

### FIVE-YEAR FINANCIAL OUTLOOK

The FY 2022-23 Adopted Budget continues the practice of relying, primarily, 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 continue to prioritize funding to meet our community's basic needs.

This Five-Year Financial Outlook reflects the resurgence of economically driven revenues since the beginning of the pandemic. Robust property tax revenues due to higher than anticipated demand in local real estate have contributed to Miami-Dade County being one of the premiere destinations to live and visit. This five-year financial outlook reflects current service levels, along with targeted enhancements in various critical areas including human services, animal services, public safety, and our parks. The forecast is now balanced throughout the five-year period for the Fire Rescue District, Library District and Countywide General Fund. The UMSA General Fund forecast is not balanced, beginning in FY 2023-24, due to recurring revenues unable to cover recurring expenditures. 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. 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 a robust tax roll growth. However, we do not anticipate this rate of growth to continue and therefore have projected 8 percent growth for Countywide and UMSA and 6 percent for Fire and Library Districts in FY 2023-24, 6 percent in FY 2024-25, 4.5 percent in FY 2025-26 and 4 percent thereafter for all four taxing jurisdictions. Our assumptions utilize flat millage (tax) rates for the forecast period based on the FY 2022-23 adopted rates.

Projections include moderate growth as detailed in the schedules that follow. These projections do not anticipate the impact of incorporation or annexation 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 a reorganization of sheriff, tax collector, property appraiser, county clerk and elections functions. In FY 2021-22, the Board adopted a Constitutional Officer Reserve 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.

## FY 2022-23 Adopted Budget and Multi-Year Capital Plan

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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:

- The practice of revenue replacement to fund one-time allocations in the Miami-Dade Rescue Plan, are included in FY 2022-23 and have a net zero impact to the budget by not decreasing the overall expenditure authority (\$134.937 million)

Our forecast includes funding for collective bargaining agreements. Other personnel-related costs that have greatly impacted our forecasts are the 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 \$61.82 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 reflect an adopted one percent reduction from the FY 2021-22 Adopted levels.

#### Tax Roll Growth

The Countywide and UMSA property tax rolls are anticipated to grow 8 percent and Fire and Library District property tax rolls are anticipated to grow 6 percent in FY 2023-24. All four taxing districts are expected to grow 6 percent in FY 2024-25, 4.5 percent in FY 2025-26 and 4 percent thereafter.

#### Inflation\*

<u>Fiscal Year</u>	<u>Inflation Adjustment</u>
2024	4.1%
2025	3.8%
2026	3.5%
2027	3.0%
2028	3.0%

## FY 2022-23 Adopted Budget and Multi-Year Capital Plan

### 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 Adopted 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 2026-27 (\$51.141 million).

### New Facilities

The five-year financial outlook includes future libraries in Doral, Little River and at Chuck Pezoldt Park. Also included is a new Fire Rescue Station 68 near Dolphin Mall, Station 74 in Palmetto Bay and 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.

### Emergency Contingency Reserve

It is anticipated the County will reach its target by FY 2027-28.

