FIVE-YEAR FORECAST FOR MAJOR PROPRIETARY FUNCTIONS

In addition to forecasting the revenues and expenditures for the tax-supported portion of the County's operations, our five-year financial outlook focuses on the major proprietary functions that support Miami-Dade County's economy. Not only do these functions provide thousands of jobs in our community, they also support the infrastructure that makes our community livable and attracts and retains business. These functions are all supported by fees and charges to users of the services provided – the airlines, cruise lines and cargo lines that use Miami International Airport, the general aviation airports and PortMiami; the people who ride our public transit system; and the residents and businesses that use our solid waste, water and wastewater facilities and services. Our rates and fees are set to ensure resources are available to support continued growth, while not negatively impacting economic development in our community.

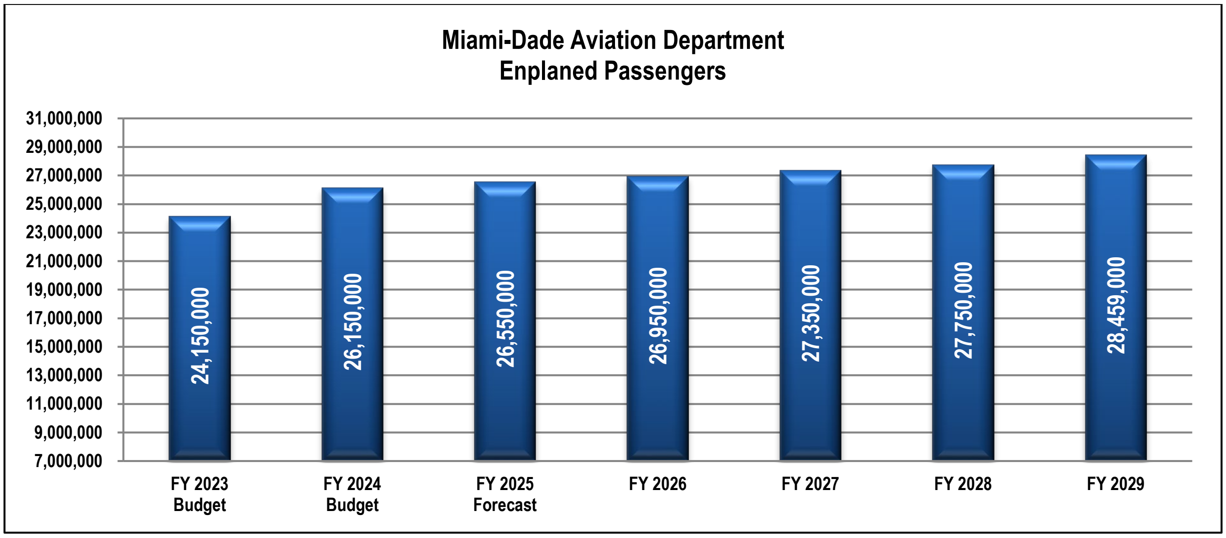
Miami-Dade Aviation Department

The Miami-Dade Aviation Department (MDAD) operates a system of airports for Miami-Dade County which consists of the Miami International Airport (MIA) and four general aviation and training airports: Miami-Opa locka Executive Airport, Miami Executive Airport (previously Kendall-Tamiami Executive Airport), Homestead General Aviation Airport and Dade-Collier Training and Transition Airport. The Airport System is considered a primary economic engine for Miami-Dade County, as well as for South Florida. More than 36,000 people are employed in the Miami-Dade County System of Airports, 1,534 of whom are County employees.

Enplaned Passengers

It is forecasted that during FY 2023-24, 26.1 million enplaned passengers will transit through MIA, representing an increase of 8.3 percent over FY 2022-23, when 24.1 million enplaned passengers are estimated to have moved through MIA. Domestic enplanements are projected to be 15 million during FY 2023-24, representing an increase of 7.1 percent compared to FY 2022-23, while international enplanements are projected to increase by 9.9 percent, or 11.1 million, when compared to FY 2022-23. Domestic traffic is projected at 58 percent of MIA total passengers, while international traffic is projected at 42 percent of MIA total passengers.

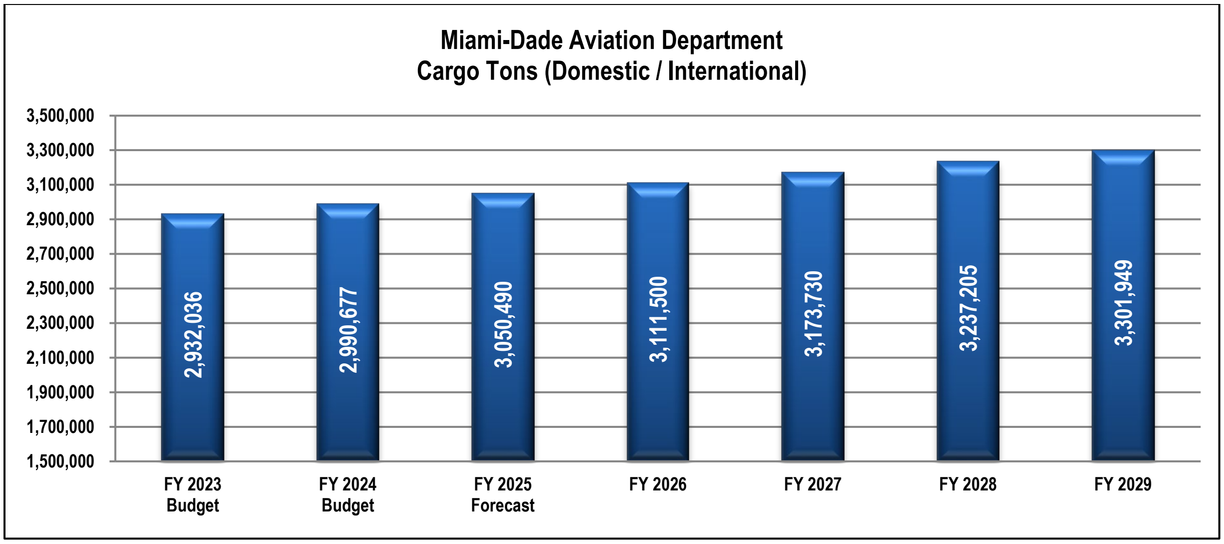
In international air travel, MIA's geographical location, close proximity to a cruise port, and cultural ties provide a solid foundation for travel to and from Latin America, handling 42 percent of the South American market, 23 percent of the Central America market and 23 percent of the Caribbean market. With 42 percent of total passenger traffic being international, MIA ranks first in the USA for international passenger traffic and maintains one of the highest international-to-domestic passenger ratios of any U.S. airport.



Cargo

In international trade, MIA is the major air cargo trans-shipment point between Latin America and the Caribbean, and other global markets primarily in the USA and Europe, ranking number one in the USA for international freight. During FY 2022-23, it is estimated that 2.93 million tons of cargo (freight plus mail) will move through MIA, representing a 4.3 percent increase from the prior year's tonnage of 2.81 million. Cargo tonnage is projected to increase by two percent in FY 2023-24 to 2.99 million tons and maintain a two percent growth rate thereafter. International tonnage, representing 81 percent of total tonnage, is projected to be 2.42 million tons in FY 2023-24 and domestic tonnage is projected at 575,000 tons. It is projected that these amounts will grow proportionally at a two percent annual growth factor.

MIA's total air trade is valued at $73.9 billion annually and experienced an increase of 7 percent compared to prior year. Additionally, MIA's total air trade accounts for 90 percent of the dollar value of Florida's total air imports and exports, and 39 percent of the state's total (air and sea) trade with the world. As the center for hemispheric air trade, MIA now handles 83 percent of all air imports and 80 percent of all air exports between the United States and the Latin American/Caribbean region. MIA is the USA's leading airport in the handling of perishable products, handling 67 percent of all perishable import products, 91 percent of all cut-flower imports, 56 percent of all fish imports and 66 percent of all fruit and vegetable imports.



