

ANNUAL REPORT 2022



Town of Palm Beach

Fiscal Year Ended September 30, 2022



ABOUT THE PAFR

The purpose of the Popular Annual Financial Report (PAFR) is to provide an overview of the financial operations of the Town of Palm Beach, as reported in the Town’s Annual Comprehensive Financial Report (ACFR), along with other information of interest. It is intended to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. A more detailed account of the Town’s financial picture is available in the ACFR, which can be found on the Town’s website, www.townofpalmbeach.com, or by calling the Finance Department, (561) 838-5444.

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MAYOR AND TOWN COUNCIL

Palm Beach Mayor and Town Council Members from left to right:
Councilman Lew Crampton, Council President Pro-Tem Bobbie Lindsay,
Mayor Danielle Moore, Council President Maggie Ziedman, Councilwoman
Julie Araskog, Councilman Ted Cooney

Town Officials

Mayor

Danielle Hickox Moore

Town Council

Maggie Ziedman, President
Bobbie Lindsay, President Pro Tem
Julie Araskog
Ted Cooney
Lew Crampton

Town Manager

Kirk Blouin

Town Attorney

John C. Randolph

Senior Management Team

Bob Miracle, Deputy Town Manager, Finance and Administration
Carolyn Stone, Deputy Town Manager, Business Enterprise and Culture
Gillian Barth, Director of People and Culture
Wayne Bergman, Director of Planning, Zoning and Building
H. Paul Brazil, Director of Public Works
Mark Bresnahan, Director of Recreation
Nicholas Caristo, Chief of Police
Darrel Donatto, Fire Rescue Chief
Andy Jadoo, Director of Information Technology

MESSAGE FROM THE MAYOR

Dear Residents,

I am pleased to present the Town of Palm Beach's Popular Annual Financial Report (PAFR) for the fiscal year that ended September 30, 2022. The PAFR communicates the financial condition of the Town through open, user-friendly financial reporting to increase public awareness and understanding of where Town revenues come from and how dollars are spent.

On behalf of the Town Council, I am pleased to report the Town once again ended the fiscal year positively. In addition to the Town's stellar financial soundness, Town Council is incredibly proud to present this summary of the great accomplishments and significant activities that occurred in our great Town this past year.

Thank you to our incredible Town staff who continually balances fiscal stability while delivering superb services to residents and businesses. I would like to also thank our residents, businesses, and community organizations that work every day to be successful in their endeavors that contribute to our great Town.

I hope the Popular Annual Financial Report (PAFR) better clarifies the Town's finances. Questions, comments, and feedback are always welcome. Please do not hesitate to contact us at towncouncil@townofpalmbeach.com or (561) 838-5414 so we can best serve you.

Sincerely,



Danielle H. Moore
Mayor



MESSAGE FROM THE TOWN MANAGER

Dear Residents,

We are pleased to present the Annual Report of the Town of Palm Beach operations and finances for the fiscal year that ended September 30, 2022.

The annual report contains year-end financial data, information about property taxes, fiscal year 2021/2022 department accomplishments, zoning reform highlights, along with information and financials on two of the Town's Enterprise Funds, Par 3 Golf Course and the Building Fund. This is the 8th consecutive year that the Town's millage rate was lowered, providing property tax relief to homesteaded property owners. For the fourth straight year, we have ended the year with a surplus; The surplus for FY22 was \$513,455. The Town's reserves are healthy, and our Par 3 Golf Course had a record year and ended the year with a surplus of \$1,331,289.

The newly reconstructed Town Marina celebrated its one-year anniversary in November and exceeded revenue expectations for FY22. The Marina Fund ended the year with a \$1,923,958 surplus after transferring \$2.6 million to the Underground Utility Fund to fund the deficit. If you are interested in following the Town's finances each month, we produce a monthly financial report that is posted on the Town's website in the Finance Department section.

The Town Staff is grateful to the Mayor and Town Council for their leadership on Town policy matters and their commitment to enhancing the quality of services provided to Town residents in the most fiscally responsible manner. The Town staff supports the Mayor and Town Council in this endeavor, by committing ourselves to responsive, goal-driven management as well as the courteous and efficient delivery of services.

We hope that you will find this Annual Report to be an informative summary of Town operations. Please call (561) 838-5410 or email townmanager@townofpalmbeach.com if you would like to share a comment, a concern, or a suggestion for how we can serve you better.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk Blouin". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Kirk W. Blouin
Town Manager

FINANCIAL STATEMENTS

General Fund Balance Sheet
Fiscal Year Ended September 30

	2022	2021	2020	2019	2018
Assets					
Cash and Investments	43,047,186	\$40,467,761	\$37,913,314	\$33,320,297	\$30,610,951
Receivables	1,367,193	1,682,402	1,048,670	1,207,769	2,484,434
Due from Other Governments	257,971	505,711	1,540,251	1,657,953	629,758
Inventory	514,697	414,983	362,565	374,610	387,093
Prepaid Items	10,387	10,037	2,913	21,856	38,409
Total Assets	\$45,197,434	\$43,080,894	\$40,867,713	\$36,582,485	\$34,150,645
Liabilities					
Accounts Payable	\$3,723,342	\$2,436,341	\$3,37,993	\$1,983,947	\$2,964,300
Due to Other Governments	-	-	-	-	-
Accrued Liabilities	1,407,939	1,060,406	1,063,791	676,196	543,549
Unearned Revenue	2,073,372	2,104,821	2,507,316	1,732,327	1,884,012
Total Liabilities	\$7,204,653	\$5,601,568	\$5,709,100	\$4,392,470	\$4,425,721
Fund Balance					
Non-spendable	\$525,084	\$425,020	\$365,478	\$396,466	\$422,502
Restricted	-	-	-	-	-
Committed	2,476,077	2,791,672	2,784,655	3,094,888	3,129,714
Assigned	4,289,488	6,261,302	2,379,755	2,158,458	2,335,827
Unassigned	30,702,132	28,001,332	29,628,725	26,540,203	23,063,128
Total Equity and Other Credits	\$37,992,781	\$37,479,326	\$35,158,613	\$32,190,015	\$28,954,171
Total Liabilities and Fund Balance	\$45,197,434	\$43,080,894	\$40,867,713	\$36,582,485	\$34,150,645



The condensed financial statements present the Town's General Fund, along with information on the Marina, Par 3 Golf Course and Building Enterprise Funds only. The purpose of these statements is to provide citizens with a summarized version of the information contained within the Town's Annual Comprehensive Financial Report (ACFR). The Town's accounting policies conform to Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB). The Town's separately prepared and audited ACFR offers a complete description of the Town's significant accounting policies and other disclosures required by GAAP, as well a more detailed analysis of the Town's financial position. A copy of the ACFR may be obtained from the Finance Department at Town Hall or the Town's website, www.townofpalmbeach.com.

