



8.0 TRANSIT FINANCIAL PLAN

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

8.1 Operating Expenses and Revenues

DTPW is the largest transit operator in the State of Florida and the 15th largest transit provider in the U.S. according to the 2015 Public Transportation Fact Book (based on vehicle revenue miles). DTPW's size is reflected in the agency's direct operating budget, which is projected at approximately \$486 million in FY 2017. The primary components of the direct operating expenses are shown in Table 8-1.

Salaries and overtime make up 49 percent of DTPW's total operating expenses. Contractual services make up 18 percent of the operating budget. Metrobus is a fixed-route bus service that DTPW operates seven (7) days a week, 24 hours per day. A total of 96 routes comprise DTPW's regular bus service structure as served by a total fleet of 813 buses and two (2) contracted routes with nine (9) buses.

In addition to these direct expenses, DTPW will support \$69 million of other operating expenses and debt service payments in FY 2017. These other expenses are detailed below. Almost 30 percent (30%) of these other operating expenses are DTPW's contribution to municipal transit services within Miami-Dade County.

In total, DTPW will spend \$486 million in FY 2017 for the ongoing operation of the transit system and the support of DTPW's other local and regional responsibilities.

Table 8-1: DTPW Projected Transit FY 2017 Direct Operating Expenses

		Projected Amount FY 17 (000s)
Transit Operating Expenses	Salary	\$182,982
	Overtime	\$37,683
	Benefits	\$32,034
	Group Health	30,208
	Court Costs	\$41
	Contractual Services	\$82,519
	Other Operating Expenses	\$68,222
	Charges for County Services	\$15,721
	Capital	\$189
	Distribution of Funds in Trust	\$15
	Subtotal	\$449,614
Transfer Out Expenses	SFRTA Contribution	\$4,235
	DTPW Debt Service Fund	\$784
	Loan Repayment to PTP Fund	\$34,195
	Subtotal	\$39,214
Operating Adjustment	Enhancement	\$108
	Overtime Expenditures Reduction	-\$2,261
	Parts Expenditure Reduction	-\$910
	Subtotal	-\$3,063
Total Transit Operating Expenses		\$485,765

Source: Transit Pro Forma FY 2015.

*Total may vary slightly due to rounding.

DTPW's transit operations are supported by a range of federal, state, local, and directly-generated revenue streams. Table 8-2 shows the projected operating revenues for FY 2017 by major category that total over \$485 million.

Table 8-2: DTPW Projected Transit FY 2017 Operating Revenues

Transit Proprietary Revenue	Transit Proprietary Revenue	Projected Amount FY 17 (000s)
	Beginning Fund Balance (Carryover in Operating Fund)	\$5,882
	Bus, Rail, STS, & Farebox	\$118,230
	Other Revenues (Advertising, Permitting and Joint Development)	\$14,745
	Interagency Revenue (County & Municipalities)	\$1,872
	Interagency Revenue (Tri-Rail)	\$666
	Operating Total	\$141,395
State Grant Revenue	State Grant Revenue	Projected Amount FY 17 (000s)
	Block Grant	\$20,566
	Transportation Disadvantage Program Trust Funds (Intrafund Transfer)	\$8,766
	State Operating Total	\$29,332
Local Revenue	Local Revenue	Projected Amount FY 17 (000s)
	Miami Dade General Fund MOE (3.5 Percent)	\$179,826
	PTP Surtax	\$113,073
	Additional Local Revenue (Planned Additional Countywide General Fund Support)	\$22,139
	Local Total	\$315,038
Total Revenue*		\$485,765

Source: Transit Pro Forma FY 2015.

*Total may vary slightly due to rounding.

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

- **Fare Revenues:** DTPW currently recovers approximately 23 percent (23%) of its operating expenses from transit fare revenue.
- **Other Operating Revenues:** These operating revenues include items such as advertising.
- **State Block Grants:** These revenues were developed by the Florida Legislature to provide a stable source of funding for public transit. The grants are distributed to all eligible Florida transit providers on a formula basis.
- **Transportation Disadvantaged program:** The Transportation Disadvantaged (TD) Programs provide funding to assist TD populations which include persons with physical or mental disabilities, have low incomes, or are older individuals who are unable to transport themselves or purchase transportation.
- **People's Transportation Plan Surtax:** The People's Transportation Plan (PTP) provides for sales tax revenue to support public transit and roadway infrastructure improvements.
- **County General Funds:** Miami-Dade County supplies DTPW with funding each year from its general fund.
- **Additional Local Revenue or Service Cuts:** DTPW may receive funds from other local sources in a given year or cut service to balance the budget.