Capital Improvement Program (CIP) Financial Update

The Aviation Department unveiled its revised CIP Program to the Board of County Commissioners on June 4th, 2019; the CIP Program was subsequently approved by the Board. The CIP Program is currently programmed at $6.917 billion in the FY 2023-24 Proposed Capital and Multi-Year Plan.

This CIP Program will fund five sub-programs that will be built during the period of 5-15 years through 2035 and beyond. To create these sub-programs, an in-depth assessment was conducted of the County's Airport System (including general aviation airports) by the Aviation Department staff that considered factors such as demand for growth, operational needs (airside, landside, cargo and terminal) and funding capacity. Based on the results of the evaluation, the Aviation Department combined MIA's previous capital program, referred to as the Terminal Optimization Program (TOP), with a series of additional projects to develop the CIP Program.

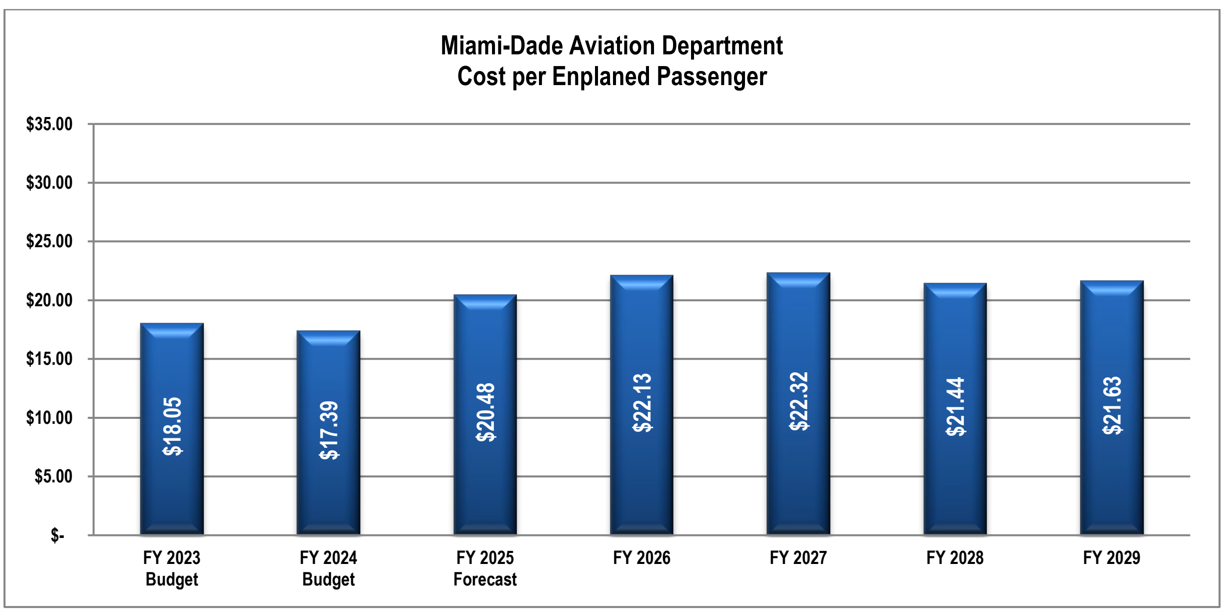
This CIP Program has been structured to facilitate the "phasing in" and "phasing out" of capital projects in order to adjust to emerging airline needs or changing conditions, and to allow for the utilization of MIA during construction. Furthermore, it provides a path for responding to MIA's present and future growth needs. The CIP projects will be constructed through the implementation of the following five sub-programs: North Terminal (Gate Optimization Project, D60 Redevelopment), Central Terminal (Central Terminal Redevelopment, Concourse F Modernization, Concourse G Demolition and Apron), South Terminal (South Terminal Expansion, Apron Expansion), Cargo (Taxiway R, Fuel Tender, Ramp Expansion, Building 702 Extension and Apron, Fumigation Facility) and Miscellaneous (Roadway and Bridge Improvements, Bus Maintenance Facility, North Terminal GSE, South Terminal GSE and Auto Fueling Station, Park 6 Garage, New On-Airport Hotels). Additionally, a series of other capital projects will be constructed to improve and develop the general aviation airports.

MIA's current CIP Program includes $2.3 billion as approved through a Majority-In-Interest (MII) review process (by a majority of the 11 Signatory Airlines that represent the MIA Signatory Airlines as members of the Miami Airport Affairs Committee). Additionally, there are approximately $432 million in capital projects included in the capital budget that do not require an MII review. Some of the projects already completed include: Concourse E renovations, revamped Automated People Mover (APM) connecting Lower Concourse E with Satellite E, and renovated Federal Inspection Services (FIS) facility in Concourse E. Projects in progress include: rehabilitation of Taxiways R, S and T; new automated checked baggage inspection system; central base apron and utilities; central terminal E-H ticket counter; airport-wide passenger loading bridge replacements; new employee parking garage; existing parking garages structural repairs; state-of-the-art Airport Operations Center (AOC); and many other projects that will improve aesthetics, meet current life-safety and security requirements, and address maintenance needs.

The Department's capital program will be comprised of 20 subprograms: MIA - General Aviation Airport projects, Airfield/Airside, Cargo and Non-Terminal buildings, Central Base Apron and Utilities, Central Terminal, Concourse E, Fuel facilities, Land Acquisition, Landside and Roadways, Miscellaneous projects, North Terminal, Passenger Boarding Bridges, Reserve Maintenance projects, South Terminal Expansion, South Terminal, Support Projects, Terminal Wide Projects, Terminal Wide Re-Roofing, Terminal Wide Restrooms, and New Program Contingency.

To keep these capital costs affordable, the Department's goal is to remain under a $25 airline cost per enplaned passenger target through FY 2025-26. This target was internally adopted by the Department not only to keep MIA's costs affordable to the air carriers serving MIA, but also keep the Airport competitive with other airports.

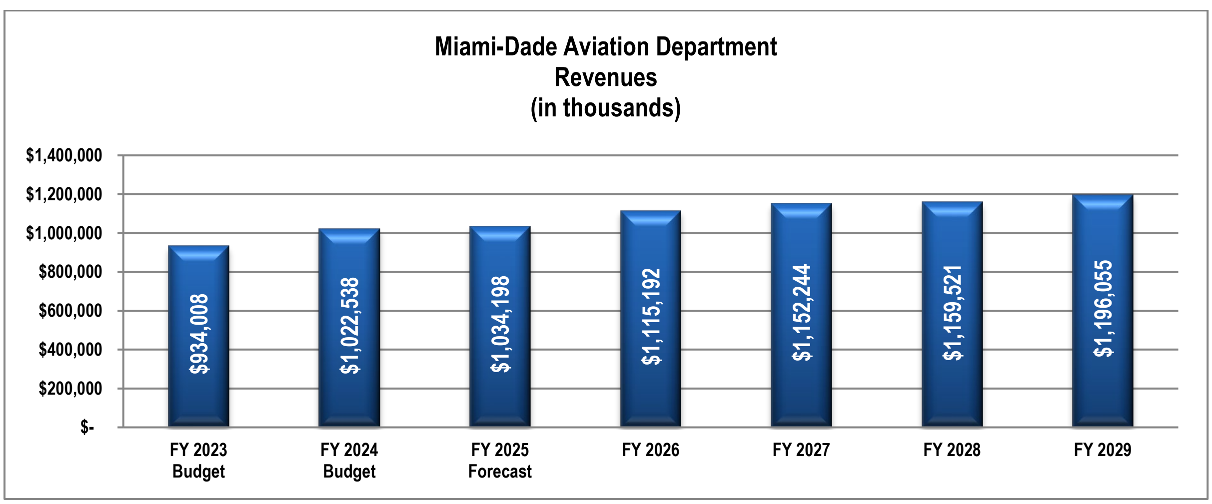
Future funding for the Department's capital program consists of Aviation Revenue Bonds, commercial paper, federal and state grants, and Passenger Facility Charges. The Department maximizes the use of the grants as an equity funding source in order to lessen the amount of Aviation Revenue Bonds (debt) required to fund the capital projects.