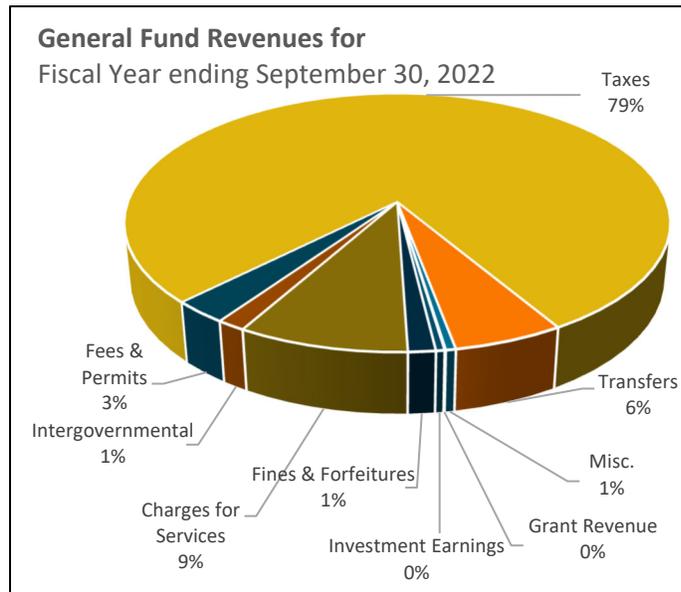
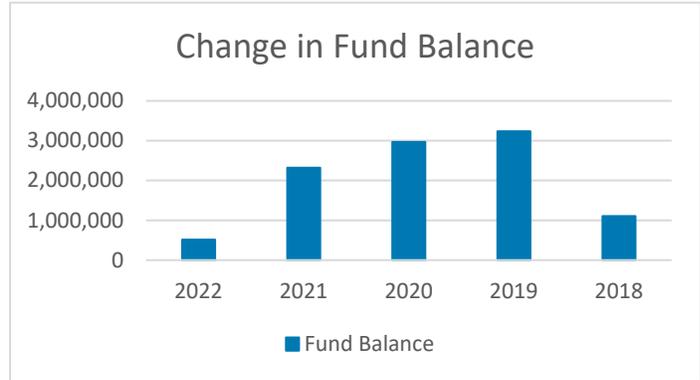
FINANCIAL STATEMENTS

General Fund Statement of Revenue, Expenditures and Changes in Fund Balance Fiscal Year Ended September 30

	2022	2021	2020	2019	2018
Revenues					
Taxes	\$70,665,372	\$67,542,780	\$66,175,454	\$64,183,088	\$61,446,017
Fees and Permits	2,544,896	1,693,234	9,010,686	11,126,361	9,339,708
Intergovernmental	1,313,975	1,111,661	1,007,914	1,086,685	1,027,043
Charges for Services	7,803,802	7,176,166	5,648,639	5,152,779	3,763,590
Fines and Forfeitures	1,247,451	918,508	780,975	904,075	1,068,543
Investment Earnings (loss)	(392,114)	109,290	696,607	969,781	702,261
Grant Revenue	47,052	917,762	940,693	195,380	379,573
Miscellaneous	458,580	499,518	479,155	414,487	384,133
Total Revenues	\$83,689,014	79,968,919	\$84,740,123	\$84,032,636	\$78,110,868
Expenditures					
General Government	\$9,921,176	\$8,611,000	\$9,685,883	\$9,885,937	\$10,893,356
Public Safety	32,320,419	32,381,571	32,429,551	29,559,611	28,611,352
Physical Environment	13,584,311	12,949,523	12,658,095	12,095,491	12,405,255
Transportation	1,325,100	1,027,931	892,693	1,047,748	1,188,568
Culture and Recreation	4,133,532	3,887,552	3,573,250	3,072,743	2,237,682
Non-Departmental	7,606,161	7,434,622	7,324,441	11,434,745	6,609,398
Capital Outlay	175,557	162,751	164,038	182,690	134,830
Debt Service	31,853	-	-	-	-
Total Expenditures	\$69,098,109	\$66,454,950	\$66,727,951	\$67,278,965	\$62,080,441
Other Financing Sources (Uses)					
Lease (right-of-use asset) acquired	\$63,063	-	-	-	-
Transfers in	5,061,266	3,225,000	25,000	2,161,035	585,000
Transfers out	(19,201,779)	(14,418,256)	(15,068,574)	(15,678,862)	(15,510,655)
Total Other Financing Sources (Uses)	(\$14,077,450)	\$(11,193,256)	\$(15,043,574)	\$(13,517,827)	\$(14,925,655)
Net Change in Fund Balance	\$513,455	\$2,320,713	\$2,968,598	\$3,235,844	\$1,104,772
Fund Balance, Beginning	\$37,479,326	\$35,158,613	\$32,190,015	\$28,954,171	\$27,849,399
Fund Balance, Ending	\$37,992,781	\$37,479,326	\$35,158,613	\$32,190,015	\$28,954,171

GENERAL FUND REVENUES AND EXPENDITURES

For the fiscal year ending September 30, 2022, the Town finished the year with a \$500,000 surplus. For the past 5 years the Town has finished the year with a surplus and added to the general fund reserves. The graph to the right depicts the last 5 years of net change in fund balance.



General services of the Town are financed through taxes, licenses and permits, intergovernmental revenue and charges for services. Total revenues in fiscal year 2022 were \$88,750,280, including transfers in.

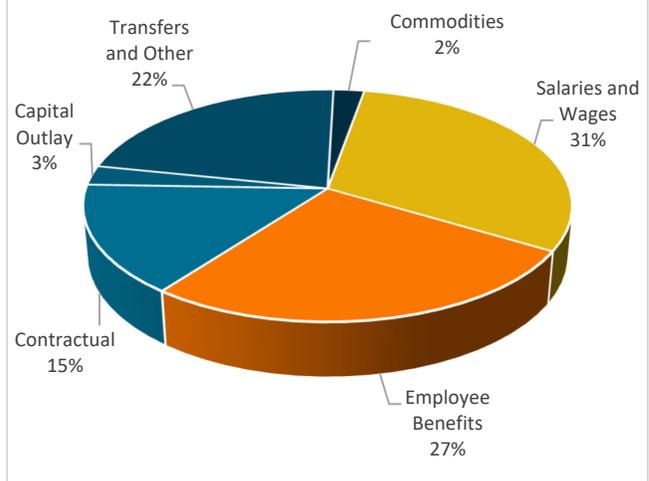
The bulk of the revenues come from taxes, namely property taxes. Other tax revenue includes utility taxes, franchise fees and local option gasoline taxes.

Revenues increased \$5,556,361 (6.7%) mainly due to increases in property taxes and the transfers from the Marina and Building Enterprise funds to cover expenses funded by the General Fund.

General fund expenditures total \$88,299,888, including transfers out. Expenditures increased 9.2% over 2021 due mainly to an additional transfer of \$4 million to the capital improvement fund to help fund the reconstruction of the North Fire Station.

The majority of the General Fund expenditures relate to employee pay and benefits, which represents 58% of total expenditures. Transfers to other Town funds represent 22% and contractual expenditures represent 15%.

