requirement, as identified by AMS audits.

- The City of Coral Gables received \$6.3 million in Surtax money from 2003 through 2007, but it did not report MOE. Nonetheless, auditors identified \$949,000 of qualifying expenditures in the City's FY 2002 Budget (*Audit Report-Charter County Transportation System Surtax Review-The City of Coral Gables, August 29, 2008*);
- From 2003 through September 30 2008, the Village of Key Biscayne overstated its MOE, claiming MOE of \$297,329 per year. However, auditors determined that the correct amount should have been \$85,725 (*Audit Report-Charter County Transportation System Surtax Review-The Village of Key Biscayne, March 11, 2010*);
- The City of Miami reported no MOE from 2003 through 2007 for \$54 million of Surtax proceeds received. Auditors, however, identified \$4.7 million of qualifying expenditures in its FY2002 Budget which should have been accounted for as MOE (*Audit Report-Charter County Transportation System Surtax Review-The City of Miami, March 9, 2009*); and
- The City of West Miami did not report any MOE from 2003 through 2007. While being audited in 2008, it claimed MOE of \$14,000. Auditors realized that it was understated by \$47,000 (*Audit Report-Charter County Transportation System Surtax Review-The City of West Miami, October 15, 2009*).

In all of the above cases, as in others, auditors recommended that the Cities certify the correct MOE. Letters of disposition from the CITT show that all the municipalities that were non-compliant with the MOE guidelines subsequently certified the correct MOE, as recommended by AMS.

Twenty Percent Transit-related expenditures

A review of the municipalities' audited reports disclosed that there were cases of non-compliance with the requirement to apply at least 20% of Surtax proceeds to Transit-related projects. While some municipalities applied more than required, others applied less, or did not apply any portion of the Surtax proceeds to Transit-related projects. The following cases illustrate how some of the municipalities have misapplied the 20% Surtax proceeds that should have been spent on Transit-related projects:

- In a 2014 audit, after making necessary adjustments on how the City of Hialeah spent its Surtax proceeds, auditors found that the City did not spend 20% of the Surtax proceeds on Transit-related work in FY 2011. However, in FYs 2012 and 2013, the City's Transit costs

exceeded the 20% threshold (*Audit Report-Charter County Transportation System Surtax Review-City of Hialeah, June 12, 2014*); and

- For the five years ended September 30, 2013, the City of South Miami spent \$37,518 instead of at least \$366,657 on Transit-related projects during the period (*Audit Report-Charter County Transportation System Surtax Review-City of South Miami, October 14, 2014*).

It is worth noting that all the issues highlighted above concerning the municipalities are resolvable issues. In fact, per the CITT's assessment, some of the issues have already been resolved. To the extent that the municipalities are willing to follow auditors' recommendations and cooperate with the CITT, the CITT is committed to supporting the municipalities to ensure that they use the Surtax funds in compliance with the program guidelines.

County

As previously mentioned, unlike the municipalities, the County is not restricted with regard to what portion of the Surtax funds it should allocate to Transit and Transportation-related work. Consequently, a department that receives Surtax proceeds on behalf of the County spends its share of the funds as it sees fit. As of FY 2014, the CITT has disbursed \$1,587,158,230 to the County.

The County has used the proceeds mostly to enhance services, fund capital projects, and pay debt service associated with the expansion of the bus and rail systems. The former MDT received the largest share of the Surtax proceeds disbursed to the County. As of September 2014, MDT received \$1,433,840,510 and expended all of the proceeds on Transit-related activities, including debt service. As of FY 2014, MDT has used \$278,192,006, approximately 20% of total Surtax funds received, for debt service. Attachment IV summarizes how MDT expended its share of the funds. PWWM received \$131,580,468 from the CITT Surtax funds, which it used for Transportation-related work and for debt service. As of the end of FY 2014, it has used \$81,617,592, approximately 62% of the total funds received, for debt service. The Communications Department received \$325,699 from the CITT for a PTP related marketing campaign. The former Office of Public Transportation Management (OPTM)¹ received a onetime payment of \$2,771,460 from the CITT for administrative purpose, and the Office of the CITT (OCITT) retained \$18,640,093 to cover its operating expenses.

