



TOWN OF PALM BEACH

KEY FINANCIAL INDICATORS JAN-JULY 2018



Message from

KIRK BLOUIN

Town Manager

and

JANE LE CLAINCHE

Finance Director

Welcome to the inaugural issue of the Town of Palm Beach Dashboard Report on key financial indicators.

Our goal is to provide each quarter the latest information about several of the most important data points that describe our Town's financial condition. This summary information is a service to residents, part of our effort to make our current complex financial reporting system more accessible to everyone.

The Dashboard Report begins as, and will continue to be, a work in progress. This initial report contains key financial indicators as of the end of the third quarter (June 2018). Subsequent quarterly reports will contain updated data based, in part, upon user response. The next Dashboard release, planned for December, will be a FY 2018 year-end report.

On the following pages are charts, graphs and flash numbers that describe trends in key aspects of the Town's financial performance. This first report describes trends in General Fund revenues/expenditures; Town reserves; the status of key revenue sources such as construction activity and assessed property valuation; interest and investment income; pension assets and liabilities; and millage rate comparisons.

All of this information is accessible in much greater detail in publicly available reports found on the town's website. If you have questions, comments or suggestions, please contact **Jane Le Clainche** at (561) 227-6330 or by email at jleclainche@townofpalmbeach.com. We are eager to know what you think!

Sincerely,



Kirk Blouin



Jane Le Clainche



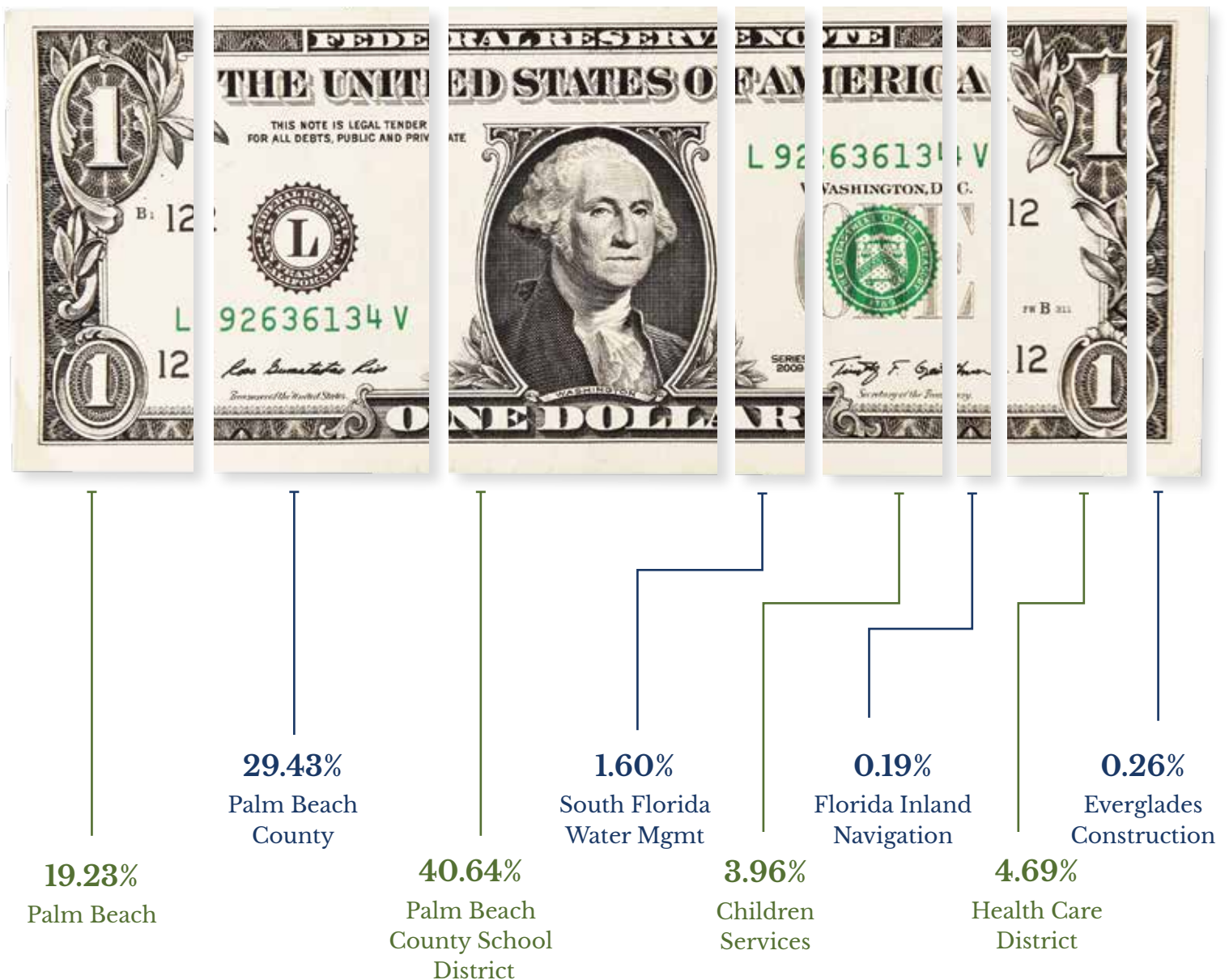
We have selected the following measures that represent a brief and comprehensive picture of the Town’s most important financial indicators. The following bullet points explain the graphs and charts that appear in this report.