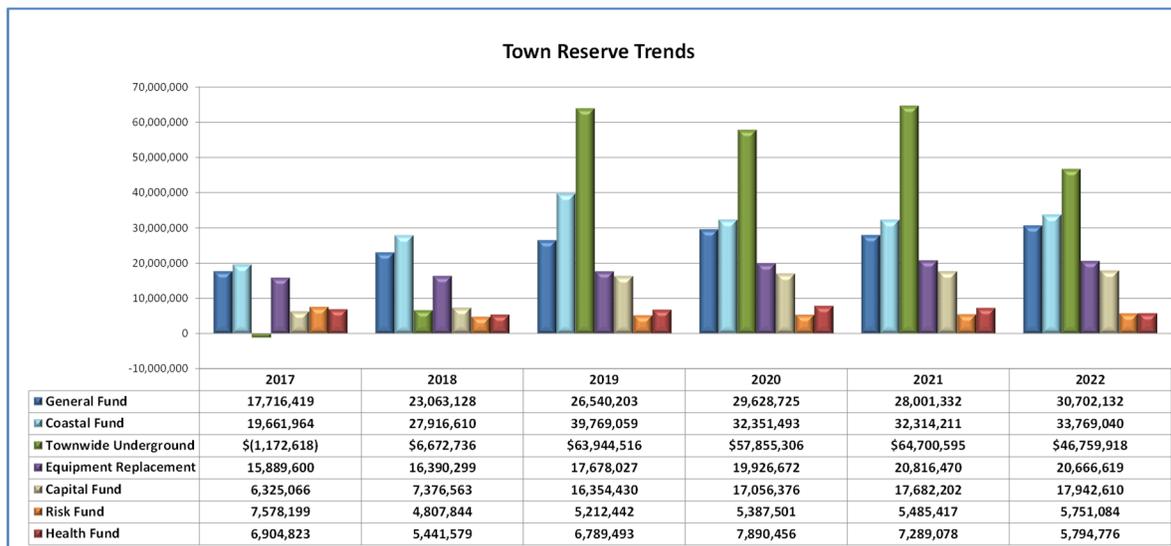
General Fund Expenditures by Category
Fiscal Year Ended September 30, 2022



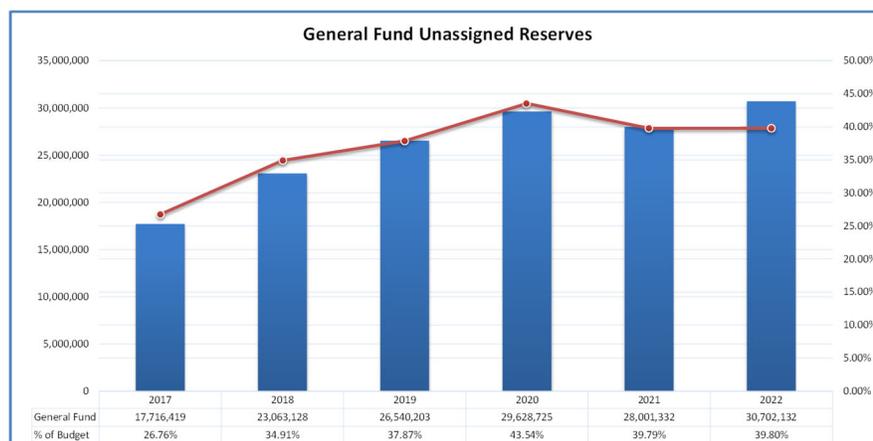
TOWN RESERVES

The financial strength of the Town can be measured by the health of its reserves. Bond rating agencies look closely at the reserve levels and the financial policies in place when rating a municipality. The rating agencies reviewed the Town’s credit ratings in preparation for the issuance of the Town’s bonds, the most recent being a GO bond issued in March 2021. They cited the Town’s healthy reserves, solid fiscal policies, and conservative management practices as some of the reasons for our exceptional bond ratings. Moody’s Investors Service gave the Town an AAA for the Revenue Bonds and provided the Town with a General Obligation Bond rating of Aaa. Standard and Poor’s has recently upgraded the credit rating on the revenue bonds to AAA and provided the Town’s General Obligation Bond a rating of AAA. These revenue bond ratings and issuer credit ratings are the highest ratings these two services issue and represent the highest quality investment grade debt.

The chart below shows the reserve trends of the major Town funds excluding enterprise funds and special revenue funds.



The Town’s policy is to maintain an unassigned fund balance for the General Fund at a minimum level of 25% of current year General Fund budgeted operating expenditures. This minimum level is to be maintained to protect the Town against economic downturns, temporary revenue shortfalls, unpredicted one-time expenditures, and for tax rate stabilization purposes. Twenty-five percent of the FY22 General Fund operating budget (General Fund budget less CIP, coastal and extraordinary retirement transfer) is \$19,248,047. The FY22 ending fund balance was \$30,702,132. The unassigned fund balance exceeded the minimum requirement by \$11,418,086. The General Fund Undesignated Fund Balance has consistently exceeded the required minimum level of 25%. The chart below shows the trend for the General Fund Undesignated Fund Balance and the percent of budgeted expenditures the balance represents.