The list in *Table II* on the following page summarizes PWWM uses of the Surtax funds through FY 2014, and it illustrates the types of projects that PWWM implemented with the Surtax money. *Attachment V* shows PWWM uses of the Surtax funds from FY 2004 through FY 2014, and it illustrates how PWWM expended the Surtax funds for administration, capital investment and debt service purposes.

¹ OPTM is no longer operational

Table II
Summary of PWWM Uses of Surtax Funds through FY 2014

Project	Amount (\$)
ATMS	12,710,000
Traffic Signals & Signs-Operational Needs	9,085,000
School Flashing Signals	5,475,000
Sidewalk Improvements	4,048,000
Street Light Retrofit	3,123,000
Reversible Flow Lane	602,000
Grade Separation	500,000
Resurfacing, Sidewalks, and Drainage on Arterial Roads	262,000
Others	9,967,993
Sub-total	45,772,993
Debt Services	81,617,593
Administration (including bond admin fee)	4,189,882
Total PTP Receipt/Expenditure	131,580,468

MDT and PWWM received Surtax funds from the CITT on a reimbursement basis. This explains why both departments expended all the funds received.

As with the municipalities, the County was required to continue the same level of MOE as provided to MDT in FY 2003 – an amount no less than \$111.8 million. The required MOE amount was increased to \$123.2 million by the BCC in FY 2005, and was to increase by 3.5% annually. However, in FY 2014-2015, the MOE annual increase was deferred due to budget constraints. Nevertheless, since the beginning of the Surtax program, the department has always been in compliance with the MOE requirement, except for FYs 2010 and 2011, due to clerical errors (*Audit Report-Miami-Dade Transit Department Charter County Transportation System Surtax Review-, April 12, 2012*).

From the PTP's inception through the adoption of Resolution R-222-09² in March 3, 2009, MDT's operational expenditures were reimbursed by the Surtax Fund utilizing an allocation model. This model was based on the ratio of expanded bus mileage to the pre-existing mileage at the time the PTP was adopted. Subsequent to the unification of the County's transit system, all MDT's operational expenditures became eligible for reimbursement from Surtax Funds as detailed in *Attachment IV*.

Our review of the past audits of MDT's PTP expenditures shows that, overall, MDT spent the Surtax funds in compliance with program requirements. Nonetheless, there have been a few issues identified by OCA and AMS. A 2009 audit by OCA revealed that MDT faced a cash deficit from FY 2000-01 through FY 2007-08, which amounted to \$128.4 million by September of 2008. MDT covered this deficit by incurring a series of advances and/or loans, including a loan from the Surtax

² Resolution R-222-09 amended the PTP by creating a capital expansion reserve fund and by allowing for greater flexibility in the use of Charter County Transit Surtax Funds for the operation and maintenance of the transit system.

fund totaling \$102,355,000 as of September 30, 2008 (*outstanding balance of \$58,133,000 as of September 30, 2015*). Further, in 2009, an AMS audit underscored some findings that MDT needed to address. Some of the findings are summarized below.

Capital Asset Impairments

MDT expended \$80.1 million for three planned heavy rail/bus corridor construction projects. Of that amount, \$56.3 million was capitalized mainly for planning, design, engineering, and other consulting services. Since the projects have been suspended indefinitely due to suspension of Federal grants and other funding shortfalls, auditors recommended that Management should consider writing off costs previously capitalized for the projects, or reporting such costs at the lower of cost or fair value.

Bus Acquisition

MDT should have exercised sufficient due care along with better planning for the acquisition of buses. In 2003, MDT acquired 70 buses for \$18.2 million, including 48 buses funded with Surtax proceeds of \$9.9 million. The buses were estimated to have a useful life in excess of 12 years. However, they were removed from service after seven years of operations due to high mechanical failures and maintenance costs.

Recordkeeping and Accounting

As of September 2011, over \$397 million was reimbursed to MDT for enhanced Metrobus expenditures and Metrorail services using a cost-per-mile factor. Reimbursable expenditures were calculated using the increase in Metrobus and Metrorail revenue miles incurred during the year. The cost allocation process was intricate, yet not supported by a formal cost-allocation plan.

In conclusion, records show that the municipalities and the County have been using their share of the Surtax proceeds for the purpose of fulfilling the intended purpose of the PTP. Funds have been expended for Transit-related projects, Transportation-related activities, debt service, and to enhance services.