- Operating budget and YTD results page 4
- Reserves and investment results page 5
- Pension and trust assets and liabilities page 6
- Property valuations and millage rate page 7-8
- Debt levels page 9

Town Finance News You Can Use ---

- FY18 budget is on track to finish the year with a large surplus. Revenues are higher than anticipated and expenditures will be lower than the original budget due to cost containment measures instituted early in the fiscal year including a hiring freeze. Through July, 2018 the surplus amounts to \$10,180,541 but will decline in August and September since most property tax revenues are received early in the year. If present projections hold, we will end the year with a surplus of over \$4 million.
- The fiscal year-to-date investment return through June earned on the Town’s excess and bond funds of approximately \$130,113,556 is \$760,625.
- Town of Palm Beach recently received a rating upgrade from AA+ to AAA on the Town’s revenue bonds from S&P. Town’s GO bonds also hold a Triple A rating from S&P and Moody's Investor Services.
- The Town’s taxable value for the FY19 budget period increased by 7.75% to over \$18.2 billion.
- The FY19 proposed budget was presented to the Town Council on July 9th. It contains a plan to address the pension liability (JAAL).
- A FY19 budget recommendation to reduce the millage rate by 2.14% (from 3.2037 to 3.1350) will result in a \$0 increase for homestead properties. Non homestead properties may incur an increase of \$174 per million if their taxable value increases by the average of 7.75%
- For FY19, we plan to restructure the Recreation enterprise Fund into separate funds. Golf and Town Docks will be in separate funds. Recreation and Tennis programs will be moved to the General Fund.

WHERE DO YOUR PROPERTY TAX DOLLARS GO?