8.1.1 Projected Operating Revenues

Future revenue growth is projected to fluctuate with a low level of tax revenue growth resulting from the existing state of the economy. However, in years without any major policy changes, total available funding for DTPW is expected to grow at a rate of slightly over three percent (3%) annually. In addition, DTPW does foresee a separate major policy action related to funding during FY 2017 – FY 2026 to include:

- **Regular programmed fare increases:** The Pro Forma projects a 25 cent increase in the base fare (from its current level of \$2.25 to \$2.50) in FY 2020, with another 25 cent increase levied in 2025. These increases have the effect of increasing the overall revenue growth rate in those years. These programmed fare increases which occur every five (5) years are determined by policies approved by the Miami-Dade County Board of County Commissioners that authorize DTPW to implement regular fare increases to keep pace with inflation.

The critical funding growth assumptions that drive the Pro Forma financial projections are outlined below.

Table 8-3: DTPW Operating Transit Revenue Growth Assumptions

Operating Revenue Growth Assumptions	Revenue Item	Annual Growth Rate
	PTP Surtax	3.5%
	General Funds (MOE)	3.5%
	Fare Revenue (Trip Growth)	0.5%
	State Block Grants	1.0%
	Transportation Disadvantaged Funds	0.0%
	Federal Funds	2.5%
	Local Option Gas Tax	1.5%

Source: Transit Pro Forma FY 2015.

8.1.2 Summary of Operating Budget

The operating budget, as presented in the 2015 Pro Forma for the ten-year period from FY 2017 to FY 2026, is balanced. The projected operating expenses are covered by the forecasted revenues from various sources. DTPW balances its operating budget by adhering to a combination of strategies aimed at producing cost efficiencies; an avoidance of any major service expansion and aggressive use of available local funding sources (LOGT and general funds). This operating budget is based upon the budgetary assumptions that were applied within the FY 2015 Pro Forma. It should be noted that these budgetary assumptions are subject to change due to the volatility in gas prices and pressure from the public to reduce the tax roll which could have impacts to the general fund share DTPW receives and the availability of federal and state grants, thus resulting in a different budgetary outcome than presented in this TDP.

Table 8-4: DTPW Operating Transit Revenues (FY 2017 - FY 2026) (\$000s)

Transit Proprietary Revenues	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
Beginning Fund Balance	\$5,882,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bus, Rail, STS, & Farebox	\$118,230,210	\$118,821,361	\$119,415,468	\$115,235,926	\$128,680,118	\$129,323,518	\$129,970,136	\$130,619,987	\$126,048,287	\$139,346,382
Other Revenues (Adv., Permitting, Joint Dev.)	\$14,745,334	\$14,745,334	\$14,745,334	\$14,745,334	\$14,745,334	\$14,745,334	\$14,745,334	\$14,745,334	\$14,745,334	\$14,745,334
Planned fare Increase	\$0	\$0	\$0	\$12,803,992	\$0	\$0	\$0	\$0	\$12,604,829	\$0
Interagency Revenue (County/Municipalities)	\$1,872,000	\$1,872,000	\$1,872,000	\$1,872,000	\$1,872,000	\$1,872,000	\$1,872,000	\$1,872,000	\$1,872,000	\$1,872,000
Interagency Revenue (Tri-Rail)	\$666,000	\$666,000	\$666,000	\$666,000	\$666,000	\$666,000	\$666,000	\$666,000	\$666,000	\$666,000
State Grant Revenue										
Block Grant	\$20,565,620	\$20,771,276	\$20,978,989	\$21,188,779	\$21,400,667	\$21,614,673	\$21,830,820	\$22,049,128	\$22,269,620	\$22,492,316
TD Program	\$8,766,000	\$8,766,000	\$8,766,000	\$8,766,000	\$8,766,000	\$8,766,000	\$8,766,000	\$8,766,000	\$8,766,000	\$8,766,000
Local Revenue										
Miami Dade General Fund MOE (3.5 Percent)	\$179,826,000	\$209,034,000	\$254,299,000	\$267,188,000	\$290,004,000	\$311,793,000	\$322,706,000	\$334,001,000	\$345,691,000	\$357,790,000
PTP Surtax	\$113,072,653	\$49,637,873	\$46,073,976	\$28,602,279	\$20,590,533	\$23,592,815	\$26,757,101	\$30,098,356	\$26,253,140	\$29,962,187
Additional Local Revenue	\$22,138,944	\$36,665,175	\$3,853,323	\$13,008,636	\$11,245,227	\$0	\$0	\$0	\$0	\$0
Total Transit Revenues	\$485,764,861	\$460,979,019	\$470,670,090	\$484,076,946	\$497,969,878	\$512,373,341	\$527,313,391	\$542,817,805	\$558,916,209	\$575,640,218
Total Expenses	\$485,764,861	\$460,979,018	\$470,670,090	\$484,076,946	\$497,969,878	\$512,373,341	\$527,313,391	\$542,817,805	\$558,916,209	\$575,640,219
Operational Funding Surplus (Deficit)	\$0	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1