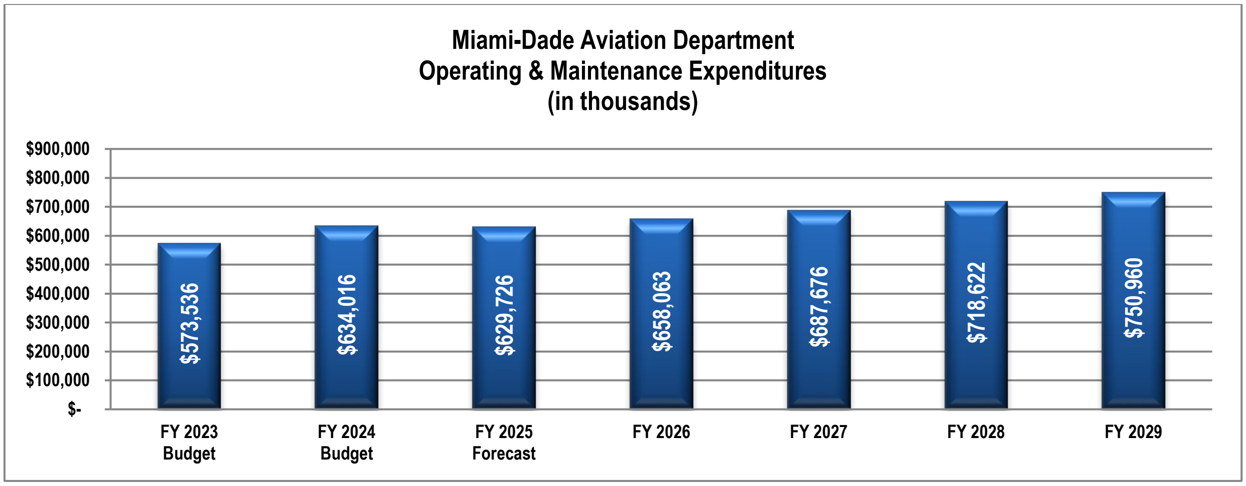
Economic Outlook

MDAD recognizes sound management and financial investment strategies as priority outcomes. Currently, the Department's bonds are rated A (positive outlook) by Standard & Poor's, A+ (stable outlook) by Fitch Ratings and AA- (stable outlook) by KBRA (Kroll Bond Rating Agency). All of the rating agencies cite an uncertain financial environment due to the impacts of COVID-19 but also agree that MIA will continue in its role as the nation's largest international gateway to Latin America and cites as a strength in its residual rate setting mechanism, which allows airport costs to be adequately covered by the current, long-term, 15-year Airline Use Agreement (AUA).

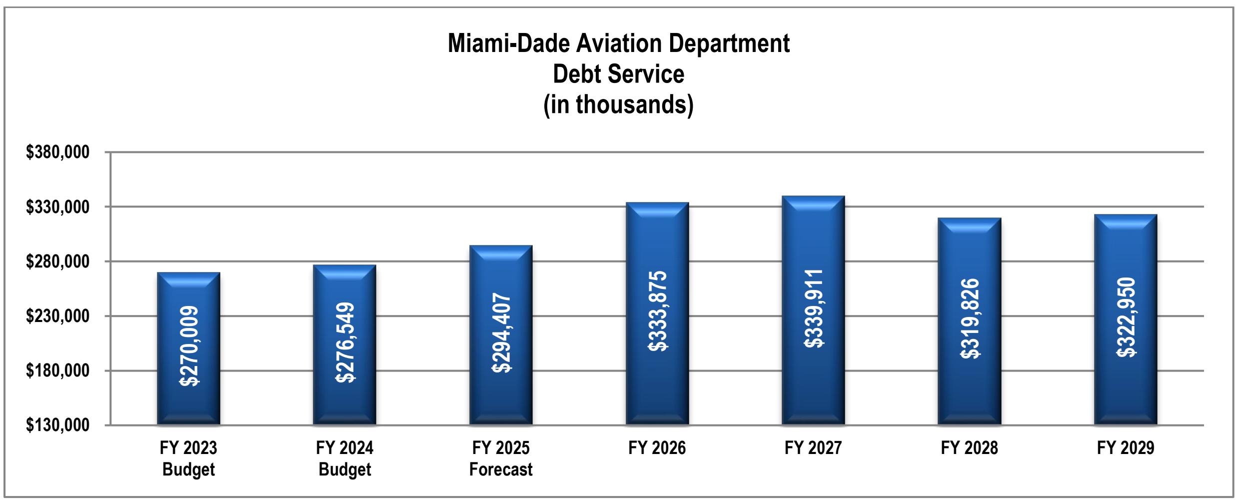
In order to maintain strong bond ratings, the Airport must demonstrate the ability to generate positive future net revenues. The generation of net revenues is heavily dependent on the volume of commercial flights, the number of passengers and the amount of cargo processed at the Airport, all three of which are dependent upon a wide range of factors including: (1) local, national and international economic conditions, including international trade volume, (2) regulation of the airline industry, (3) passenger reaction to disruptions and delays arising from security concerns, (4) airline operating and capital expenses, including security, labor and fuel costs, (5) environmental regulations, (6) the capacity of the national air traffic control system, (7) currency values, (8) hurricanes and (9) world-wide infectious diseases. Unfortunately, the negative impacts of COVID-19 on the airport industry have been significant. On May 11, 2020, the Miami-Dade County Aviation Department received approval of a Coronavirus Aid, Relief, and Economic Security (CARES) Act grant totaling $207 million. The Department used the CARES Act funding to cover revenue shortfalls. Additionally, on March 31, 2021, the Department received approval of a Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act grant totaling $39 million and on November 8, 2021, approval of an American Rescue Plan Act (ARPA) grant was received totaling $160 million. It is anticipated that the Department will close-out and receive the remaining balance of the ARPA funds in FY 2024, which will be used to stabilize rates.



MDAD's revenue forecast is based on a residual revenue model. Unlike traditional fee for service models, MDAD calculates the landing fee rate based on expenses that are not covered by direct fees for services provided.



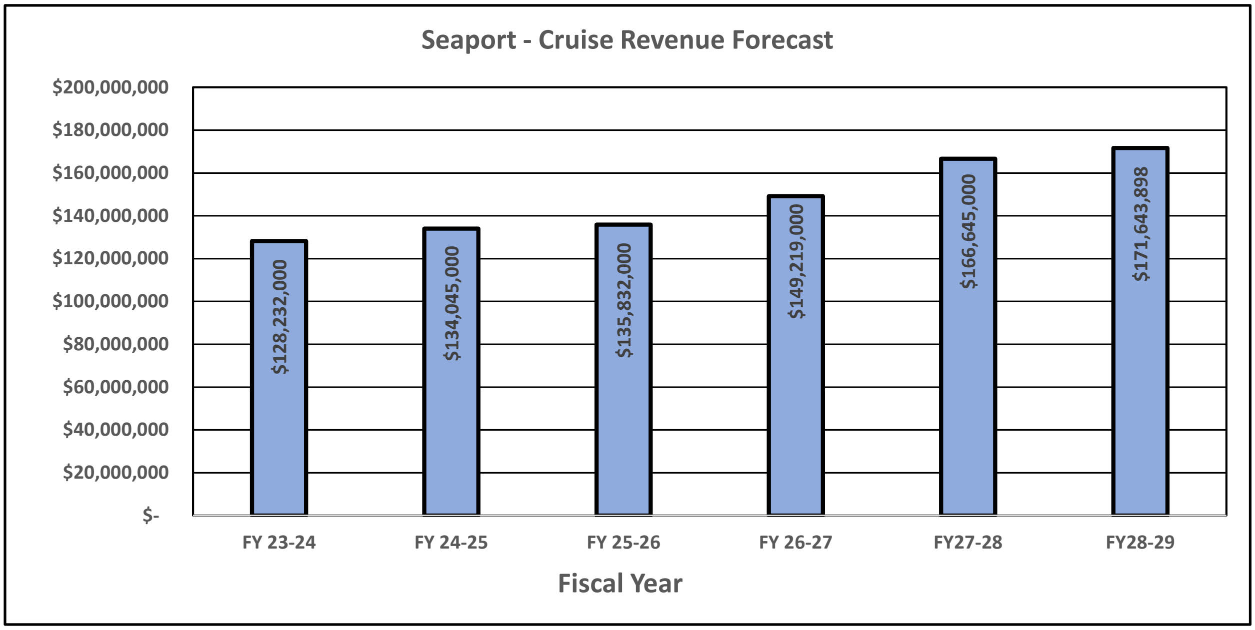
MDAD's operating and maintenance expenditures include expenditures associated with running MIA, as well as four general aviation airports. This amount excludes depreciation and transfers to debt service accounts, improvement fund and maintenance reserve accounts, and a mandated operating cash reserve.