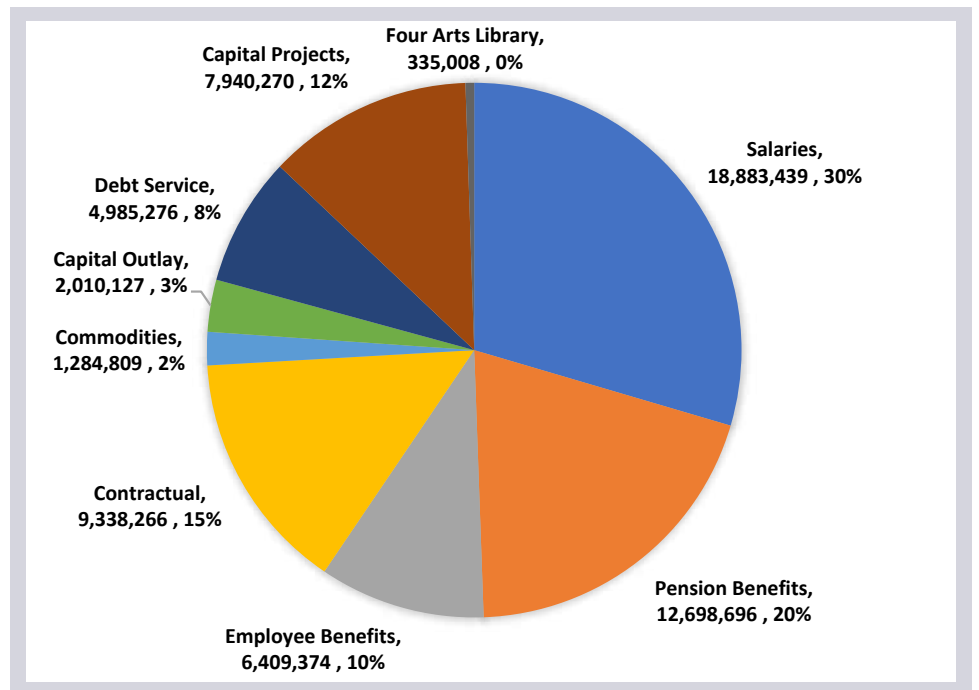


General Fund Revenues and Expenditures

The General Fund is used to account for the day-to-day operations of the Town which are financed from property taxes, fees, licenses, permits, fines and other general revenues. This fund finances Town operations including, police, fire rescue, public works, planning zoning and building and town administration.

	FY2018 Revenues	FY2018 Expenditures	Difference
October	1,893,808	11,189,680	(9,295,873)
November	10,455,526	5,821,801	4,633,725
December	35,949,737	6,576,991	29,372,746
January	4,075,333	5,825,564	(1,750,231)
February	5,407,912	5,657,803	(249,891)
March	3,264,461	6,590,119	(3,325,658)
April	4,146,362	5,645,319	(1,498,957)
May	2,981,984	5,396,273	(2,414,289)
June	2,757,424	5,660,211	(2,902,787)
July	3,154,820	5,543,064	(2,388,244)
August	-	-	-
September	-	-	-
Total	74,087,368	63,906,827	10,180,541

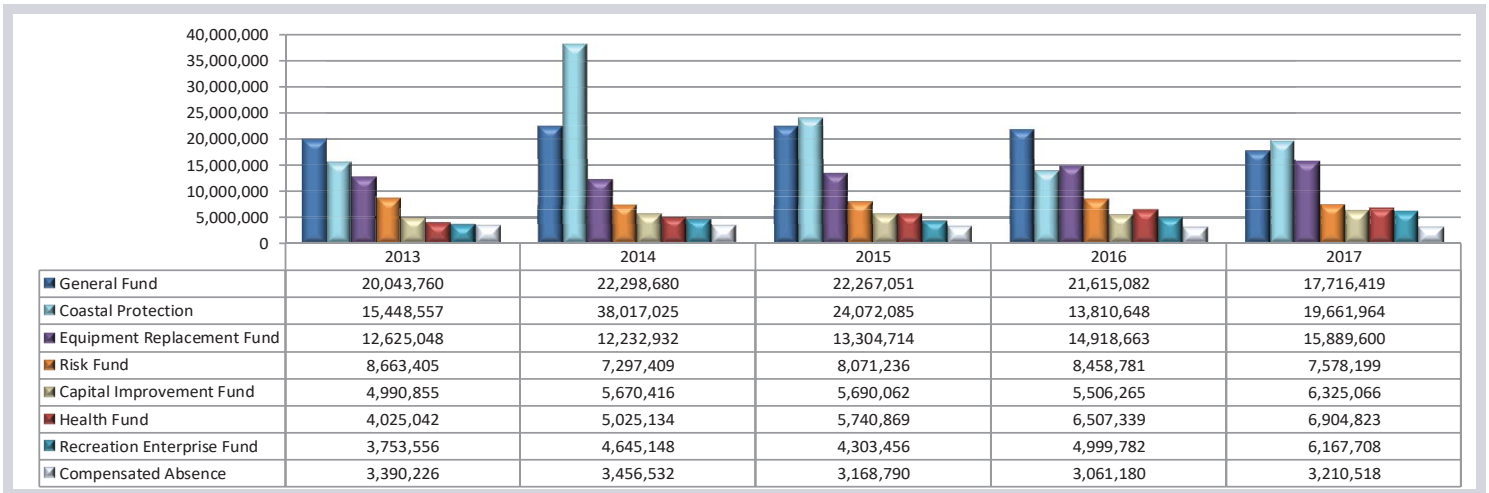
General Fund Expenditures to Date By Type