The participating municipalities have had a number of issues raised concerning their compliance with program guidelines as previously discussed. They may have been expending the Surtax funds at a much slower pace than the County due to the insufficiency of available funds for implementing certain desired PTP projects, which usually necessitates the rollover of Surtax proceeds to later years.

On the County's side, the projects funded with the Surtax funds have effectively enhanced the transit and roadway systems. Apart from the need for better due diligence, proper planning, proper recordkeeping and good accounting, the County has been using the Surtax proceeds as required.

Transportation and Public Works (TPW) Department Bus Routes and Ridership

One method the TPW Department uses to measure the performance of the transit system is by tracking the level of ridership for each transit mode. For the Bus system, the TPW Department tracks the ridership for each specific bus route. *Table III* details the bus routes and their

corresponding ridership for the TPW Department as of June 2016, together with the comparative number for the corresponding period in 2015.

**Table III
TPW Department Bus Routes and Ridership as of June 2016**

Route	Total Monthly June-15	Total Monthly June-16	Percent Change
1	16,814	16,287	-3.1%
2	68,065	59,165	-13.1%
3	204,838	197,390	-3.6%
6	15,385	15,974	3.8%
7	113,949	102,321	-10.2%
8	175,611	150,242	-14.4%
9	156,081	149,951	-3.9%
10	69,342	63,798	-8.0%
11	309,175	272,916	-11.7%
12	61,480	59,270	-3.6%
16	70,810	65,560	-7.4%
17	114,657	105,359	-8.1%
19	41,048	39,037	-4.9%
21	45,630	42,032	-7.9%
22	119,094	103,224	-13.3%
24	62,784	57,276	-8.8%
27	220,757	213,408	-3.3%
29	17,379	17,294	-0.5%
31 - BUSWAY LOCAL	48,215	42,184	-12.5%
32	73,550	61,798	-16.0%
33	46,238	44,761	-3.2%
34 - BUSWAY FLYER	38,853	43,092	10.9%
35	56,435	55,068	-2.4%
36	67,031	67,493	0.7%
37	105,418	97,926	-7.1%
38	198,716	193,279	-2.7%
40	52,274	52,586	0.6%
42	36,798	32,161	-12.6%
46 - LIBERTY CITY CONN.	518	710	37.1%
48	5,517	4,554	-17.5%
51 - FLAGLER MAX	75,521	70,488	-6.7%
52	41,417	36,849	-11.0%
54	87,694	85,067	-3.0%
55 MARLINS SHUTTLE	1,574	1,351	-14.2%
56	14,241	12,861	-9.7%
57	12,341	11,436	-7.3%
62	74,255	71,085	-4.3%
70	33,977	31,990	-5.8%
71	21,765	20,412	-6.2%
72	23,308	23,951	2.8%
73	62,092	63,388	2.1%
75	37,360	32,668	-12.6%
77	245,912	223,083	-9.3%
79	11,709	9,129	-22.0%
82 - WESTCHESTER CIRC.	162	1,467	805.6%
87	47,338	44,058	-6.9%
88	69,580	66,857	-3.9%
93 - BISCAYNE MAX	81,319	6,693	-91.8%
95 EXPRESS	44,449	47,502	6.9%
99	47,346	44,957	-5.0%
101 - A	2,042	3,486	70.7%
102 - B	45,341	45,801	1.0%
103 - C	90,574	79,412	-12.3%
104	25,723	27,074	5.3%
105 - E	33,207	41,760	25.8%
107 - G	50,364	50,388	0.0%
108 - H	40,012	50,751	26.8%
110 - J	72,618	80,693	11.1%
112 - L	230,058	255,770	11.2%

