FIVE-YEAR FINANCIAL OUTLOOK

The FY 2021-22 Adopted Budget continues the practice of relying on recurring revenues to support day-to-day operations. Through our deliberate planning and allocation of resources over the years, we have been able to remain resilient, absorbing the shocks created by the COVID-19 pandemic and the ongoing stressors that will result from the economic impacts, and continue to prioritize funding to meet our community's basic needs.

This five-year financial outlook reflects current service levels, along with targeted service increases including new libraries, library service hours, fire units and fire stations . However, with extraordinary adjustments necessary to support the existing Transit operations and People's Transportation Plan programs, the first availability payment for the Civil Courthouse of $16.539 million beginning in FY 2023-24, the economic impacts resulting from the pandemic and the exhaustion of ARP revenues, the forecast is not balanced, beginning in FY 2024-25. This fiscal challenge will be addressed on an annual basis through the budget development process.

This does not represent a five-year budget; it is a point of departure for future analysis. This forecast includes a projection for our four County taxing jurisdictions, as well as selected proprietary functions, including Aviation, Seaport, Solid Waste Management, Water and Sewer and Transit. We have used the best information we have available at this time to project revenues and expenditures for the time period. We will also be facing decisions regarding the funding of municipal services provided in UMSA as we develop future budgets, as municipal boundary changes and the implementation of newly constitutional elected offices occurring in FY 2024-25.

Property Tax-Supported Budgets

Ad valorem revenues have exceeded projections for the past several years as a result of robust tax roll growth. However, we do not anticipate this rate of growth to continue, due to estimated residual effects from the pandemic, and therefore have projected 3 percent growth for FY 2022-23 and 4 percent thereafter for all four taxing jurisdictions. Our assumptions utilize flat millage (tax) rates for the forecast period.

Since the Proposed Budget was released in July, non-ad valorem revenue projections were revised to reflect an unanticipated upswing to the local and State economy. Certain revenues exceeded pre-pandemic performance. We are projecting moderate growth as detailed in the schedules that follow. These projections do not take into account the impact of incorporation or annexation of any of UMSA. While changes in municipal boundaries impact direct service levels and revenues in UMSA, depending on the magnitude of the change, overhead expense for staff that cannot be eliminated will be transferred to the Countywide budget, putting further pressure on that budget. This also applies to the impacts associated with the implementation of Amendment 10 to Florida Constitution, taking effect January 2025 requiring reorganization of sheriff, tax collector and elections functions. The Adopted Budget does include though the establishment of a Constitutional Officer Reserve and the contribution of $3.9 million to start planning for the eventual fiscal impact related to this State mandated requirement. Again, this should not be seen as a five-year budget, as many of our assumptions can change quickly based on global economic changes, service demands, natural disasters and other things we cannot anticipate.

Miami-Dade County was awarded $527 million on March 11, 2021, from the American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) for governmental services. As was anticipated, the guidelines emphasized that these funds were intended to address negative impacts of the pandemic on disproportionately affected communities and populations as well as to respond to the negative economic impacts created or exacerbated as a result of the pandemic. The Five-Year Financial Outlook includes these recovery funds allocated as follows:

- Revenue replacement to continue providing critical County services without interruption ($321 million)
- Key infrastructure projects that support thousands of good-paying jobs while simultaneously investing in our community's long-term health and prosperity ($121 million)
- District-specific priority projects, allocating $2 million to each of our 13 County Commission districts for each Commissioner to determine how those funds are spent to support our communities ($26 million)
- Funding to support the families disproportionately affected by the pandemic, including funds for business grants, workforce training, the preservation and development of workforce housing, violence prevention, behavioral health programs and more ($59 million)

Given the revised revenue projections, the forecast includes the funding of a two percent one-time bonus, a three percent Cost of Living Adjustment (COLA) in FY 2021-22 and in FY 2022-23 for all bargaining units and other personnel-related costs that have greatly impacted our forecasts, such as costs of employee health care and workers' compensation insurance. Over the next few years, we are projecting increases of five and ten percent in order to maintain required reserves in our self-insurance fund.

We have identified $70.3 million in unmet service needs based on our strategic plan, which are not addressed in this forecast. These unmet needs are detailed within each departmental narrative in Volumes 2 and 3.

Assumptions

Millage Rates

Operating millage rates for all four taxing jurisdictions are kept at the FY 2020-21 Adopted levels.

Tax Roll Growth

The Countywide, UMSA and Fire and Library District property tax rolls are anticipated to grow 3 percent in FY 2022-23, and 4 percent thereafter.

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Inflation*

Fiscal Year	Inflation Adjustment
2023	2.3%
2024	2.4%
2025	2.4%
2026	2.4%
2027	2.4%

*Source: Congressional Budget Office

Service Levels

It is assumed that adopted levels of service will continue, as adjusted for known expansions.

Transit Maintenance of Effort (MOE)

The General Fund contributions to the SMART Plan have been adjusted from the FY 2021-22 Proposed Pro Forma. The plan still assumes though, a series of extraordinary transfers above the General Fund Maintenance of Effort (MOE) of 3.5 percent beginning now in FY 2024-25 ($90 million).

Future year MOE contributions are estimated to exceed the total operational expenditures for the department, at its current rate, as a result the contribution was adjusted to be less than the 3.5 percent in those respective years.

New Facilities

The five-year financial outlook includes future libraries in Doral, Little River and at the Chuck Pezoldt Park. Also included in FY 2024-25 is a new Fire Rescue Station 79 near the planned American Dream Mall.

Personnel cost growth:

Health insurance and workers' compensation insurance increases reflect necessary adjustments to fund self-insurance fund reserves.

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Emergency Contingency Reserve

It is anticipated the County will reach its target by FY 2026-27.