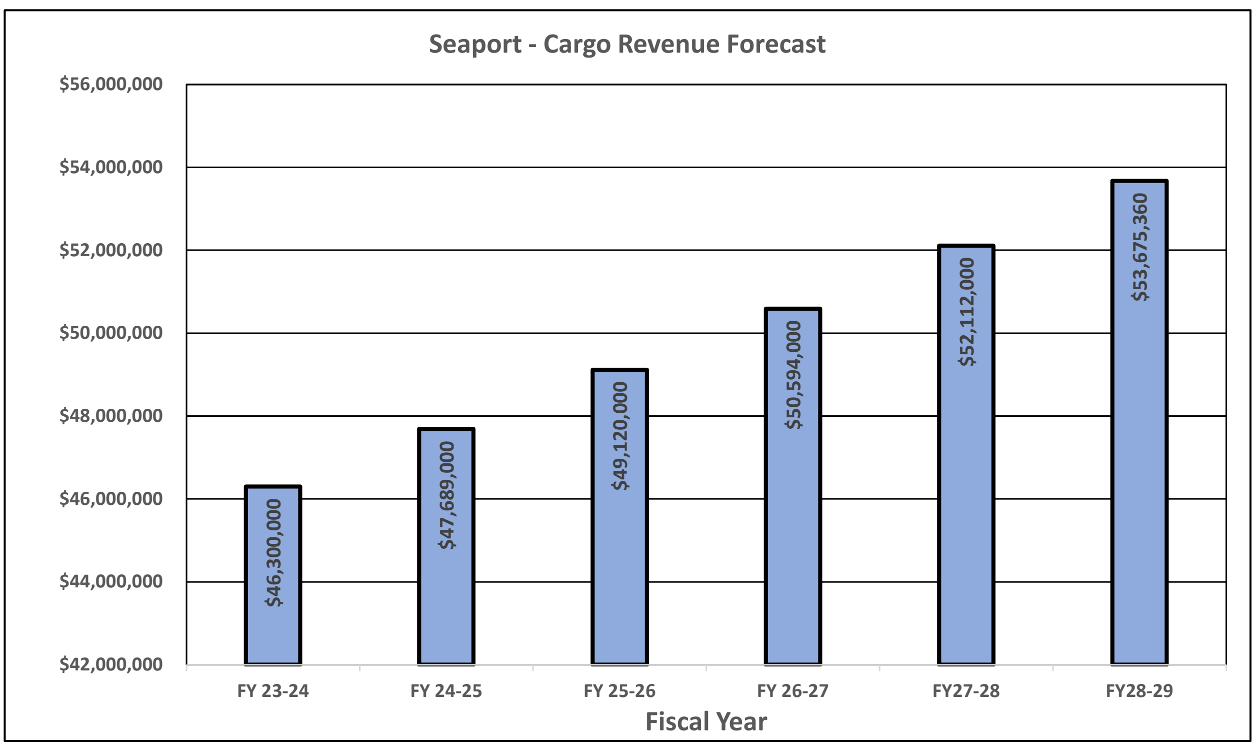


Seaport

The Dante B. Fascell Port of Miami (PortMiami) processed 4.02 million passengers in FY 2021-22. The cruise industry continues to rebound post-CDC lift on No Sail Order, June 2021. Passenger movements for FY 2022-23 are forecasted to be 6.5 million passengers or 88 % of normal operations and are projected to increase to 6.8 million in FY 2023-24. Once COVID Recovery Riders expire, the cruise passenger minimum guarantees a total of 6.9 million passenger movements. The volume of Cargo in FY 2021-22 was 1.19 million in Twenty-foot Equivalent Units (TEUs) and is forecasted at 1.2 million in FY 2022-23. FY 2023-24 TEUS is projected at 1.25 million. The FY 2022-23 cargo revenues reflect a decrease in TEU growth due to excess inventories, lower consumption in the US due to inflation, and rising interest rates.

The following charts illustrate cruise and cargo revenues for the period of this forecast:

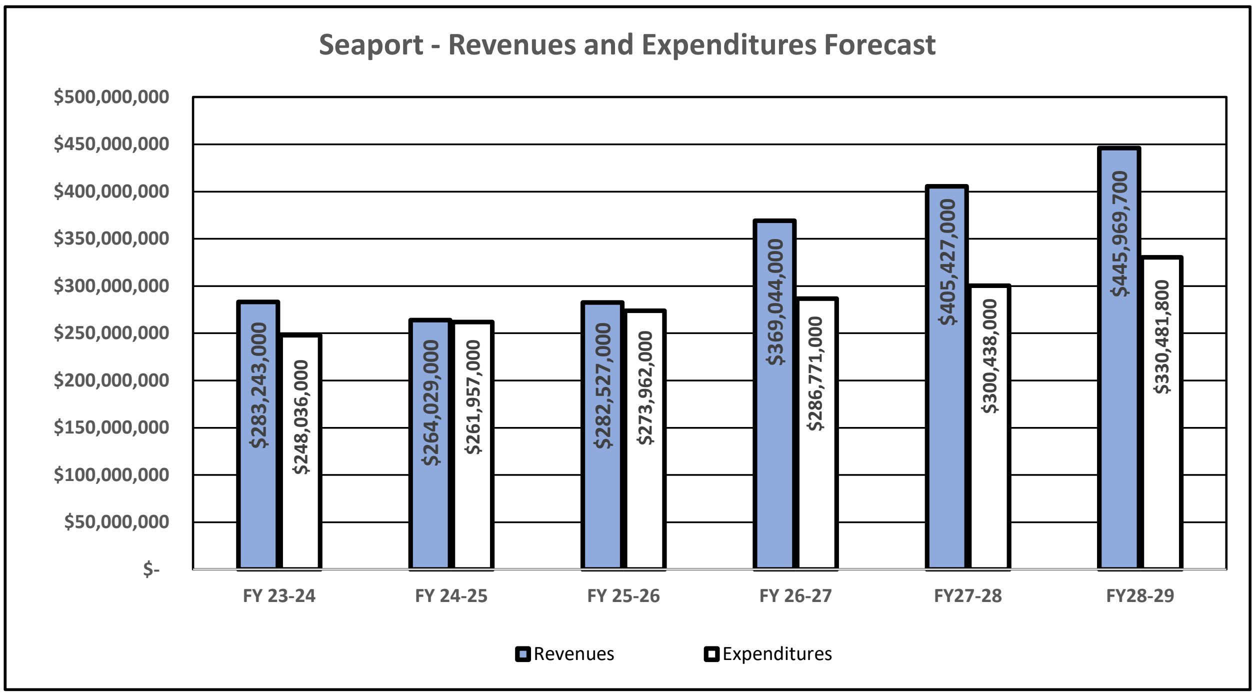




Capital Improvement Plan (CIP)

PortMiami's CIP for cruise-related projects will focus on new Terminals AA and AAA; completion of the Cruise Terminal F Expansion to handle Excel class vessels, Shore Power, and a Flyover to separate traffic and the rehabilitation of North Bulkhead berths 1-6. The department will begin work on the construction of Royal Caribbean Cruises Termina G's new campus improvements. Future cruise-related projects could include an expansion at Cruise Terminal G to accommodate Oasis Class vessels and Berth 10 which represents the last cruise expansion opportunity on the North side. Significant improvements to the cargo yards include further densification at South Florida Container Terminal (SFCT), additional Gantry Cranes, expansion of cargo rail capacity, and the development of an inland location to handle higher cargo volumes, respond to supply chain disruption, market forces, and serve the region as an export consolidation center. The port is submitting applications for grant programs under the bi-partisan infrastructure bill (IIJA) and anticipates significant portions of the CIP will be grant-funded.