Route	Total Monthly June-15	Total Monthly June-16	Percent Change
113 - M	20,874	24,719	18.4%
115	6,097	8,619	41.4%
117	6,002	8,060	34.3%
119 - S	300,065	330,985	10.3%
120-SOUTH BEACH MAX	175,448	206,422	17.7%
123-SOUTH BEACH LOCAL	67,195	79,288	18.0%
132 TRI-RAIL (DORAL)	310	805	159.7%
135	37,237	36,004	-3.3%
136	6,446	6,593	2.3%
137 - WEST DADE CONN.	49,880	53,523	7.3%
150 - MIAMI BEACH AIRPORT FLYER	51,028	46,618	-8.6%
183	91,652	98,515	7.5%
195 EXPRESS - BROWARD BLVD (1)	12,518	25,541	-
196 EXPRESS - SHERIDAN ST (1)	9,995	-	-
200 - CUTLER BAY LOCAL	4,239	2,649	-37.5%
202 - LITTLE HAITI CONN.	5,142	3,259	-36.6%
204 KILLIAN KAT	25,993	24,567	-5.5%
207 (7st) - LITTLE HAVANA CIRC.	26,119	38,838	48.7%
208 (8st) - LITTLE HAVANA CIRC.	34,149	45,160	32.2%
211 - OVERTOWN CIRC	2,583	2,771	7.3%
212 - SWEETWATER CIRC	976	1,787	83.1%
238 EAST/WEST CONN.	10,944	6,437	-41.2%
246 - NIGHT OWL	2,451	1,760	-28.2%
249 - COCONUT GROVE CIRC.	24,378	23,054	-5.4%
252 - CORAL REEF MAX	25,194	24,171	-4.1%
254 - BROWNSVILLE CIRC.	685	695	1.5%
267 - LUDLAM LIMITED	2,439	2,836	16.3%
272 SUNSET KAT	12,988	12,219	-5.9%
277 - 7th AVENUE MAX	19,889	13,038	-34.4%
286 - NORTH POINTE CIRC.	3,001	2,865	-4.5%
287 - SAGA BAY MAX	8,572	7,685	-10.3%
288 - KENDALL CRUISER	17,239	17,385	0.8%
295 EXPRESS - BROWARD BLVD - CIVIC CENTER (2)	-	4,392	-
296 EXPRESS - SHERIDAN ST - CIVIC CENTER (2)	-	3,410	-
297 - 27th AVENUE ENHANCED BUS	35,360	30,153	-14.7%
301 DADE-MONROE EXPRESS	29,935	28,508	-4.8%
302 CARD SOUND EXPRESS	2,118	2,211	4.4%
338 - WEEKEND EXPRESS	1,783	1,790	0.4%
344	2,213	2,300	3.9%
500	2,306	1,586	-31.2%
12/21 WEEKEND INTERL.	17,764	18,573	4.6%
115/117 WEEKEND INTERL.	2,902	2,489	-14.2%
207/208 WEEKEND INTERL.	19,859	17,600	-11.4%
GREEN HILLS SHUTTLE	21	17	-19.0%
KINGS CREEK SHUTTLE	48	72	50.0%
SIERRA LAKES SHUTTLE	153	80	-47.7%
ROBERT SHARP SHUTTLE	41	62	51.2%
AHEPA SHUTTLE	125	110	-12.0%
FEDERATION GARDENS SHUTTLE	73	66	-9.6%
TOTAL	5,577,419	5,141,601	-7.8%

Notes:

- (1) - The Broward Blvd - 195 and Sheridan St - 196 distinct route numbering began with the June 2015 lineup; the combined I-95 express June 2016 ridership is 11.9% lower than for June 2015.
- (2) - The new Broward Blvd - 295 and Sheridan St - 296 routes went into service with the November 2015 lineup.
- (3) - Excludes shuttles and those routes which were not run both years.