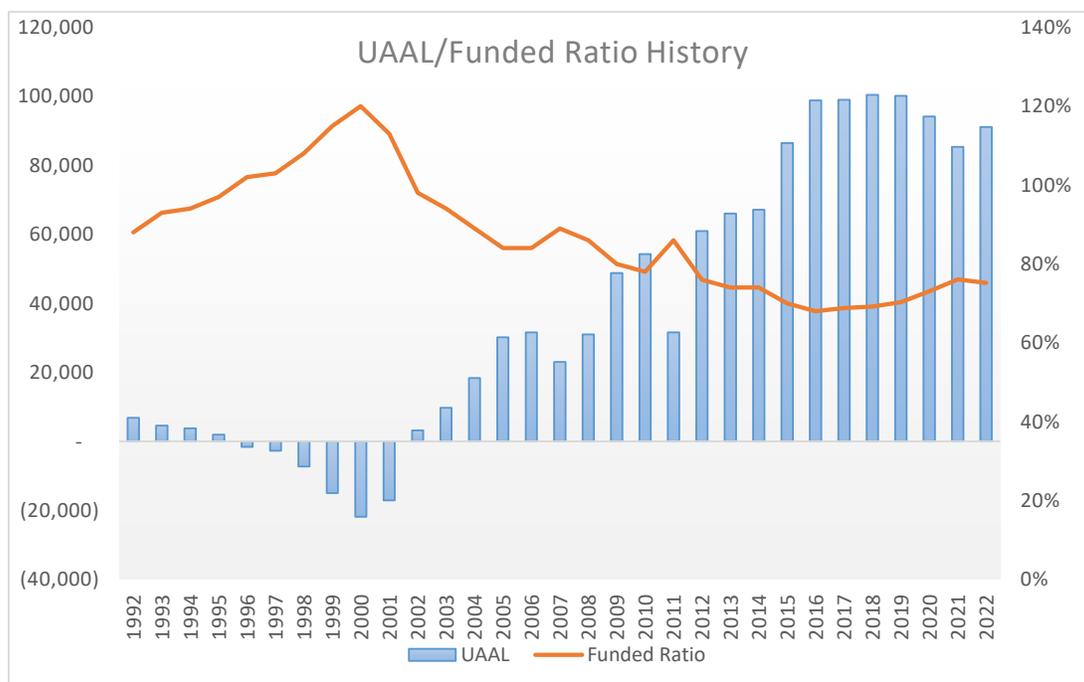


RETIREMENT PLAN

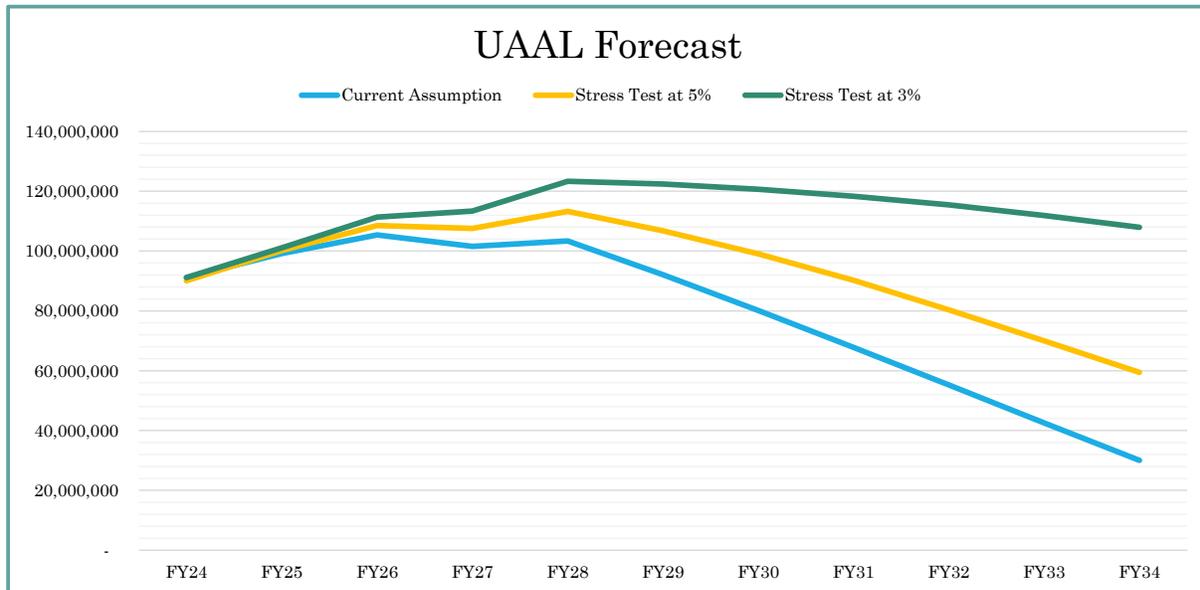
The Town of Palm Beach has a pension fund for Police, Firefighters and General Employees. The investments of the fund are overseen by the Retirement Board of Trustees. The Fund has adopted an investment strategy emphasizing broad diversification. Diversification helps to reduce portfolio volatility (variability of returns) and maximize investment returns at appropriate levels of risk over time. The Fund seeks to meet or exceed the System’s actuarial rate of return assumption while looking for opportunities to reduce volatility through diversification. The investments in the fund for FY22 returned (16.52%) versus the assumption of 6.4%.



The funded ratio for the plan decreased from 76.1% to 75.2%. The loss is mainly attributable to unfavorable investment experience and recent changes to the investment assumption rate and the mortality rates. In addition, the Town has contributed an additional \$5,420,000 per year since 2019 to reduce the Unfunded Actuarial Accrued Liability (UAAL). The UAAL increased from \$85,333,977 to \$91,096,064. The chart below shows the history of the UAAL and funded ratio since 1992.



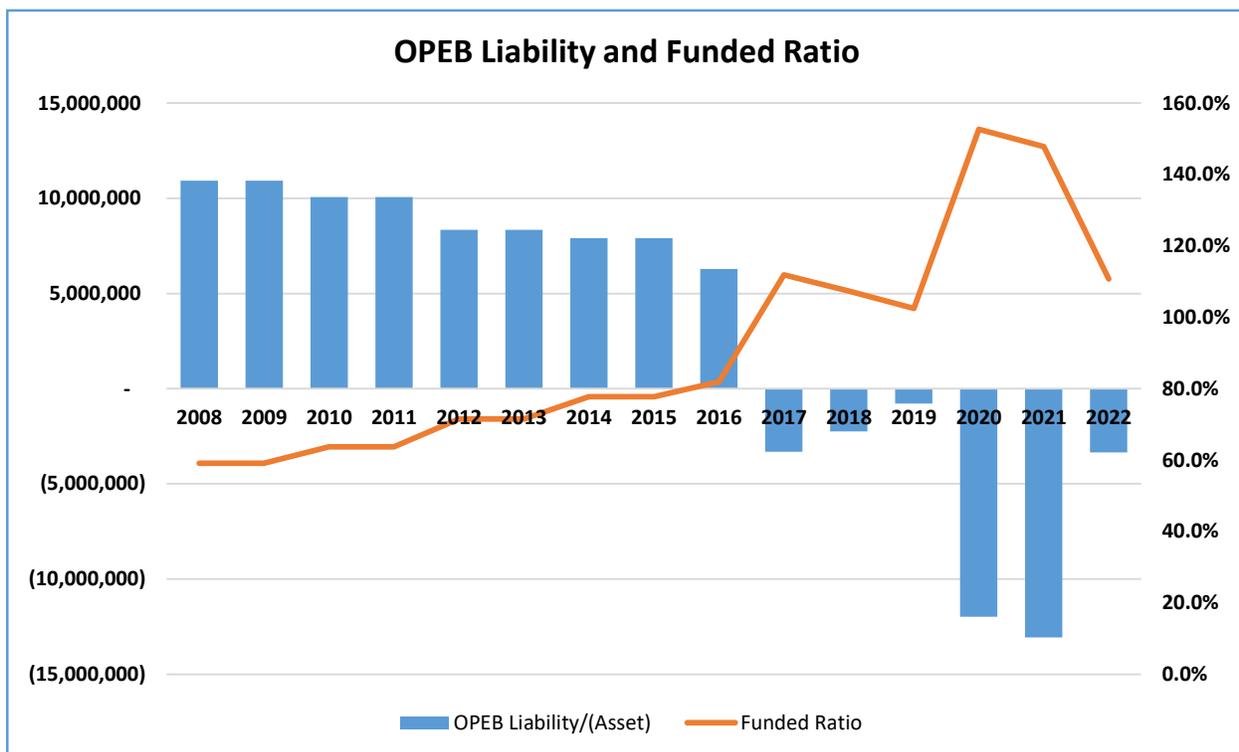
A 10-year forecast of the Unfunded Actuarial Accrued Liability (UAAL) has been prepared by the actuary and is shown on the graph on the following page. The current assumptions include the reduction in investment return by 0.2% per year from 6.2% which will be used in the September 30, 2023, Actuarial Valuation Report to 6% in 2024. The forecast also includes stress tests using a 5% and 3% annual return. The baseline assumptions result in a 92.4% funded ratio for the valuation date of September 30, 2032.



OTHER POST-EMPLOYMENT BENEFITS (OPEB) TRUST

The Town makes post-employment health care benefits available to retirees and funds a portion of the retiree health insurance benefits. The OPEB Trust was established in 2007 and is overseen by the Investment Advisory Committee.