Debt service payments are per current outstanding facilities. The port's current debt level is $1.84 billion long-term and $200 million is available in commercial paper.



Financial Outlook

Revenues include cruise, cargo, rentals, parking, ferry operations and other miscellaneous items including harbor fees and ground transportation, as well as Secondary Gas Tax revenue as part of the state support for the Port Tunnel. Expenditures include operating expenses and debt service. Carryover amounts are not included in this exercise.

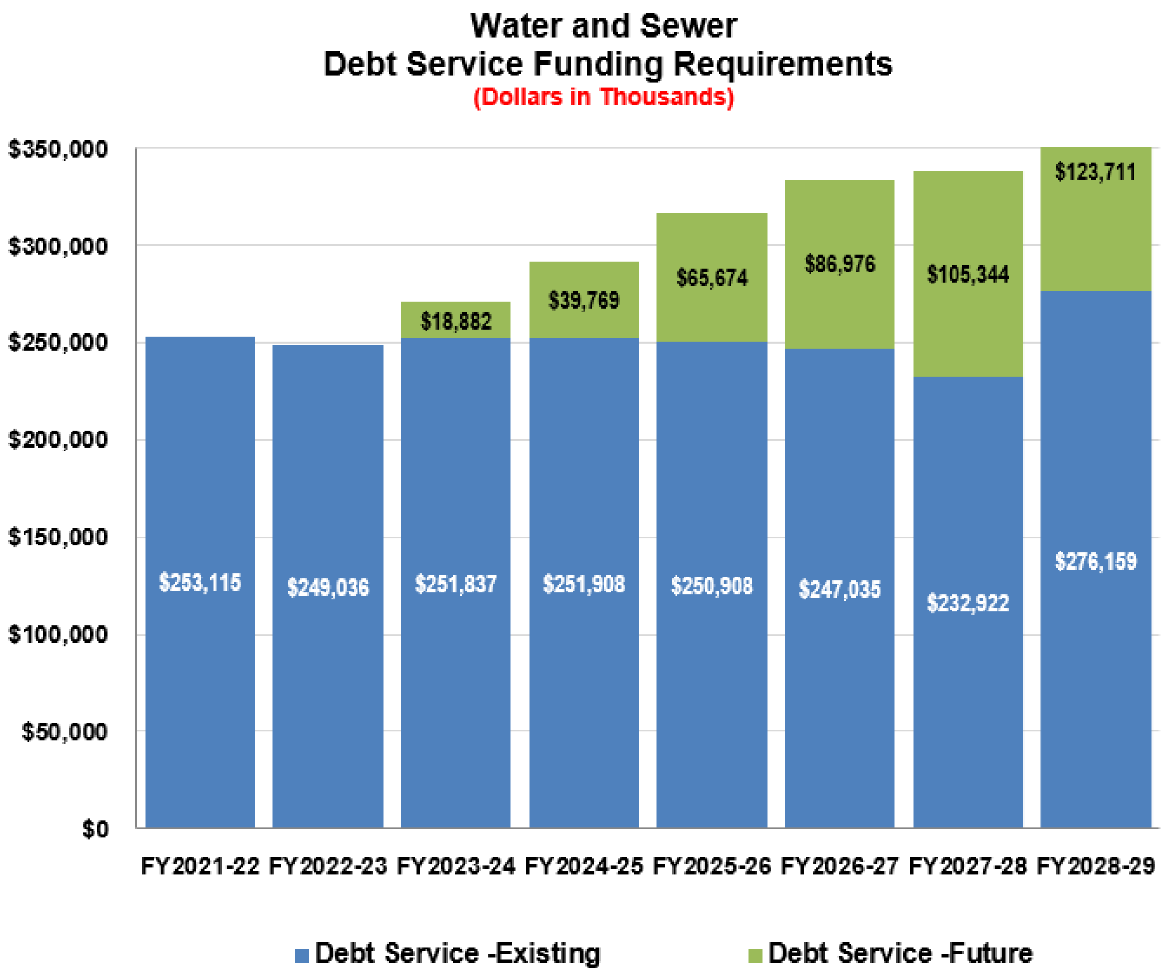
For the purposes of this five-year financial outlook, the cruise line revenue forecast is based on anticipated cruise lines' itineraries through FY 2028-29. Future estimates are that PortMiami will grow from 6.8 million passengers in FY 2023-24 to over 9.1 million in FY 2028-29. A three percent tariff increase is budgeted annually with an additional incremental increase in FY 2027-28 due to an increase in passenger Minimum Annual Guarantees (MAGS). Cargo revenue (including dockage/wharfage, crane, and applicable rentals) is expected to increase five to six percent annually, three percent of which is related to contractual annual rate increases with other revenues being adjusted as necessary.

Expenditures assume a growth rate of six percent per year for salary and fringe through FY 2028-29. Other operating expense increases are assumed at seven percent year over year, in addition to various increases in debt service payments as PortMiami continues to fund its CIP. Current inflation rates could adversely impact operating expenses. A two-month operating cash reserve is funded.

PortMiami is actively examining alternative revenue options. The Port, along with the County, successfully refinanced $534.8 million in outstanding debt. The series 2022 bonds were oversubscribed with demand exceeding supply about seven times with over $3 billion in received orders. With coupon rates ranging from 5.00% to 5.25% and excellent demand, a premium of $39.9 million was generated resulting in a true interest cost of 4.57%. The premium generated funds issuance costs and bond reserve accounts without requiring the Seaport to fund unrestricted reserves for these obligations. The Department has a $200 million commercial paper program available and is working towards its next round of funding for capital projects.

Water and Sewer

There are two main drivers of the Multi-Year Capital Improvement Plan. The first, the State of Florida Ocean Outfall Statute, FS 403.086(9), necessitates projects estimated at $1.360 billion from FY 2022-23 through FY 2027-28 when the projects must be operational. Secondly, the Environmental Protection Agency (EPA) consent decree addresses regulatory violations resulting from failing infrastructure. The consent decree related projects are estimated at $1.431 billion from FY 2022-23 through FY 2027-28. The entire Multi-Year Capital Plan for the Water and Sewer Department totals $8.6 billion and will require future debt issuances.



The Water and Sewer Department's Multi-Year Capital Plan continues the testing and replacement, as needed, of all large diameter concrete water and sewer pipes, the substantial overhaul of all the water and wastewater plants, the installation of redundant water supply mains and storage tanks to ensure continuous delivery of water even when pipe failures occur, and completion of water supply projects required by the State Water Use Permit to meet service demands in the future. The Proposed Capital Plan addresses major resiliency initiatives such as the Septic Sewer Conversions and the Water Reset Programs.

The following table shows the cash flows for both the water and wastewater systems.