Source: Transit Pro Forma, FY 2015.

Table 8-5: DTPW Operating Transit Expenses (FY 2017 - FY 2026) (\$000s)

Operating Expenses/Fiscal Year	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
Direct Operating Expenses										
Total Transit Operating Expenses	\$449,614,733	\$462,349,451	\$475,531,449	\$489,182,447	\$503,325,555	\$517,985,378	\$533,188,125	\$548,961,730	\$565,335,980	\$582,342,653
Transit Transfer Out Expenses										
SFRTA Contribution	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000	\$4,235,000
MDT Debt Service Fund	\$784,000	\$784,000	\$784,000	\$784,000	\$784,000	\$784,000	\$784,000	\$784,000	\$784,000	\$784,000
Debt Service Payments (Loan Repayment to PTP)	\$34,195,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transit Operating Adjustments										
Enhancement	\$107,625	\$110,316	\$113,074	\$115,900	\$118,798	\$121,768	\$124,812	\$127,932	\$131,131	\$134,409
Overtime Reduction	-\$2,260,925	-\$4,634,895	-\$7,126,151	-\$7,304,305	-\$7,486,913	-\$7,674,086	-\$7,865,938	-\$8,062,586	-\$8,264,151	-\$8,470,755
Parts Expenditure Reduction	-\$910,573	-\$1,864,853	-\$2,867,281	-\$2,936,096	-\$3,006,562	-\$3,078,720	-\$3,152,609	-\$3,228,271	-\$3,305,750	-\$3,385,088
Total Expenses	\$485,764,861	\$460,979,018	\$470,670,090	\$484,076,946	\$497,969,878	\$512,373,341	\$527,313,391	\$542,817,805	\$558,916,209	\$575,640,219

Source: Transit Pro Forma, FY 2015.

8.2 Transit Capital Expenditures and Funding Sources

8.2.1 Planned Capital Expenditures

The Department's planned transit capital expenditures for the period FY 2017 to FY 2026 are summarized in Table 8-6. Large capital projects or ongoing projects during FY 2017 – FY 2026 (such as bus acquisition and replacement), may be funded by a combination of debt proceeds and cash.

Many of the projects listed in the following table, such as the rail vehicle replacement, will greatly improve the quality and longevity of the existing DTPW transit system. However, most of the projects in Table 8-6 are scheduled for completion on or before 2022. After 2022, the capital program consists only of scheduled bus acquisitions, rail vehicle replacement and the Infrastructure Renewal Program (IRP), which is the agency's long-term projection of future rehabilitation and replacement needs throughout the transit system.

Table 8-6: DTPW Capital Transit Budget (FY 2017 – FY 2026) (\$000s)