RESERVES AND INVESTMENT RESULTS

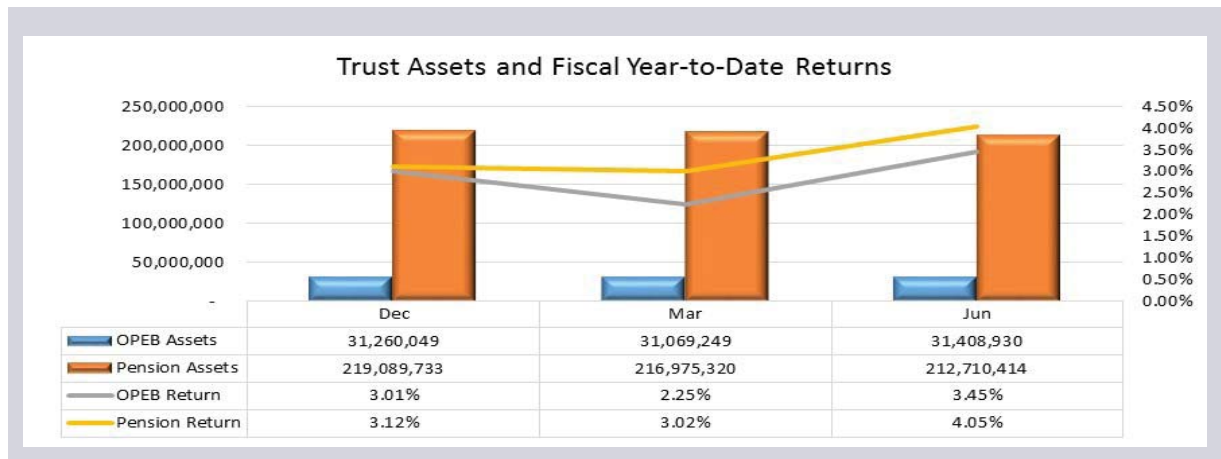
Town Reserve Trends

The Town's Reserves represent the net assets of each of the Town funds. Most of these funds are invested in short-term fixed income investments. The chart below shows annual trends from FY 2013 through FY 2017. All Reserves are at or above recommended policy levels.



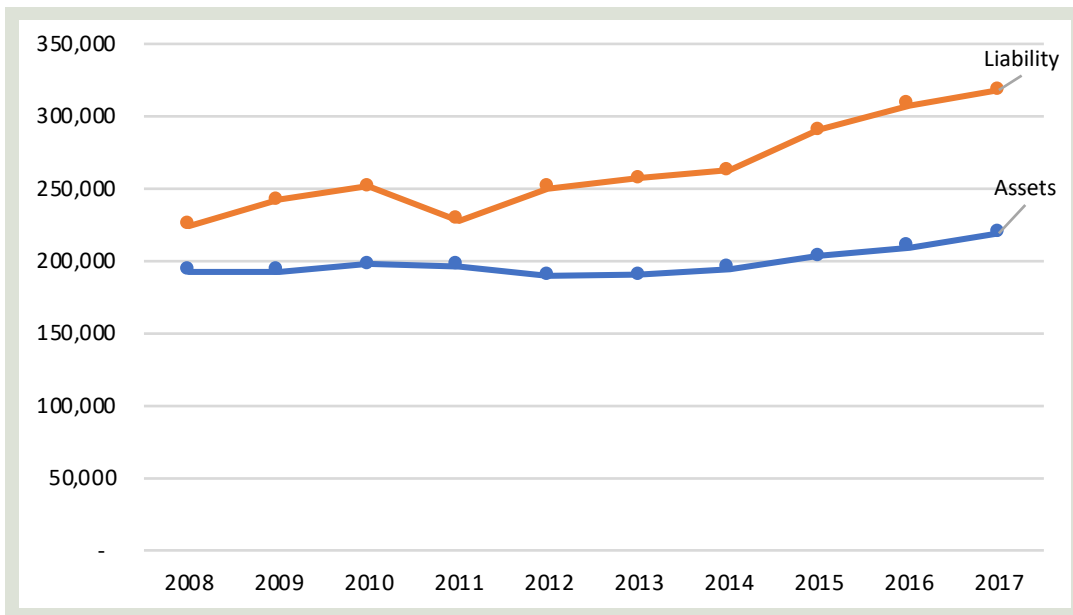
Pension and Retiree Health Trust Assets and Fiscal YTD Returns

Trust assets represent the total market value of assets in the Pension and OPEB (Retiree Health) trust funds. The returns shown are the fiscal year-to-date returns that are reported quarterly.



Pension Assets and Liabilities (In Millions)

Pension Assets and Liabilities represent the trend since 2008 of the assets and pension liabilities for our pension fund. The difference between the two numbers represents the Unfunded Actuarial Liability, Pension Assets divided by the Liabilities equal the Funded Ratio of the plan. In 2008 the funded ratio was 85% and declined to 69% in 2017. The actuary prepares an update to the forecast each year. The bottom chart represents the funded ratio through 2017 and the forecast for the next 5 years.