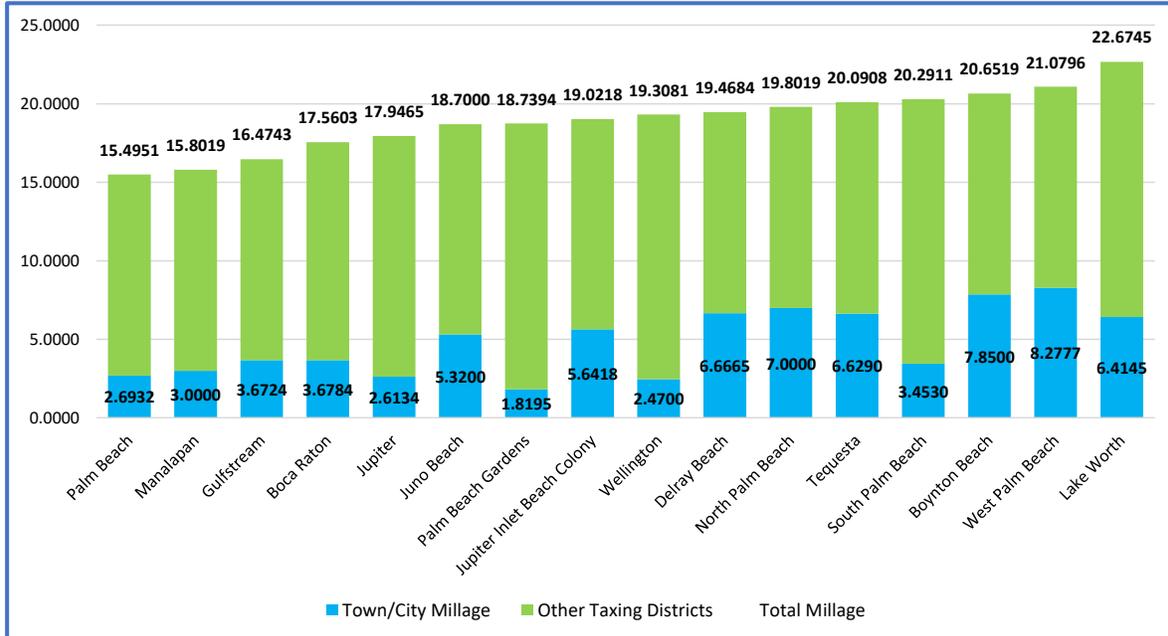
An actuarial valuation of the post-employment health plan was conducted as of September 30, 2022. The total Fiduciary Net Position for the OPEB Trust as of September 30, 2022, was \$34,407,601, the total OPEB Liability was \$31,068,482 resulting in a Net OPEB Asset of \$3,339,119 and a funded ratio of 110.8%. The long-term expected rate of return assumption for the plan is 5%.



PROPERTY TAXES

Millage Rates for Palm Beach County Municipalities

The Town of Palm Beach has the lowest overall tax rates in the County for the last three fiscal years. The Town of Palm Beach is a full-service community and does not charge additional fees for residential refuse collection and storm water services as some of the other communities listed in the chart. Many of the communities that have a low municipal millage, contract out their fire-rescue, and in some cases police services, to Palm Beach County.



AD VALOREM TAX CALCULATION

The millage rate is the ad valorem tax rate levied per \$1,000 of a property’s taxable value. The rate is expressed in mills. Each taxing authority adopts a millage rate every year that appears on the property tax bill. To calculate the tax levy using a given millage rate the formula is:

$$\text{TAXABLE VALUE}/1,000 \times \text{MILLAGE RATE} = \$ \text{AD VALOREM TAX}$$

For example, a Palm Beach property with an assessed value of \$1,000,000 and homestead exemptions of \$50,000 results in a taxable value of \$950,000. The ad valorem property tax for the Town of Palm Beach would be:

\$950,000/1,000 * 2.6932 Mills = \$2,559

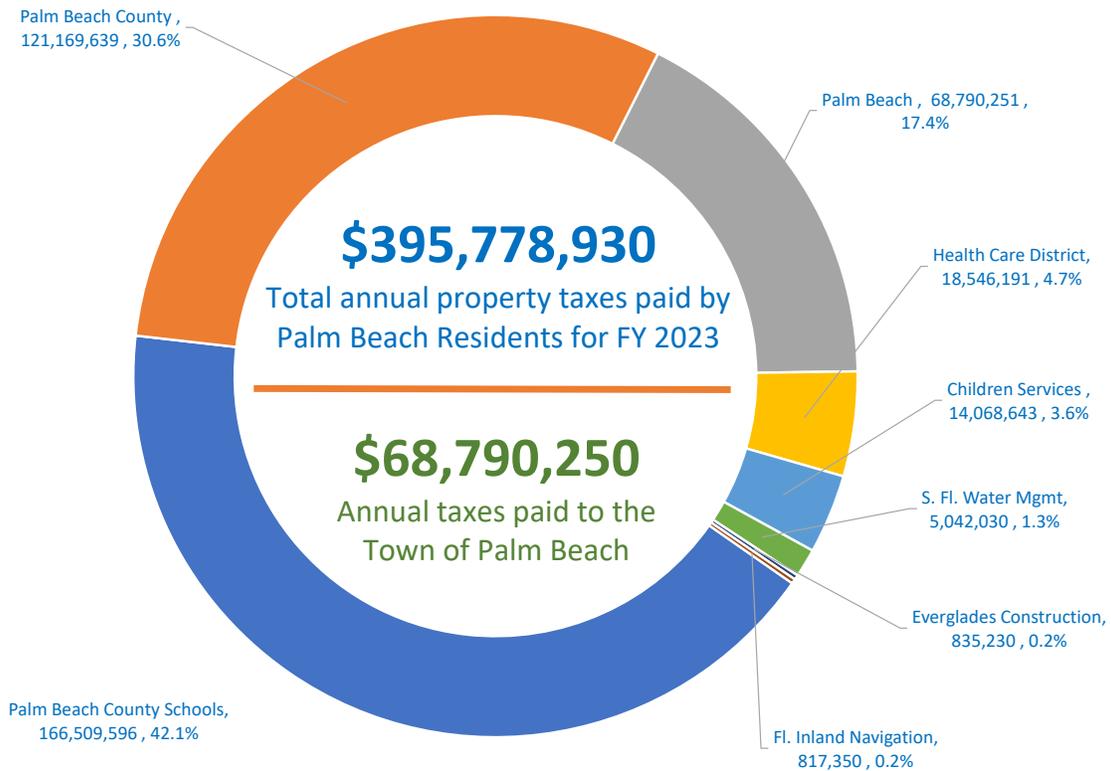
Total taxes paid for all taxing districts would be:

\$950,000/1,000 * 15.4951 Mills = \$14,720

Homestead Exemption/Save our Homes

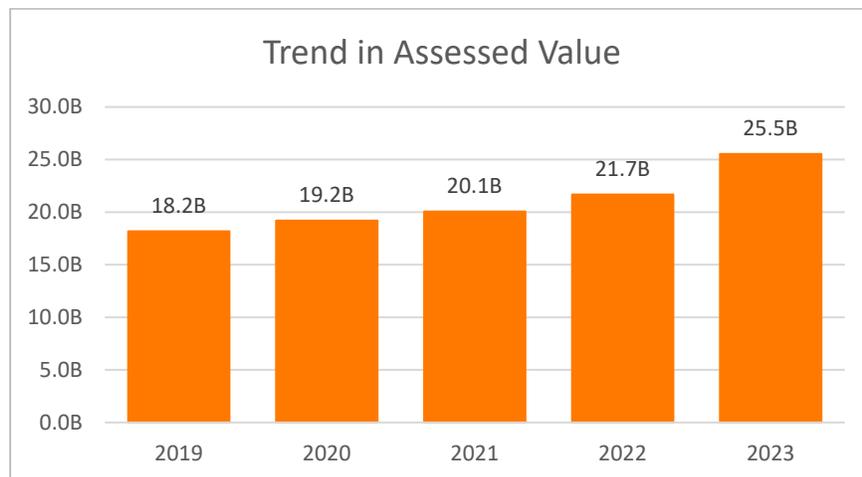
Every person who has a legal title to real property in the State of Florida and who resides thereon and makes it his/her permanent residence as of January 1st is eligible for a homestead exemption. The homestead exemption is a \$25,000 reduction in the first \$50,000 of your property’s assessed value and then an additional \$25,000 reduction in assessed value is applied for all taxing districts, except the School District. In addition to the exemption, the homesteaded property would be subject to the “Save Our Homes” (or 3% cap) provision of the State of Florida’s Constitution which took effect January 1, 1995. The provision limits the annual increases in the assessment of homesteaded properties to 3% or the Consumer Price Index, whichever is less. You can e-file your homestead exemption by visiting the Property Appraiser’s website, www.pbcgov.com/PAPA. For information, or to apply for a homestead exemption contact the Palm Beach County Property Appraiser’s Office at (561) 355-2866.