WATER AND SEWER CASH FLOWS								
(Dollars In Thousands)	Retail Revenue Increase	Retail Revenue Increase	Retail Revenue Increase 4%	Retail Revenue Increase 7%	Retail Revenue Increase 7%	Retail Revenue Increase 6%	Retail Revenue Increase 6%	Retail Revenue Increase 7%
	Revenues at 100%	Revenues at 100%	Revenues at 98%,95%	Revenues at 98%,95%	Revenues at 98%,95%	Revenues at 98%,95%	Revenues at 98%,95%	Revenues at 98%,95%
Water and Wastewater Operations	FY 2021-22 Actual	FY 2022-23 Projected	FY 2023-24 Proposed	FY 2024-25 Future	FY 2025-26 Future	FY 2026-27 Future	FY 2027-28 Future	FY 2028-29 Future
Revenues								
Retail Water	$ 346,854	$ 364,643	$ 371,644	$ 398,774	$ 427,685	$ 453,346	$ 480,547	$ 514,185
Wholesale Water	38,292	38,573	36,950	36,521	36,521	36,521	36,521	36,521
Retail Wastewater	356,895	376,551	383,780	411,796	441,652	468,151	496,240	530,976
Wholesale Wastewater	102,362	109,020	103,824	105,900	108,019	110,179	110,179	110,179
Other Operating Revenue	26,530	31,555	30,096	30,050	30,188	30,327	30,466	30,469
Total Operating Revenues	**$ 870,933**	**$ 920,341**	**$ 926,294**	**$ 983,041**	**$ 1,044,065**	**$ 1,098,524**	**$ 1,153,953**	**$ 1,222,330**
Expenses								
Water Operating and Maintenance	$ 215,950	$ 233,496	$ 271,440	$ 283,812	$ 296,760	$ 310,177	$ 324,179	$ 338,935
Wastewater Operating and Maintenance	293,564	295,156	302,552	316,362	330,817	345,784	361,400	377,873
Total Operating Expenses	**$ 509,514**	**$ 528,652**	**$ 573,992**	**$ 600,174**	**$ 627,577**	**$ 655,961**	**$ 685,579**	**$ 716,808**
Non-Operating								
Other Non-Operating Transfers	($7,098)	$22,354	($7,891)	($2,856)	$1,521	$10,891	$33,178	$9,520
Interest Income	(6,250)	(12,501)	(13,126)	(13,782)	(14,471)	(15,195)	(15,955)	(16,752)
Debt Service - Existing	253,115	249,036	251,837	251,908	250,908	247,035	232,922	276,159
Debt Service - Future	0	0	18,882	39,769	65,674	86,976	105,344	123,711
Capital Transfers	121,652	132,800	102,600	107,828	112,856	112,856	112,885	112,885
Total Non-Operating Expenses	**$361,419**	**$ 391,689**	**$ 352,302**	**$ 382,867**	**$ 416,488**	**$ 442,563**	**$ 468,374**	**$ 505,522**

Revenue increases will be necessary over the period of this analysis to support operating and maintenance expenses, as well as debt service requirements for the system, while maintaining adequate reserves and overage ratios. The following table illustrates the coverage requirements.

WATER AND SEWER DEBT RATIOS								
	Actual FY 2021-22	Projected FY 2022-23	Proposed FY 2023-24	Future FY 2024-25	Future FY 2025-26	Future FY 2026-27	Future FY 2027-28	Future FY 2028-29
Proposed Retail Revenue Increases			4%	7%	7%	6%	6%	7%
Required Primary Debt Service Coverage Ratio	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Actual/Projected Primary Debt Service Coverage Ratio	**1.63**	**1.77**	**1.48**	**1.49**	**1.47**	**1.46**	**1.60**	**1.62**
Required Secondary Debt Service Coverage Ratio	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Actual/Projected Secondary Debt Service Coverage Ratio	**1.47**	**1.61**	**1.35**	**1.35**	**1.35**	**1.35**	**1.36**	**1.37**
Required State Revolving Loan Debt Service Coverage Ratio	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Actual/Projected State Revolving Loan Debt Service Coverage Ratio	**3.58**	**5.03**	**2.34**	**2.39**	**2.45**	**2.50**	**2.01**	**3.21**
(Dollars In Thousands)								
Rate Stabilization Fund	$30,534	$30,534	30,534	$30,534	$30,534	$30,534	$30,534	$30,534
General Reserve Fund	$81,362	$85,732	68,059	78,512	$75,465	$81,625	$109,867	$115,545
Total Flexible Cash Reserves	**$ 111,896**	**$ 116,266**	**$ 98,593**	**$ 109,046**	**$ 105,999**	**$ 112,159**	**$ 140,401**	**$ 146,079**
Reserves Required By Bond Ordinance	**$82,900**	**$85,884**	**$ 95,665**	**$100,029**	**$104,596**	**$109,327**	**$114,263**	**$119,468**

Solid Waste - Collection and Disposal Operations

The Department of Solid Waste Management (DSWM) collects garbage and trash from approximately 340,000 residential customers in the Waste Collection Service Area (WCSA), which includes UMSA and nine municipalities. Twice-per-week automated garbage collection, twice-per-year trash and bulky waste pick up (up to 25 cubic yards each), and access to 13 Trash and Recycling Centers are provided in the WCSA. The residential recycling collection program serves approximately 350,000 households in the WCSA including nine municipalities through inter-local agreements. DSWM is responsible for the disposal of garbage and trash countywide and operates three regional transfer stations, three active landfills and the Resources Recovery Facility, along with contracting to utilize private landfills as necessary to maintain landfill capacity.

Projections for collection and disposal activity assume minimal growth in the number of households and marginally higher tonnage than prior years due to residents working from home. The Department is assuming that the growth in residential tonnage will continue to decline as more residents go back to work in offices and commercial activities return to normal, thereby shifting tons from residential homes to commercial accounts. Collections from the WCSA represent 44 percent of the total tons disposed for geographic Miami-Dade County, which is projected to be 2.063 million tons in the current fiscal year. FY 2023-24 tonnage is estimated to be three percent higher than current year projections. In addition to collection and disposal operations, revenues generated by fees and charges are used to support landfill operations, closure and landfill remediation; ongoing monitoring; and equipment through both pay-as-you-go projects and issuance of debt.

The table shown below illustrates the cash flows for both the collection and disposal funds. The current five-year forecast for the Solid Waste Enterprise Fund (System) includes the annual residential curbside collection fee. The FY 2023-24 Proposed Budget includes a fee increase of $36, from $509 to $545, for residential curbside collection. However, the collections fund will need additional fee increases to continue to address operational needs and maintain the current level of service in future years. The five-year outlook table includes proposed fee increases of $125 and $12 in FY 2024-25 and FY 2025-26, respectively, in the Collections Fund to ensure a positive cash flow. This shortfall was exacerbated by the newly approved and implemented recycling contracts that include a higher processing fee and COVID-19 mandates to “stay safer at home,” which created an average shift in waste of 79,000 tons annually (9.5 percent) from commercial accounts to residential accounts, increasing the disposal costs for the collection operation. In addition, the rate of inflation, typically projected at one percent, has seen recent increases of 8.6 percent in 2022 and a projected 6.9 percent in 2023. This inflationary growth has dramatically increased the cost of all goods and services purchased by DSWM for collection operations, from diesel fuel to heavy vehicles.

The contract rate is proposed at $ 71.53 per ton assuming a 4% increase in Consumer Price Index (CPI).

The Department is in the process of evaluating damages resulting from the fire at the Resources Recovery Facility on February 12, 2023. The FY 2023-24 Proposed Budget includes the continuation of the contract with Covanta Dade Renewable Energy, Ltd. to operate and maintain the County’s Resources Recovery Facility at a reduced capacity.

As a result of Hurricane Irma in September 2017, the Department undertook pre-storm hurricane protective measures and, shortly after the storm, began its hurricane recovery efforts with debris removal throughout the WCSA and along County rights-of-way, spending $160.6 million. Currently, the Department is pursuing Federal Emergency Management Agency (FEMA) and State reimbursements to offset approximately 95 percent of the total costs. The Proposed Budget includes all reimbursements to date for Hurricane Irma totaling $145.6 million; this amount represents 90.7 percent of the total cost but is within departmental expectations of what can be reimbursed. Neither the projection nor the base budget includes the estimated local share required after receiving all expected reimbursements from both FEMA and the State, which will require a one-time adjustment to offset final expenses to be reimbursed.