Source: TPW Department Ridership Technical Report

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Attachment I

Municipal Surtax Transfer to Date Through September 2014

Municipality	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
City of Aventura	495,408	759,096	818,788	933,612	947,021	946,296	887,089	912,935	977,774	1,213,562	1,280,248	1,385,071	11,556,900
Town of Bal Harbour Village	62,707	96,085	99,550	112,832	105,834	95,526	89,285	97,016	104,292	85,278	89,667	110,690	1,148,762
Town of Bay Harbor Islands	96,989	148,613	155,936	172,145	173,190	167,339	150,306	151,009	160,052	190,982	201,912	214,053	1,982,526
Village of Biscayne Park	62,045	95,070	104,750	117,666	110,586	106,676	97,167	96,222	100,460	103,670	110,094	115,264	1,219,670
City of Coral Gables	810,009	1,241,148	1,298,953	1,467,752	1,480,710	1,426,754	1,302,297	1,346,817	1,429,343	1,587,452	1,685,507	1,781,041	16,857,783
Village of El Portal	47,795	73,232	76,045	84,400	84,367	82,000	73,663	73,579	77,875	78,896	83,900	87,815	923,567
City of Florida City	153,748	235,582	254,464	288,454	291,983	295,447	272,056	299,755	320,951	381,591	419,450	440,752	3,654,233
Town of Golden Beach	17,511	26,830	27,952	32,999	24,732	7,016	37,226	27,846	29,686	31,187	33,042	34,366	330,393
City of Hialeah	4,382,718	6,715,483	7,014,990	7,730,686	7,656,151	7,336,976	6,672,306	6,709,589	7,117,975	7,623,497	8,118,432	8,457,199	85,536,002
City of Hialeah Gardens	373,801	572,763	604,331	676,565	681,956	657,921	598,273	615,769	659,652	737,631	780,808	816,410	7,775,880
City of Homestead	621,791	952,745	1,051,671	1,208,129	1,275,853	1,387,011	1,681,886	1,747,262	1,809,949	2,053,440	2,204,159	2,354,015	18,347,911
Indian Creek Village	625	955	931	1,093	-	-	-	-	-	-	-	-	3,604
Village of Key Biscayne	202,733	310,644	333,638	369,378	379,639	368,354	333,808	339,806	358,459	418,886	443,069	461,282	4,319,696
Town of Medley	21,186	32,464	33,963	37,170	37,616	41,385	33,052	33,111	35,277	28,436	29,889	31,913	395,462
City of Miami	6,905,410	10,580,915	11,208,930	12,562,541	12,855,629	12,574,719	11,545,439	11,946,673	13,113,576	13,555,331	14,564,114	15,424,405	146,837,682
City of Miami Beach	1,686,079	2,583,517	2,719,756	3,029,839	3,108,056	2,960,734	2,736,361	2,765,507	2,916,205	2,978,728	3,166,271	3,351,080	34,002,133
Town of Miami Lakes	460,331	705,348	737,093	822,002	822,114	876,926	760,175	774,921	810,925	996,347	1,052,533	1,095,293	9,914,008
Village of Miami Shores	197,655	302,860	313,826	346,278	348,437	335,963	301,400	313,310	340,930	345,317	368,810	384,663	3,899,449
City of Miami Springs	259,738	397,985	412,534	456,196	459,353	440,937	398,334	398,681	421,632	468,600	496,146	522,095	5,132,231
City of North Bay Village	126,762	194,231	198,770	218,913	215,921	186,169	167,474	200,385	214,742	242,190	263,374	279,848	2,508,779
City of North Miami	1,136,965	1,742,129	1,805,505	1,989,253	2,004,095	1,919,328	1,759,840	1,755,291	1,836,714	1,994,866	2,107,503	2,212,494	22,263,983
City of North Miami Beach	799,300	1,224,740	1,267,423	1,402,019	1,366,735	1,307,355	1,195,378	1,202,159	1,260,998	1,409,058	1,493,737	1,566,354	15,495,256
City of Opa-Locka	291,102	446,045	468,652	533,416	513,020	497,615	448,435	445,408	480,123	516,448	552,018	580,600	5,772,882
Village of Palmetto Bay	459,612	704,246	745,086	824,252	823,908	807,842	734,476	740,194	789,514	794,405	841,373	879,379	9,144,287
Village of Pinecrest	361,540	553,977	579,684	639,364	646,631	627,523	14,305	572,099	612,279	618,387	1,205,816	686,122	7,117,727
City of South Miami	203,889	312,415	323,655	360,476	351,494	338,279	308,347	328,868	357,423	395,573	443,069	504,946	4,228,434
City of Sunny Isles Beach	293,299	449,411	486,866	548,772	555,020	582,250	547,355	593,184	613,819	706,920	752,852	795,768	6,925,516
Town of Surfside	95,908	146,959	157,799	184,160	144,185	223,419	168,610	170,243	180,473	194,919	206,033	214,832	2,087,540
City of Sweetwater	270,238	414,075	429,218	472,215	477,595	458,867	418,273	419,090	350,048	368,080	390,842	326,534	4,795,075
Village of Virginia Gardens	44,592	68,325	70,576	77,979	78,619	76,184	68,729	67,579	71,151	80,594	85,654	89,044	879,026
City of West Miami	113,307	173,613	185,212	202,961	194,190	184,561	167,123	167,329	180,093	202,418	214,600	224,057	2,209,464
Town of Cutler Bay	-	-	-	-	-	-	-	-	-	3,883,873	1,456,608	1,541,361	6,881,842
City of Miami Gardens	-	-	-	-	-	-	-	-	-	10,352,937	3,837,951	3,985,238	18,176,126
City of Doral	-	-	-	-	-	-	-	-	-	3,642,653	1,667,049	1,767,800	7,077,502
Total	\$ 21,054,793	\$ 32,261,501	\$ 33,986,547	\$ 37,903,517	\$ 38,214,640	\$ 37,317,372	\$ 33,968,468	\$ 35,311,637	\$ 37,732,390	\$ 58,282,152	\$ 50,646,530	\$ 52,721,784	\$ 469,401,331