TOTAL ANNUAL PROPERTY TAXES PAID BY TOWN OF PALM BEACH RESIDENTS



Assessed Values in the Town of Palm Beach

The assessed value refers to the value placed on a homesteaded property before any exemptions are deducted but after the property tax cap is factored in. For non-homesteaded properties, the assessed value is the value placed on a property after a 10% cap is factored in. Assessed value minus exemptions equals taxable value. Below is a chart showing the increase in assessed value in the Town of Palm Beach over the last 5 years. Since 2019 assessed values in the Town of Palm Beach have increased 40%.



FISCAL YEAR 2022/2023 ACCOMPLISHMENTS

New Executive Team Named for the Town of Palm Beach

As part of a realignment of duties in Town Hall the Town Manager, Kirk Blouin, has named Carolyn Stone and Bob Miracle as Deputy Town Managers. Carolyn was promoted from Assistant Town Manager and will oversee People and Culture, Town Manager's Office, Town Clerk and the Recreation department, including the Marina and Par 3. Bob joins the Town of Palm Beach from Mecklenburg County, North Carolina, where he previously served as Deputy Chief Financial Officer. He will oversee the Town's Finance, Procurement, Risk and Information Technology departments. This new structural organization will allow for a more vertical integration reporting.



Carolyn Stone, *Deputy Town Manager – Business, Enterprise and Culture*



Bob Miracle, *Deputy Town Manager – Finance and Administration*

Procurement and Contract Management Team Receives Award of Excellence

The Town of Palm Beach Procurement and Contract Management Division was one of 178 recipients in 2022 to receive the Achievement of Excellence in Public Procurement. This prestigious annual award is earned by those organizations that demonstrate excellence by obtaining a high score based on criteria designed to measure innovation, professionalism, productivity, e-procurement, and leadership attributes of the procurement organization.



Procurement and Contract Management Team

Zoning Code Reform

The Town zoning code, originally written in the 1970's, is in need of reviewal and updates. In fact, most of the Town's most treasured architectural and iconic building could not be built today without variances. The current code does not sufficiently address more contemporary issues, such as the current and proposed FEMA building elevations and parking concerns throughout the Town. The Town has engaged consultants to help review, simplify and suggest recommendations for adapting the code to 2023 and beyond. The reform process will include a "Charrette" process in February 2023 to hear resident concerns, opinions, and advice.



Statement of Revenues, Expenses and Changes in Fund Net Position
Building Enterprise Fund
Fiscal Year Ended September 30

	2022	2021
Operating Revenues		
Building fees and related revenue	12,089,741	10,669,779
Fines and Forfeitures	230,304	71,451
Other operating revenue	1,300	570
Total Operating Revenues	12,321,345	10,741,800
Operating Expenses		
Personal services	2,037,930	4,207,957
Contractual services	542,476	524,153
Repairs and maintenance	277,107	62,336
Materials and supplies	71,881	27,509
Depreciation and amortization	9,818	7,930
Other	131,518	94,401
Total Operating Expenses	3,070,730	4,924,286
Operating Income	9,250,615	5,817,514
Nonoperating Revenues (Expenses)		
Investment earnings (loss)	55,489	2,251
Interest and fiscal charges	(46)	
Total Nonoperating Revenues (Expenses)	55,443	2,251
Income before capital contributions from other funds and transfers	9,306,058	5,819,765
Capital contributions from other funds		26,940
Transfers out	(4,524,601)	(3,200,000)
Change in Net Position	4,781,457	2,646,705
Net Position - Beginning	2,646,705	-
Net Position - Ending	<u>7,428,162</u>	<u>2,646,705</u>

Employee of the Year



*Danny Rojas and
Mayor Danielle H. Moore*

Longtime employee, Danny Rojas, was awarded the Town's employee of the year in December 2022. The award honors employees who demonstrate a commitment to the Town's organizational values. Danny has served as the Town's warehouse coordinator for 21 years. He was recently part of the implementation team for Town's new inventory management software system. He also coordinates the Town's surplus inventory, which has generated over \$600,000 in revenue over the past 5 years.

Hurricane Ian Response



Town of Palm Beach Fire Rescue deployed several teams of rescuers following the devastation of Hurricane Ian on Florida's West Coast. The department sent personnel on a total of 6 missions that operated with rescue teams from all over the state, 2 FEMA Urban Search and Rescue Task Force teams based in Miami, and other federal rescue assets from as far away as Virginia. The fire rescue teams assisted with search and rescue, building inspections, emergency calls, and any other concerns the storm victims needed.

A total of 1 Engine Strike team with four personnel, two separate ambulance strike teams, each with three personnel, and PBFR Fire Marshall Marty Deloach worked with three different prevention strike team missions, acting as the team leader on one of the missions to assess damage to critical infrastructure assets in the region. Crews operated in the heaviest hit areas of the Florida West Coast, enduring austere conditions while being part of the team that made a positive difference in the lives of others.



North Fire Station Reconstruction



During an inspection last summer, the 95-year-old fire station at 300 S. County Road was found to have water damage and mold growth, hastening the need to reconstruct the building. The three-story structure, given historic status in 1988, is currently the third-oldest fire station still in operation in Florida and was home to 11 fire rescue and civilian workers.

Fire-Rescue staff are anticipated to occupy the trailers for approximately 24 months while construction on the North Fire Station is underway. Fire-Rescue staff at the water-damaged North Fire Station in Palm Beach will work out of a temporary facility once

renovation work on the landmarked building begins. Administrative Staff members of the fire department will operate out of Central Fire Station's EOC on the third floor.

Information Technology Data Center Refresh Project

The Office of Information Technology is planning to upgrade the Town's compute and storage infrastructure, more specifically, the server equipment and supporting peripherals that operate the virtual compute and data storage environment. The last major upgrade of this type was completed in FY16. This needed upgrade is the first step of a strategic IT plan that will include a resilient infrastructure; improved disaster recovery; better data backup; and enhanced cybersecurity. The IT department worked with several vendors to develop the right solution that provides equipment installation, configuration, and training that will provide the Town with computing capacity that will meet our needs for several years into the future.



Investments Towards the town's Green Initiative



The Police Department continued its investments towards the Town's green initiative through continued purchases of hybrid patrol vehicles and an all-electric Ford Mustang Mach-E. The Mach-E will be used by the Department to conduct unmarked traffic enforcement in our efforts to keep Palm Beach's roadways safe.

New GIS Division



Geographic Information Systems, better known as GIS, is critical to the Town. Many departments in the Town rely on GIS data and maps to accomplish their daily operations and strategic planning. In the past GIS work was done by three individuals in different departments within the Town, but a vision was put forth to form an official GIS Division with uniform directives, objectives, and goals that will surpass the status quo; eliminate redundancies; and provide economies of scale productivity through prioritized, structured, and appropriately channeled work- all with a shared voice and a single vision and overarching goal of taking GIS at the Town of Palm Beach to whole new levels. On October 1, 2022

Town of Palm Beach officially started its GIS Division consisting of three new positions GIS Manager, GIS Analyst, and GIS Specialist. The new GIS Division's goals are to continue the growth and improvement of GIS (geographical information system) services throughout the town through enhanced leveraging of staffing resources, data, and applications.