Collection and Disposal Operations	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
	Projections	Future	Future	Future	Future	Future
Revenues						
Collection Fees and Charges	183,646	207,123	239,411	245,318	249,306	253,427
Disposal Fees and Charges	470,713	477,829	443,751	415,481	386,840	357,116
Total Operating Revenues	**$654,359**	**$684,952**	**$683,162**	**$660,800**	**$636,146**	**$610,543**
Expenses						
Collection Operating and Maintenance	159,171	188,144	217,645	222,527	224,707	229,742
Disposal Operating and Maintenance	175,588	187,024	214,068	218,098	222,045	226,001
Total Operating Expenses	**$334,759**	**$375,168**	**$431,713**	**$440,625**	**$446,752**	**$455,743**
Collection Debt Service and Capital	12,593	18,979	21,198	19,464	18,383	19,858
Disposal Debt Service and Capital	36,051	74,199	43,195	44,990	47,646	46,709
Total Non-Operating Expenses	**$48,644**	**$93,178**	**$64,393**	**$64,454**	**$66,029**	**$66,567**
CollectionYear End Cash Flow	11,882	0	568	3,327	6,215	3,827
Disposal Year End Cash Flow	259,074	207,981	186,488	152,394	117,150	84,406
Total Non-Operating Expenses	**$270,956**	**$207,981**	**$187,055**	**$155,721**	**$123,365**	**$88,233**

Regional Transportation

The People's Transportation Plan (PTP) half-cent surtax was authorized in November of 2002. The combined PTP and Department of Transportation and Public Works (DTPW) Five Year plan is updated annually, adjusted for actual revenue performance, debt issuances, changes in employee salaries and benefits due to collective bargaining and other operating expenditure variations. The PTP Pro Forma includes the General Fund subsidy, PTP Surtax, fares, state and federal grants and other local revenues. For FY 2023-24, the PTP Surtax revenue being used to support transit operations is programmed at $97.351 million, maintaining the figure that was disclosed in FY 2022-23 as the cost of PTP related activities that DTPW supports. In addition, as the South Dade Bus Rapid Transit Corridor becomes operational, it is anticipated that the PTP Surtax funded maintenance costs for FY 2023-24 will be approximately $9.970 million with a $6.2 million vehicular and equipment purchase. The table below summarizes the revenue and expenditure projections for the next five years.

In FY 2023-24, PTP Surtax funding is projected at $733.368 million (includes PTP Surtax at 100 percent of estimated value, prior year carryover and interest earning revenues) and is proposed to be used for the following: DTPW transit services and operations ($113.521 million), Citizens' Independent Transportation Trust (CITT) board support and oversight of PTP funds ($3.744 million), municipalities to operate and create local roadway and transportation services ($97.520 million), roadway and neighborhood pay-as-you-go projects ($500,000), transfer to PTP Capital Expansion Reserve fund ($18.283 million) debt service and bus lease financing requirements ($156.372 million) and a transfer to fund planned Strategic Miami Area Rapid Transit Plan (SMART) expenses from available PTP funds ($32.628 million) net of the Transportation Planning Organization (TPO) Federal Surface Transportation Urban Area (SU) grant fund ($30 million). Additionally, PTP debt proceeds will be used for planned PTP capital activities including $595.820 million in transit projects and $12.831 million in roadway projects.

PTP Revenue and Expenses

The PTP Surtax revenue reflects a rapid revenue recovery since the impacts of COVID-19, growing by 24 percent in FY 2021-22 with a 4.7 percent growth rate projected for FY 2022-23. For the purposes of this five-year financial outlook, starting in FY 2023-24, PTP Surtax revenue is expected to grow by a rate of 4.7 percent to $424 million; over the next five years, the growth rate is projected to be an average of three percent. The variations in growth rates are unclear as historical sales tax fluctuations and its impact on future performance is not tracked by the State of Florida Department of Revenue (DOR).

PTP expenditures over the next five years include contributions to municipalities at approximately 23 percent of gross PTP Surtax revenue and funding of on-going CITT administration, which remained flat over the previous year. DTPW public works pay-as-you-go expenses will remain flat from the FY 2023-24 budget of $500,000. The PTP Capital Expansion Reserve fund will support the South Dade Transitway corridor project, the PD&E expenses for the SMART Plan for DTPW and TPO, the Golden Glades Bike and Pedestrian Connector and the Aventura Station ($11.133 million).

Included as part of the five-year plan expenditures, the PTP will continue to meet its current debt service obligations for transit projects ($767 million in total) and public works projects ($154 million in total over the next five years). Also planned over the next five years, additional future debt service payments for future bond proceeds to continue PTP capital projects ($594 million in total). These future debt service expenditures do not assume capitalized interest for two years beginning with the 2022 issuance and each issuance thereafter due to improvements to the surtax revenues, resulting in an improved debt ratio coverage. In addition, the five-year plan anticipates financing expenses funded by the PTP Surtax for the replacement of the aging Metrobus fleet ($133 million in total).

Finally, after meeting the commitments and obligations above, the PTP Surtax will begin reserving a portion of the PTP-authorized activities in DTPW, as allowed for in the PTP Exhibit 1 ($85 million), to support transit service operations and maintenance, grown by CPI.

DTPW Operations and Capital

The General Fund contributions in the Pro Forma have been adjusted from the 2023 Adopted Pro Forma. As it pertains to revenues for DTPW operations, the plan assumes a series of extraordinary adjustments above the General Fund Maintenance of Effort (MOE) of 3.5 percent beginning in FY 2027-28 ($200 million over the life of the proforma). Currently DTPW is programmed to receive two subsidies in FY 2023-24, one being the General Fund MOE of $238.294 million and the other is the Capital Improvement Local Option Gas Tax (CILOGT), which grows at 1.5 percent a year and is programmed at $20.405 million; it should also be noted that the Six-Cent Local Option Gas Tax (average collection is $60 million split between municipalities and the County) is collected by the County and distributed as part of the General Fund MOE that is programmed within DTPW.

After experiencing significant losses over the past few years due to COVID-19, ridership is projected to resume at pre-COVID levels programmed at $76.208 million in FY 2023-24, representing an 18 percent increase over the previous year. DTPW is relying on $154.733 million in carryover to fund operations in FY 2023-24 as well as resuming the transfer from PTP Surtax for eligible operations in order to remain solvent until FY 2027-28 when additional funding will be required. Included as part of the revenue forecast, a Transit fare increase of $0.25 (to $2.50) will be considered for FY 2024-25 in accordance with the County's CPI Transit Fare increase resolution adopted in FY 2007-08. State Transportation Disadvantaged Trust Fund revenue remains at $6 million.

The expenditures for Metrobus maintain the same service level, with no expanded services and personnel expenditures increase at a historical growth factor of 4 percent (including a three percent COLA in April 2024) with health insurance, retirement and workers' compensation increases to reflect necessary adjustments to fund self-insurance fund reserves. All other operating expenses have increased due to the recent hikes in inflation. The estimated CPI within the next five years includes 3.8%, 3.50%, 3.00%, 3.00% and 3.00%. The forecast assumes that DTPW will continue with its multi-year PTP Capital Plan for Transit projects, which includes the replacement of rail vehicles, expansion of the rail corridors to include the Beach, East-West, Northeast, and North Corridors, as well as other improvements, and rehabilitation to the existing transit system ($2.597 billion in total), and Public Works projects, which includes the upgrades and enhancements to the Advanced Traffic Management System (ATMS) and various neighborhood roadway improvements ($20.919 million), all funded through bond proceeds. Due to recent legislation (State House Bill 385), effective October 1, 2022, requires that the County can no longer use PTP Surtax proceeds to plan, develop, or construct roads or bridges, nor can the County use surtax proceeds to operate and maintain road, bridge and transit projects that were not referenced in the ballot question or included in the original Exhibit 1. The Five-Year Plan continues the planned bus replacement of 393 buses to electric ($288.985 million within the next five years).