Attachment II

Municipalities Audited Expenditures and Budgeted Totals from 2003 through 2013

Municipality	Audit Completed Thru	Audited Transit Expenditures	Audited Transportation Expenditures	Audited Transit/ Transportation Expenditures	Budgeted Transit (Since Last Audit) thru 2013	Budgeted Transportation (Since Last Audit) Thru 2013	Combined Budgeted thru 2013
City of Aventura	2008	248,759	547,296	796,055	2,290,000	3,866,400	6,156,400
Town of Bal Harbour Village	2012	799,176	1,710,294	2,509,470	214,000	1,600	215,600
Town of Bay Harbor Islands	2013	406,953	424,074	831,027	44,093	44,093	88,186
Village of Biscayne Park	2007	61,092	327,123	388,215	170,199	383,373	553,572
City of Coral Gables	2007	6,826,561	719,386	7,545,947	11,574,672	-	11,574,672
Village of El Portal	2008	-	642,463	642,463	112,000	1,064,765	1,176,765
City of Florida City	2008*	219,603	2,833,901	3,053,504	548,641	1,604,742	2,153,383
Town of Golden Beach	2012	-	3,214,211	3,214,211	-	66,000	66,000
City of Hialeah	2013	10,107,870	37,012,343	47,120,213	1,656,994	3,948,275	5,605,269
City of Hialeah Gardens	2012	1,743,757	4,082,082	5,825,839	420,000	1,025,803	1,445,803
City of Homestead	2013	2,344,721	10,239,561	12,584,282	975,689	1,405,203	2,380,892
Village of Key Biscayne	2008	382,082	6,660,745	7,042,827	141,974	2,879,904	3,021,878
Town of Medley	2012	338,327	3,058,575	3,396,902	15,413	50,161	65,574
City of Miami	2010*	7,321,212	58,116,060	65,437,272	13,585,553	13,000,000	26,585,553
City of Miami Beach	2006	2,936,816	8,016,297	10,953,113	9,608,442	11,243,634	20,852,076
Town of Miami Lakes	2006*	475,278	3,019,634	3,494,912	1,802,545	8,326,301	10,128,846
Village of Miami Shores	2008	142,628	558,808	701,436	635,000	2,420,727	3,055,727
City of Miami Springs	2008	86,181	1,259,924	1,346,105	620,000	3,022,981	3,642,981
City of North Bay Village	2012	347,081	1,535,871	1,882,952	312,000	537,307	849,307
City of North Miami	2007	926,251	3,701,424	4,627,675	4,781,458	13,243,882	18,025,340
City of North Miami Beach	2008 *	467,818	6,849,441	7,317,259	1,853,559	8,105,507	9,959,066
City of Opa-Locka	2007*	-	3,132,426	3,132,426	2,127,186	4,175,185	6,302,371
Village of Palmetto Bay	2008	608,166	2,483,793	3,091,959	1,944,253	5,475,125	7,419,378
Village of Pinecrest	2013	675,860	3,722,765	4,398,625	286,028	184,760	470,788
City of South Miami	2013	283,999	3,055,326	3,339,325	270,000	1,480,000	1,750,000
City of Sunny Isles Beach	2008	1,605,436	1,805,064	3,410,500	3,564,671	1,139,013	4,703,684
Town of Surfside	2006*	40,896	1,606,501	1,647,397	902,264	848,373	1,750,637
City of Sweetwater	2011*	1,213,674	973,635	2,187,309	705,946	755,448	1,461,394
Village of Virginia Gardens	2012	47,598	446,694	494,292	35,511	337,851	373,362
City of West Miami	2008	246,416	587,852	834,268	507,339	4,581,800	5,089,139
City of Doral	n/a	-	-	-	2,200,000	1,375,222	3,575,222
Town of Cutler Bay	n/a	-	-	-	489,256	2,062,257	2,551,513
City of Miami Gardens	n/a	-	-	-	1,560,837	5,274,780	6,835,617
Total		\$ 40,904,211	\$ 172,343,569	\$ 213,247,780	\$ 65,955,523	\$ 103,930,472	\$ 169,885,995

* More recent years are currently under review / audit process has not been finalized.