Community Relations

The Police Department's Business & Community Relations Unit has continued through their expansion last year into becoming the face of the Police Department. Their high visibility community contacts, positive attitudes, and emphasis on community interaction have received copious amounts of praise from residents and business owners alike. Their work is directly benefiting the high quality of life in the Town, and we anticipate greater need for their high level of service into future years.



Revenue Bond Upgrade

Moody's has upgraded the Town's revenue bonds from Aa1 to Aaa. This is the highest bond rating the Town can receive. The Town now has a "AAA" rating for all of its bonded debt. This reflects highly on the Town's fiscal diligence and planning.

Town-wide Underground Project Update

Since construction of the Townwide Underground Project began in July 2017, much progress has been made to underground the FPL, AT&T and Comcast utility lines. The project consists of 15 phases. Five of the phases are complete. Seven of the phases are under construction with 2 of those nearly complete. Out of the 3 remaining phases 2 will be out for bid in Summer 2023 with the final phases in design. The progress for each phase is outlined below:

Phase 1 North: From the Inlet south to Onondaga Ave.

- Completed March 30, 2019

Phase 1 South: From southern Town limits north to Sloan's Curve

- Completed April 3, 2020

Phase 2 North Construction: From Esplanade Way to Ocean Terrace

- Completed October 29, 2020

Phase 2 South Construction: From Sloan's' Curve to the intersection of S. Ocean Blvd & S. County Road

- Completed January 2023

Phase 3 North Construction: From Osceola Way to the north-side of La Puerta Way

- Complete September 17, 2021

Phase 3 South: From S. Ocean Blvd & S. County Road to the alleyway south of Worth Ave.

- Phase 3 South construction is 81% complete. FPL energizing of underground feeder lines has begun.

Phase 4 North: From south-side of La Puerta Way to north-side of List Road

- Construction for Phase 4 North is 82% complete. The vast majority of homes have been converted to the underground system.

Phase 4 South: From Peruvian to Royal Palm Way

- Construction is 35% complete.

Phase 5 North: From Country Club Road to Southland Road

- Construction is 60% completed.

Phase 5 South: From South Lake Drive/Hibiscus Ave. & Peruvian Ave./Royal Palm Way, properties between the intracoastal waterway and the Atlantic Ocean and from Royal Palm Way to Seaspray Ave.

- Construction is 32% completed.

Phase 6 North: From Chateaux Drive & Kawama Lane to the south-side of Plantation Road

- Construction is initiated and awaiting materials.





Phase 6 South: Seaspray Ave. to the south of Royal Poinciana Way

- Construction is initiated and awaiting materials.

Phase 7 North: Palm Beach Country Club north to the south side of List Road

- Design is 80% complete and on schedule to be bid in Summer of 2023.
- 58 of 79 (73%) easements approved.

Phase 7 South: Atlantic Ave. north to Via Los Incas & Sanford Ave.

- Design is 80% complete and on schedule to be bid in Summer of 2023.
- 39 of 54 (72%) easements approved.

Phase 8: Royal Poinciana Way north to Everglade Ave.

- Design is 29% complete and on schedule.
- 8 of 87 (8%) easements approved.

Seaview and Phipps Ocean Park Tennis Centers

The Town's tennis resurgence continued with many residents returning to their love of tennis or discovering/rediscovers the high-quality courts. Residents represented 72% of players, 62% of juniors, and 84% of adults. This past year also saw a continuation of a few events, notably the Town of Palm Beach Championships - doubles, singles, and mixed doubles in January, February, and April, respectively. In addition, a full slate of teams (six) is again representing the Town, including two senior league teams. The Town has added Pickleball to the activities list, incorporating lessons, clinics, and open play.

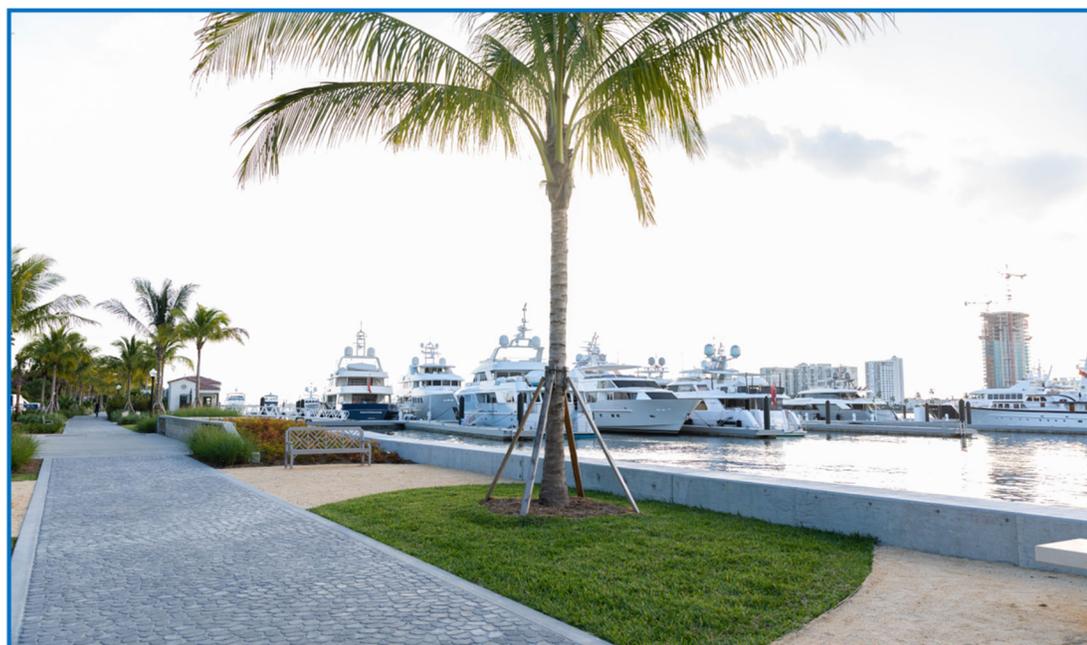


Palm Beach Marina Celebrates One-Year Anniversary



The Town of Palm Beach Marina celebrated its one-year anniversary in December, and by every measure, year one was a tremendous success. Seasonal and Annual Leases exceeded all expectations, with revenues coming in at 107% of Budget vs. Actual for a total of \$8,306,898 of revenue. Transient slip revenue also exceeded expectations, with %Budget vs. Actual coming in at 155% for a total revenue of \$1,683,840. Total revenue for the marina operations topped \$10 million on operating expenses of just under \$2.5 million.

Anchored in the heart of Palm Beach, the marina serves residents and visitors alike. It offers patrons easy access to other municipal facilities (like the Mandel Recreation Center, Seaview and Phipps Tennis and the world-famous Palm Beach Par 3) and local businesses. State-of-the-art amenities and top-notch customer service in a premier destination will chart the course for continued marina success. Thanks to our amazing customers for a successful year one – happy yachting!