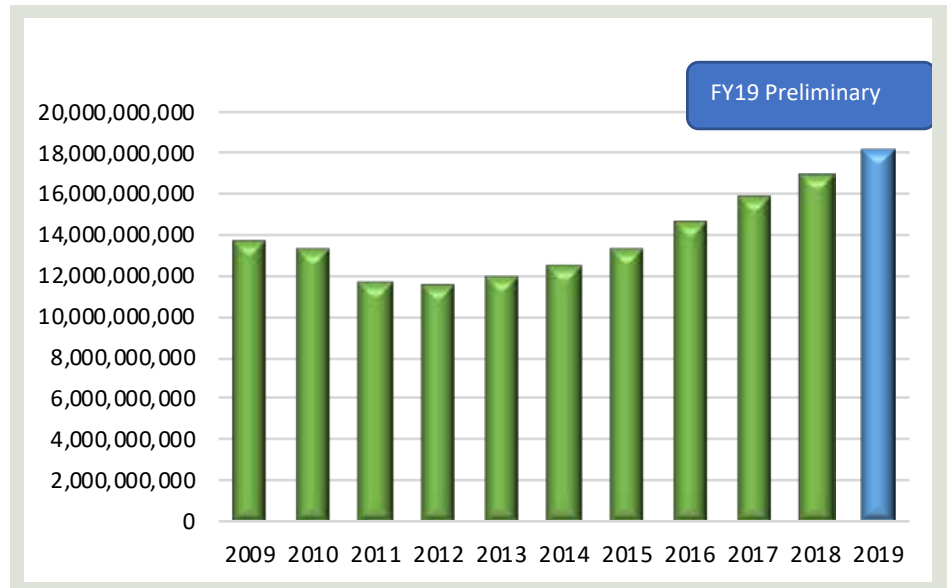
Unfunded Actuarial Accrued Liability (UAAL) Forecast

The chart shows the UAAL Forecast under 3 different investment return scenarios.



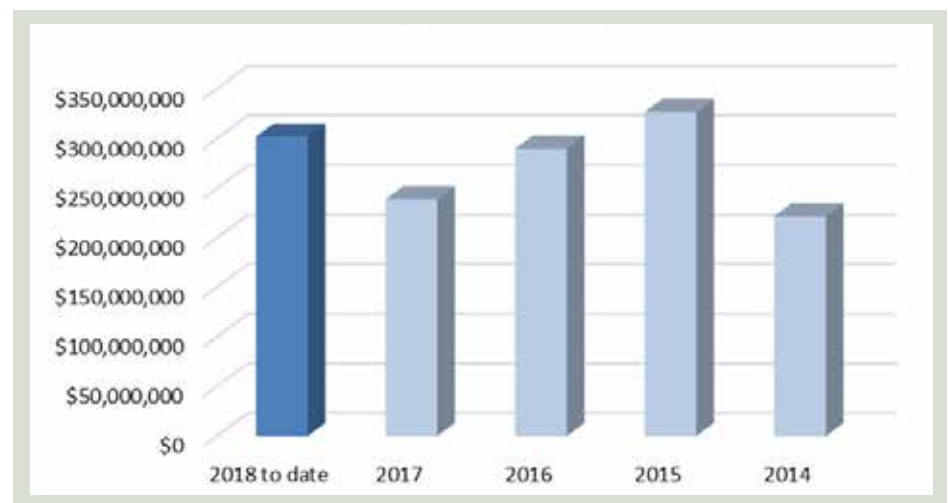
Taxable Value Trend

Each year the Palm Beach County property appraiser provides each municipality the total taxable value of all parcels within the municipality. The Town's property values have grown significantly since the bottom of the market in 2012. Total taxable values are now over \$18 billion for the Town.