Project	FY 16-17		FY 17-18		FY 18-19		FY 19-20		FY 20-21		Fiscal Years 22-26		Total **		
	PTP	Other	PTP	Other	PTP	Other	PTP	Other	PTP	Other	PTP	Other	Total	PTP	Other
Bus and Bus Facilities	\$7,000	\$5,248	\$5,000	\$5,182	\$8,000	\$0	\$8,000	\$0	\$8,000	\$0	\$0	\$0	\$46,430	\$36,000	\$10,430
Park and Ride Quail Roost	\$791	\$1,327	\$21	\$815	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,954	\$812	\$2,142
Dadeland North Metrorail - Elevators	\$103	\$102	\$2,750	\$520	\$1,130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,605	\$3,983	\$622
Busway ADA Improvements	\$0	\$115	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$115	\$0	\$115
Urbanized Area Formula Grant FTA 5307	\$0	\$15,000	\$0	\$15,525	\$0	\$16,068	\$0	\$16,630	\$0	\$17,212	\$0	\$0	\$80,435	\$0	\$80,435
Bus Tracker and Automatic Vehicle Locator Systems (CAD/AVL)	\$0	\$0	\$0	\$0	\$578	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$578	\$578	\$0
High-Cycle Switch Logic Control Cabinets	\$10,187	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,187	\$10,187	\$0
Bus Replacement	\$0	\$166,650	\$0	\$84,158	\$0	\$85,000	\$0	\$85,850	\$0	\$0	\$0	\$0	\$421,658	\$0	\$421,658
Metromover Improvements	\$5,640	\$0	\$5,340	\$0	\$0	\$8,000	\$0	\$0	\$0	\$0	\$0	\$0	\$18,980	\$10,980	\$8,000
Metrorail Maintenance Vehicle Lifts	\$2,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,700	\$2,700	\$0
Infrastructure Renewal Plan	\$12,500	\$0	\$12,500	\$0	\$12,500	\$0	\$12,500	\$0	\$12,500	\$0	\$12,500	\$0	\$75,000	\$75,000	\$0
Metrorail and Metromover Traction Power Cable and Transformer Replacement	\$0	\$2,129	\$0	\$2,129	\$0	\$2,129	\$0	\$2,129	\$0	\$0	\$0	\$0	\$8,516	\$0	\$8,516
SR 836 Express Bus *	\$145	\$1,063	\$425	\$7,254	\$3,056	\$723	\$4,700	\$4,700	\$0	\$0	\$0	\$0	\$22,066	\$8,326	\$13,740
NW 27 Avenue Enhanced Bus Service *	\$701	\$1,920	\$4,326	\$5,334	\$2,167	\$691	\$2,984	\$138	\$0	\$0	\$0	\$0	\$18,261	\$10,178	\$8,083
Track and Guideway Rehabilitation	\$5,161	\$0	\$5,000	\$0	\$4,200	\$0	\$3,200	\$0	\$3,200	\$0	\$0	\$0	\$20,761	\$20,761	\$0
Associated Transportation Improvements	\$0	\$504	\$0	\$509	\$0	\$514	\$0	\$519	\$0	\$524	\$0	\$0	\$2,570	\$0	\$2,570
Transportation Security Projects	\$0	\$504	\$0	\$509	\$0	\$514	\$0	\$519	\$0	\$524	\$0	\$0	\$2,570	\$0	\$2,570
Park-and-Ride Lot Kendall Drive	\$28	\$28	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$56	\$28	\$28
Rail Vehicle Replacement	\$97,371	\$0	\$92,840	\$0	\$29,418	\$0	\$1,675	\$0	\$754	\$0	\$10,305	\$0	\$232,363	\$232,363	\$0
Track and Guideway 10-15 Year Heavy Equipment Replacement	\$238	\$0	\$500	\$0	\$1,200	\$0	\$1,500	\$0	\$0	\$1,500	\$0	\$0	\$4,938	\$3,438	\$1,500
Dolphin Station	\$2,364	\$2,587	\$1,453	\$1,454	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,858	\$3,817	\$4,041
Metrorail Station Refurbishment	\$10,000	\$0	\$10,000	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000	\$25,000	\$0
Metrorail and Metromover Traction Train Control Replacement	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$0	\$7,000	\$0	\$0	\$0	\$0	\$49,000	\$21,000	\$28,000
Metrorail Traction Power Switchgear Equipment	\$1,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	\$1,500	\$0
Underfloor Rail Wheel Truing Machine	\$2,625	\$0	\$1,750	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,375	\$4,375	\$0
Escalators Replacement and Elevators Refurbishment	\$3,430	\$0	\$3,590	\$0	\$6,730	\$0	\$7,750	\$0	\$6,000	\$0	\$6,000	\$0	\$33,500	\$33,500	\$0
AC Unit Substations	\$0	\$0	\$3,000	\$0	\$4,000	\$0	\$4,000	\$0	\$4,000	\$0	\$0	\$0	\$15,000	\$15,000	\$0
Metrorail Switch Machine Improvement	\$0	\$0	\$1,170	\$0	\$1,220	\$0	\$2,220	\$0	\$3,400	\$0	\$4,310	\$0	\$12,320	\$12,320	\$0
Traction Power Gap Ties	\$0	\$0	\$0	\$0	\$1,830	\$0	\$1,900	\$0	\$1,950	\$0	\$0	\$0	\$5,680	\$5,680	\$0
Metromover Track and Guideway Improvement	\$120	\$0	\$1,420	\$0	\$830	\$0	\$8,820	\$0	\$8,820	\$0	\$0	\$0	\$20,010	\$20,010	\$0
Capitalization of Preventative Maintenance and Other Costs	\$0	\$80,212	\$0	\$82,037	\$0	\$83,788	\$0	\$85,579	\$0	\$87,412	\$0	\$0	\$419,028	\$0	\$419,028
SUBTOTAL	\$169,604	\$284,389	\$158,085	\$212,426	\$88,859	\$204,427	\$59,249	\$203,064	\$48,624	\$107,172	\$33,115	\$0	\$1,569,014	\$557,536	\$1,011,478
TOTAL	\$453,993		\$370,511		\$293,286		\$262,313		\$155,796		\$33,115				