Source: CITT

Attachment III

Municipalities and Surtax Funds Used for Debt Service

Municipality	Year Bond Issued	Amount of Bond/Debt	Amount to Be Repaid By Municipality	Amount to Be Repaid by Surtax Funds	Amount Outstanding As of September 2013	Total Principal Repayment as of September 2013	Maturity of Bonds/Debts	FY 2012-13 Surtax Funds Received
Hialeah (1)	2003	48,135,000						8,118,432
Hialeah	2013	41,620,000	8,298,000	33,192,000	41,490,000	130,000	2033	
Hialeah	2005	29,090,000	5,818,000	23,272,000	24,550,000	4,540,000	2035	
Hialeah Gardens (2)	2004	2,195,000						
Hialeah Gardens	2013	2,058,000		2,058,000	1,920,785	137,215	2020	780,808
Key Biscayne (3)	2005	3,500,000						443,069
Key Biscayne	2011	2,808,952		2,808,952	2,327,382	240,785	2025	
Miami	2007	80,000,000		80,000,000	72,625,000	7,365,000	2037	14,564,114
Total		\$ 209,406,952	\$ 14,116,000	\$ 141,330,952	\$ 142,913,167	\$ 12,413,000		\$ 23,906,423

(1) City of Hialeah - 2003 bonds were refinanced and are now 2013 (Surtax funds pay 80% and City pays 20%).

(2) Hialeah Gardens 2004 bonds were refinanced and are now 2013.

(3) Village of Key Biscayne 2005 bonds were refinanced in 2011.

Source: CITT

Attachment IV

MDT Surtax Proceeds Expenditures

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Operations	20,639,558	60,929,733	85,191,382	99,198,418	106,787,637	103,593,805	98,435,941	120,369,982	101,335,000	99,615,920	104,333,705	95,968,778	1,096,399,859
Debt Service	-	-	10,067,078	16,220,309	20,091,294	15,404,405	25,355,042	25,417,780	27,535,860	39,510,135	45,670,560	52,919,543	278,192,006
Bus Purchase and Paint Facilities	47,568,982	(34,795,244)	20,930,988	992,163	24,058,489	493,267							59,248,645
Total	\$ 68,208,540	\$ 26,134,489	\$ 116,189,448	\$ 116,410,890	\$ 150,937,420	\$ 119,491,477	\$ 123,790,983	\$ 145,787,762	\$ 128,870,860	\$ 139,126,055	\$ 150,004,265	\$ 148,888,321	\$ 1,433,840,510

Source: MDT

Attachment V

CITT Surtax Transfers to PWWM

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
Administration	501,348	497,493	258,515	272,243	275,941	300,509	377,918	371,620	335,025	313,819	529,253	4,033,684
Administration-Bond Admin Fee			1,146	8,431	8,430			7,000		64,994	66,197	156,198
Road Improvements	8,346	15,908,979	59,640	12,704,480	(261,882)	350,999	125,429	471,057	518,546	416,558	464,218	30,766,371
Traffic Improvements		2,569,270	398,105	1,657,342	1,417,015	1,573,508	1,613,743	1,549,220	1,573,157	1,440,383	1,214,879	15,006,623
Subtotal	509,694	18,975,741	717,407	14,642,496	1,439,504	2,225,016	2,117,090	2,398,898	2,426,728	2,235,754	2,274,547	49,962,876
Debt Service			1,301,560	3,372,376	4,185,504	6,479,000	6,577,360	7,969,962	14,697,092	17,538,842	19,495,897	81,617,593
Total	\$ 509,694	\$ 18,975,741	\$ 2,018,967	\$ 18,014,872	\$ 5,625,008	\$ 8,704,016	\$ 8,694,450	\$ 10,368,859	\$ 17,123,820	\$ 19,774,596	\$ 21,770,445	\$ 131,580,468

Source: CITT