SMART Plan

The SMART Plan includes additional PTP Surtax funding as a result of the flexing of SU grant funds allocated by the TPO. Also, beginning in FY 2023-24, it is planned that funding from the SMART Planned Program Revenue fund totaling $102.074 million will be available for the SMART Plan as well. Finally, the Five-Year plan includes an additional $2.077 million from dedicated DTPW joint development revenue as required by Resolutions R-429-17 and R-774-17 and an additional $32.337 million from the Transportation Infrastructure Improvement District (TIID) revenues as required by Ordinance 18-8.

40-Year PTP and DTPW Pro Forma

As part of the 40-year plan, it is anticipated that DTPW will continue with a future PTP capital program to improve and upgrade existing transit assets, rehabilitate the new Metrorail vehicle fleet, and rehabilitate and eventually replace the current Metromover vehicle fleet. It plans for a future electric bus replacement program that replenishes the fleet every 12 years. Also, PTP Surtax is expected to provide support for future Transit services and operations that were included in the ballot question and in Exhibit 1, beginning in FY 2023-24. The FY 2023-24 PTP Surtax Proforma has projections for 40 years includes the Beach, East-West, Northeast, and North Corridors totaling $1.435 billion in capital expenditures and $110 million in operating requirements. By funding these corridors within the next five-years, there is an operational gap of funding for transportation operations within DTPW of $200 million beginning in FY 2027-28. Due to this gap, decisions may be made concerning the sequencing and scheduling of implementing these corridors that will impact the future outlook of the Pro Forma.

Revenues (Dollar in Thousands)	2024	2025	2026	2027	2028	2029
Operating Revenues						
Transit Operating Carryover	$ 154,733	$ 98,091	$ 138,396	$ 84,346	$ 20,781	$ 89,296
Transit Fares and Fees	80,219	95,199	95,675	96,153	96,634	97,117
Other Transit Revenues	15,579	14,223	14,223	14,406	24,920	15,526
PTP Revenue Fund Carryover	309,168	225,300	201,246	139,009	54,077	7,864
PTP Interest Earnings	200	200	200	200	200	200
Grant Funding and Subsidies						
State Disadvantaged Trust Fund Program	7,207	7,207	7,207	6,541	6,541	6,541
Local Revenues						
Countywide General Fund Support (MOE)	238,294	246,634	255,266	264,200	273,447	490,018
Extraordinary Adjustment in General Fund Support	-	-	-	-	200,000	-
PTP Sales Tax Revenue	424,000	434,600	445,465	456,602	470,300	484,409
Capital Revenues						
PTP Capital Expansion Reserve Fund Carryover	-	-	-	-	-	-
DTPW PTP Capital Project Fund Carryover	511,460	2,809	143,460	130,629	125,079	122,541
Planned Future Bond Proceeds	100,000	714,311	458,691	304,609	314,501	237,375
Planned Financing for Bus Replacement Program	-	-	47,708	111,063	65,383	64,832
Fund Transfers						
PTP Capital Expansion from PTP Revenue	18,283	12,843	8,698	6,491	3,842	2,335
Transit Operating from PTP Revenue	113,521	115,791	118,107	120,469	57,879	336
Transit Operating from PTP Reserve	-	85,000	-	-	-	-
Smart Plan Revenues						
SMART Plan Carryover	-	90,941	138,484	173,962	210,612	255,296
Transfer from PTP Revenue from swapped TPO SU Grant Funds	30,000	30,000	30,000	30,000	30,000	30,000
Transfer Plan from Available PTP Revenue Funds	-	3,000	3,000	3,000	3,000	3,000
Transfer Plan from Capital Expansion	18,283	12,843	8,698	6,491	3,842	2,335
Transfer Plan from Dedicated Transit Joint Development Revenue	2,076	721	721	904	11,418	2,024
Transfer Plan from Transportation Infrastructure Improvement District	51,715	6,446	6,831	7,239	7,671	10,805
Total Revenues	**$ 2,074,738**	**$ 2,196,159**	**$ 2,122,076**	**$ 1,956,314**	**$ 1,980,126**	**$ 1,921,850**

Expenses (Dollar in Thousands)	2024	2025	2026	2027	2028	2029
DTPW Operating Expenses						
Transit Operating Expense, net of reimbursements	$ 504,330	$ 517,972	$ 538,752	$ 559,374	$ 574,450	$ 617,970
Capital Expenses						
PTP Capital Expansion Reserve Expenses	1,804	1,200	-	-	-	-
DTPW Transit PTP Capital Projects Fund Expenses	595,820	568,110	468,984	310,159	317,039	237,375
DTPW Public Works PTP Capital Projects Fund Expenses	12,831	5,550	2,538	-	-	-
Planned Bus Replacement Purchases	-	-	47,708	111,063	65,383	64,832
Debt Service/Financing Expenses						
Current PTP Debt Service for Transit	130,458	126,562	126,561	127,972	127,965	127,962
Current PTP Debt Service for Public Works	25,914	25,908	25,907	25,388	25,387	25,383
Future DTPW PTP Debt Service	-	58,970	96,838	121,985	147,949	167,546
Future Financing for Future Bus Replacement Program	-	7,808	20,091	25,028	36,521	43,287
TPO Reimbursement						
Reimbursement from TPO Flexed SU grant	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)
Transfer Out						
Municipal Contributions, includes new cities	97,520	99,958	102,457	105,018	108,169	111,414
SFRTA Contribution	4,235	4,235	4,235	4,235	4,235	4,235
Transfer to County Departments/Programs						
Transfer to Office of the CITT	3,744	3,896	4,042	4,183	4,308	4,437
Transfer to Public Works Pay as You Go Projects	500	500	500	500	500	500
Transfer from PTP Revenue to Transit Operating	113,521	115,791	118,107	120,469	57,879	336
Transfer from PTP Revenue to Surtax Reserve	85,000	-	-	-	-	-
Intrafund Transfers						
Transfer from PTP Revenue to PTP Capital Expansion	18,283	12,843	8,698	6,491	3,842	2,335
Transfer to Transit Debt Service for Non-PTP Debt	821	821	821	821	803	784
Contributions to the SMART Plan						
PTP Capital Expansion Reserve Fund	18,283	12,843	8,698	6,491	3,842	2,335
PTP Revenue Fund from swapped TPO SU Grant Funds	30,000	30,000	30,000	30,000	30,000	30,000
PTP Revenue Fund from Available Funds	-	3,000	3,000	3,000	3,000	3,000
Transit Operating Fund Dedicated Joint Development Revenue	2,076	721	721	904	11,418	2,024
South Dade Transit Way Corridor Expenditures						
Capital Expenditures	3,603	-	-	-	-	-
Operating Expenditures, Net of Revenue	-	2,681	12,187	10,984	11,247	11,067
Capital Renewal and Replacement (State of Good Repair)	-	-	-	-	-	-
SMART Plan Capital Expenses						
Capital Expenditures	5,726	1,586	1,585	-	-	-
Planned End of Year Carryover						
SMART Plan End of Year Balance	90,941	138,484	173,962	210,612	255,296	292,393
PTP Revenue Fund End of Year Balance	258,428	204,864	140,709	55,777	9,057	6,273
PTP Capital Expansion Reserve Fund End of Year Balance	-	-	-	-	-	-
DTPW Transit Operating Fund End of Year Balance	98,091	138,396	84,346	20,781	89,296	73,821
DTPW PTP Capital Projects Fund End of Year Balance	2,809	143,460	130,629	125,079	122,541	122,541
Total Expenses	**$ 2,074,738**	**$ 2,196,159**	**$ 2,122,076**	**$ 1,956,314**	**$ 1,980,126**	**$ 1,921,850**