FIVE-YEAR FINANCIAL OUTLOOK

The FY 2023-24 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 strong and resilient, as we continue to recover from the impact created by the COVID-19 pandemic, and 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. The last two years, Miami-Dade County has realized robust property tax revenues due to higher than anticipated demand in local real estate that has 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 2024-25, 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 and analyze potential municipal boundary changes. For purposes of this financial outlook, the complete implementation and transition of newly established constitutional elected offices, which are set to take place in January 2025, is unknown at this time. In FY 2021-22, the Board adopted a Constitutional Officer Reserve to start planning for the eventual fiscal impact related to the voter-approved Amendment 10 to the Florida Constitution. The Office of Management and Budget is spearheading efforts with each of the offices to provide a smooth and transparent transition.

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 a ten percent growth for all taxing jurisdictions in FY 2024-25, 8 percent in FY 2025-26, 5.5 percent in FY 2026-27 and 5 percent thereafter. Our assumptions utilize flat millage (tax) rates for the forecast period based on the FY 2023-24 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. 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.

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 $85.42 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

The Countywide operating millage rate reflects an adopted one percent reduction from the FY 2022-23 Adopted rate. The operating millage rates for Fire, Library, and UMSA are proposed to remain flat from the rates adopted in FY 2022-23.

Tax Roll Growth

The Countywide, UMSA, Fire and Library property tax rolls are anticipated to grow ten percent in FY 2024-25. For the remaining years of the five-year forecast, all four taxing districts are assumed to grow 8 percent in FY 2025-26, 5.5 percent in FY 2026-27 and 5 percent thereafter.

Inflation

Fiscal Year	Inflation Adjustment
2025	3.8%
2026	3.5%
2027	3.0%
2028	3.0%
2029	3.0%

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 2022-23 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 2027-28 ($200 million).

New Facilities

The five-year financial outlook includes future libraries in Key Biscayne 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.