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

*As per Miami-Dade MPO Resolution Number 31-15, the MPO Board amended the FY 2016 Transportation Improvement Program (TIP) to delete selected Enhanced Bus Service Projects and reallocate said funds to three new projects as follows: "Implementation of Bus Rapid Transit along NW 27th Avenue, Flagler Street, and Kendall Drive Transit Corridors." However, bus purchase components of the Biscayne, Flagler and NW 27th Avenue EBS projects remain funded and are proceeding in order to provide near-term capacity improvements along these corridors.

** Project totals do not reflect prior year funds

8.2.2 Summary of Capital Plan

Revenue sources for capital projects are presented in Table 8-7 for the ten-year period from FY 2017 to FY 2026. All projected capital expenditures could be funded with either PTP surtax debt proceeds or on a pay-as-you-go basis, depending on the availability of funds. This capital budget is achieved by aggressive borrowing against the PTP surtax (ultimately requiring the inclusion of additional LOGT and general funds in DTPW's budget, as described above, to guarantee debt coverage).

This capital budget is based upon the budgetary assumptions applied within the FY 2015 Pro Forma and these assumptions are subject to change correspondingly in line with the finalization of the DTPW's Transit Budget and Capital Operating Plan resulting in a different budgetary outcome than presented in this TDP.

Table 8-7: Projected "Cash" Revenue Sources for Transit Capital Projects (FY 2017 - FY 2026) (\$000s)

Funding Source	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2021-2026	Total
FTA 5339 Bus & Bus Facility Formula	\$5,056	\$5,182	\$0	\$0	\$0	\$0	\$10,238
FTA 5307 Formula Grant	\$89,342	\$97,219	\$90,893	\$85,552	\$85,411	\$0	\$448,417
FDOT Funds	\$4,251	\$6,471	\$867	\$4,700	\$0	\$0	\$16,289
Lease Financing - County Bonds/Debt	\$166,650	\$84,158	\$85,000	\$85,850	\$0	\$0	\$421,658
People's Transportation Plan Bond Program	\$169,604	\$158,105	\$96,859	\$66,249	\$50,124	\$33,115	\$574,056
Capital Improvement Local Option Gas Tax	\$19,090	\$19,376	\$19,667	\$19,962	\$20,261	\$0	\$98,356
Total:	\$453,993	\$370,511	\$293,286	\$262,313	\$155,796	\$33,115	\$1,569,014
Expenditure Commitments	\$453,993	\$370,511	\$293,286	\$262,313	\$155,796	\$33,115	\$1,569,014
Capital Funding Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

8.3 Total Unfunded Transit Need

DTPW's FY 2017 – FY 2026 TDP Annual Update is based upon initiatives as identified by DTPW that are currently unfunded, which represent important areas of need to include:

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

DTPW's total unfunded need between FY 2017 – FY 2026 – covering bus service improvements, capital investment in priority travel corridors, and CIP projects – is \$1.125 billion. The unfunded need is calculated as the sum of the capital cost of Table 6-3 – Unfunded Transit Projects FY 2017 – 2026 and the unfunded portion of Table 6-2 – Partially Funded Transit Projects FY 2017 – 2026. A portion of the unfunded need identified may be programmed in a LRTP priority and are eligible to receive funding as additional funds become available.