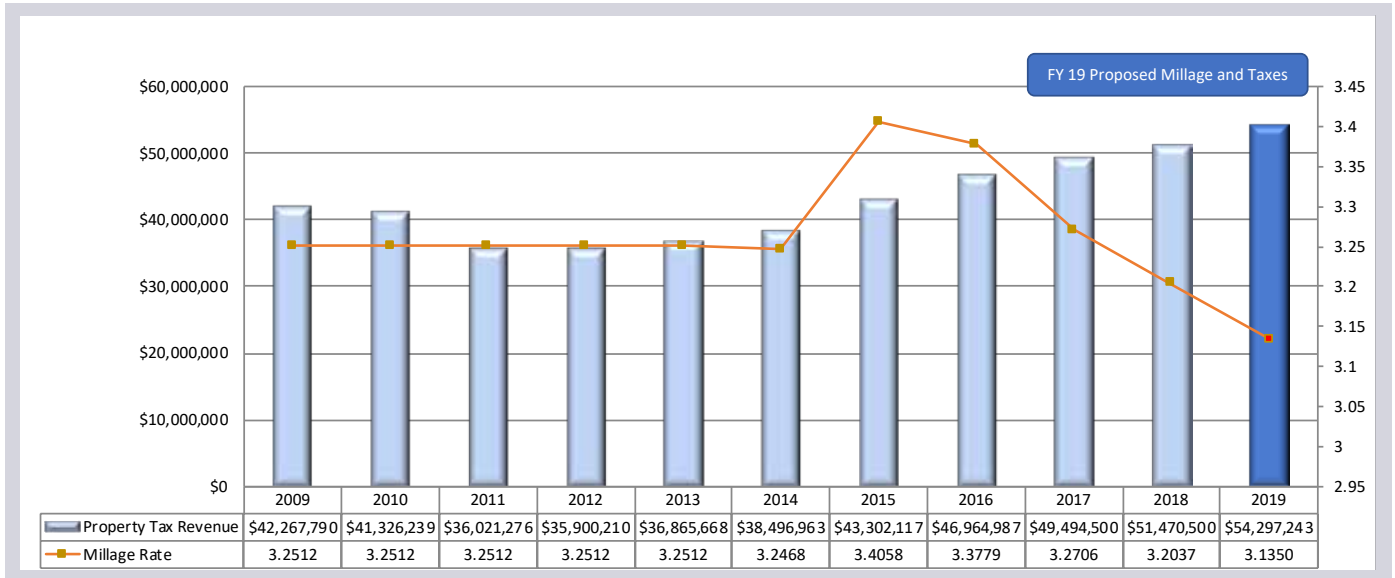
Construction Valuation

Part of the increase in taxable value is related to construction activity in Palm Beach. The trend over the past 5 years is shown below.



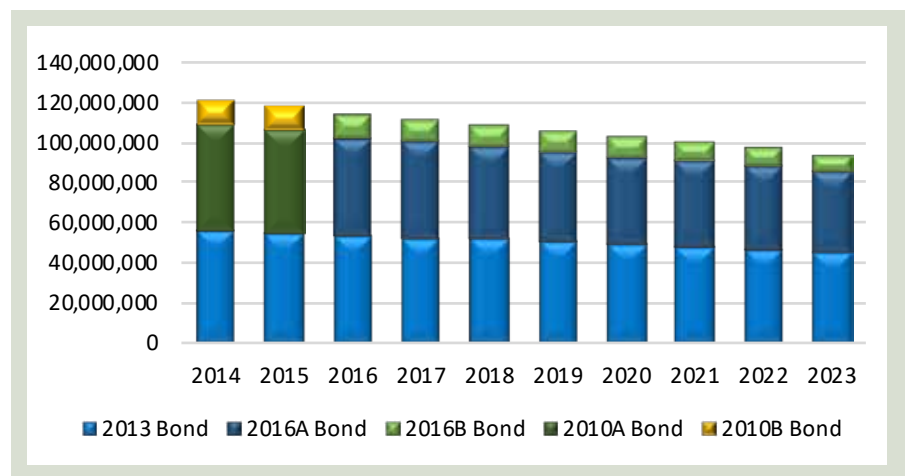
Property Tax Revenue and Millage Rate History

The recent trend in the Town’s millage rate is shown below. The Town is proposing a reduction in the millage rate of 2.1% to 3.1350. The Town’s millage rate represents only 19.23% of the total tax bill.



Total Outstanding Debt

The Town has issued debt for infrastructure projects such as sewer and drainage projects. In addition, a portion of the outstanding debt is for the Par 3 clubhouse and golf course and the Worth Avenue beautification project. The Worth Avenue debt service is paid for by assessments on the property owners in the project district and the Par 3 debt is paid for with revenues from the Golf Course. The Town holds AAA bond ratings from both Moody's Investor Services and Standard and Poor's.



Not included in the charts is the General Obligation Authority to issue up to \$90 million in bonds for the townwide underground utility project. Once bonds are issued the chart will be updated.



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