Statement of Revenues, Expenses and Changes in Fund Net Position

Marina Fund

Fiscal Years Ended September 30

	2022	2021
Operating Revenues		
Marina Fees and related revenue	10,488,652	9,987
Other operating revenue	1,720	-
Total Operating Revenues	10,490,372	9,987
Operating Expenses		
Personal services	927,591	12,919
Contractual services	520,642	353,957
Repairs and maintenance	50,586	29,988
Materials and supplies	42,751	2,811
Utilities	580,866	10,555
Depreciation and amortization	1,723,069	155,431
Other	675,910	182,181
Total Operating Expenses	4,521,415	747,842
Operating Income	5,968,957	(737,855)
Nonoperating Revenues (Expenses)		
Investment earnings (loss)	(256,291)	34,477
Interest and fiscal charges	(677,043)	(699,360)
Gain/(Loss) on disposal of assets	-	(990,486)
Total Nonoperating Revenues (Expenses)	(933,334)	(1,655,369)
Income before capital contributions from other funds and transfers	5,035,623	(2,393,224)
Capital contributions from grants	-	1,918,494
Transfers out	(3,111,665)	-
Change in Net Position	1,923,958	(474,730)
Net Position - Beginning	12,006,656	12,481,386
Net Position - Ending	<u>13,930,614</u>	<u>12,006,656</u>



Par 3 Golf Course Has Record Breaking Year

It was an exceptional year in every way for golf operations. Lessons, shop sales, rounds, and the restaurant were all up in a big way. The Palm Beach Par 3 has become a leading golf destination in South Florida. FY21 was by far a record-breaking year with 52,000 rounds of golf and \$3.6M in revenue. Staff was up for the challenge in FY22, as the course finished with 54,000 rounds and more than \$4.4M in revenue!

Shop sales were at an all-time high in FY21 with \$420K in sales, but in FY22 they hit \$675K! Kudos to Tony Chateauvert and Sabrina Gordon, their efforts to improve the appearance and selection of apparel and offerings at the shop led to the shop winning the SFPGA Merchandiser of the Year Award for the entire South Florida Section! The teaching program also had a brilliant year. Gene George, Bob Hite, Tim McCoy, and former Tour player Trevor Dodds have all had incredible years, which resulted in the highest-grossing year in lessons ever.



Superintendent Tim Campbell and his staff did an incredible job in keeping the course in outstanding condition. Starting in May, the course was closed for maintenance on Tuesday mornings to allow staff to work on the golf course without interfering with golfers. In addition, the course was closed for aerification and DryJecting three times during the summer and early fall. The result has been remarkable with greens and tees being in excellent condition despite the huge volume of play.



Staff received approval from Town Council to add eight additional parking spots to the course to help ease the parking crunch due to the popularity of the course and restaurant. Work on adding the eight additional spots is expected to start and be completed in Summer 2023.

Outstanding course conditions are a priority at the Par 3, and the members of the Recreation Advisory Commission have provided input on several aesthetic and practical applications that have been put in use. Additionally, janitorial and clubhouse services remain highly important, and staff is constantly working to improve the experience for guests.

Statement of Revenues, Expenses and Changes in Fund Net Position

Par 3 Golf Course Fund

Fiscal Years Ended September 30

	2022	2021
Operating Revenues		
Golf fees and related revenue	4,363,235	3,642,305
Other operating revenue	1,718	8,627
Total Operating Revenues	4,364,953	3,650,932
Operating Expenses		
Personal services	863,687	355,165
Contractual services	651,795	567,328
Repairs and maintenance	215,249	47,210
Equipment rental	7,625	7,327
Materials and supplies	635,426	466,967
Utilities	113,901	117,953
Depreciation and amortization	295,384	295,423
Other	131,400	108,097
Total Operating Expenses	2,914,467	1,965,470
Operating Income	1,450,486	1,685,462
Nonoperating Revenues (Expenses)		
Investment earnings (loss)	16,401	930
Gain/(Loss) on disposal of assets	8,985	(35,736)
Total Nonoperating Revenues (Expenses)	25,386	(34,806)
Income before capital contributions from other funds and transfers	1,475,872	1,650,656
Capital contributions from other funds	71,517	4,535
Transfers out	(216,100)	(219,813)
Change in Net Position	1,331,289	1,435,378
Net Position - Beginning	11,571,168	10,135,790
Net Position - Ending	<u>12,902,457</u>	<u>11,571,168</u>



BOARDS AND COMMISSIONS

The Mayor and Town Council are deeply appreciative of the many citizens who have volunteered to service on the Town's boards and commissions. Their contributions to our local government are immeasurable. The success of the Town is due to their willingness to share their time and talent for the benefit of our community. We thank the following individuals for their service.

Architectural Commission (ARCOM)

Jeffrey Smith, Chairman
Richard Sammons, Vice Chairman
Elizabeth Connaughton
John David Corey
Kenn Karakul
Thomas Kirchhoff
K.T. Catlin, Alternate
Dan Floershemier, Alternate
Josh Martin, Alternate

Code Enforcement Board

Bram Majtlis, Chairman
Scotch Peloso, Vice Chairman
Martin Klein
Chris Larmoyeux
John McGowan
Pamela Saba
Linda K. Wartow
Harris S. Fried, Alternate
Pamela Davies, Alternate

Investment Advisory Committee

Chris Storkerson, Chairman
Kathleen Anderson, Vice Chairman
Jacqueline de Sanctis
David McDonald
Lloyd McAdams

Landmarks Preservation Commission

Sue Patterson, Chairman
Brittain Damgard, Vice Chairman
Jacqueline Albarran
Julie Herzig Desnick
Anne Fairfax
Alex Hufty Griswold
Bridget Moran
Alexander Ives, Alternate
Anne G. Metzger, Alternate
Fernando Wong, Alternate

Planning and Zoning Commission

Gail Coniglio, Chairman
Rick Pollock, Vice Chairman
Marilyn N. Beuttenmuller
Eric Christu
Richard M. Kleid
Jorge Sanchez
Michael Vincent John Spaziani
William Gilbane, III, Alternate
Nicki McDonald, Alternate
John Tatoes, Alternate

Public Employees Relations Commission

Stephen Jacobs, Chair
J. Patterson "Pat" Cooper
Donald Singer
Jeff Pheterson, Attorney

Recreation Advisory Commission

Nicholas Coniglio, Chairman
Grier Pressly, Vice Chair
Millie Dayton
Peter Harris
Henry "Budge" Jamison
David Missner
Susan Watts

Retirement Board of Trustees

Daniel W. Stanton, Chairman
Ed Carter, Vice Chairman
Thomas Parker, Secretary
David G. Lambert
John Copeland
Bob Miracle (Serves Ex Officio)
Jason Debrincat, Employee Representative
Michael Marx, Employee Representative
Joseph Guelli, Employee Representative

Shore Protection Board

Melissa Ceriale, Chair
Warren Belmar, Vice Chair
Peter Matwiczyn
Ronald Matzner
Erick A. Reickert
Doug Rogers
Joel Zylstra

Strategic Planning Board

Danielle H. Moore
Skip Aldridge
Beth Dowdle
Kristen Kelly-Fisher
Nicki McDonald
Peter McKelvy
Katherine Ostberg
Michael Pucillo
Michael Reiter

Underground Utilities Task Force

John McGowan
Zachary Shipley
Leslie Shaw, Alternate

Volunteer Intergovernmental Liaisons

Michael Fach – Aviation & Airports
Advisory Board (AAAB)
Gerald Frank – City of Lake Worth Beach
and Town of South Palm Beach
James Karman - Metropolitan Planning
Organization (MPO)
Daniel McDonnell – City of West Palm
Beach
Donald Singer – City of West Palm Beach

*Commissions and Boards as of March 30, 2023