



# City Of Palm Beach Gardens

POPULAR ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2019

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# Live, Learn, Work, Play



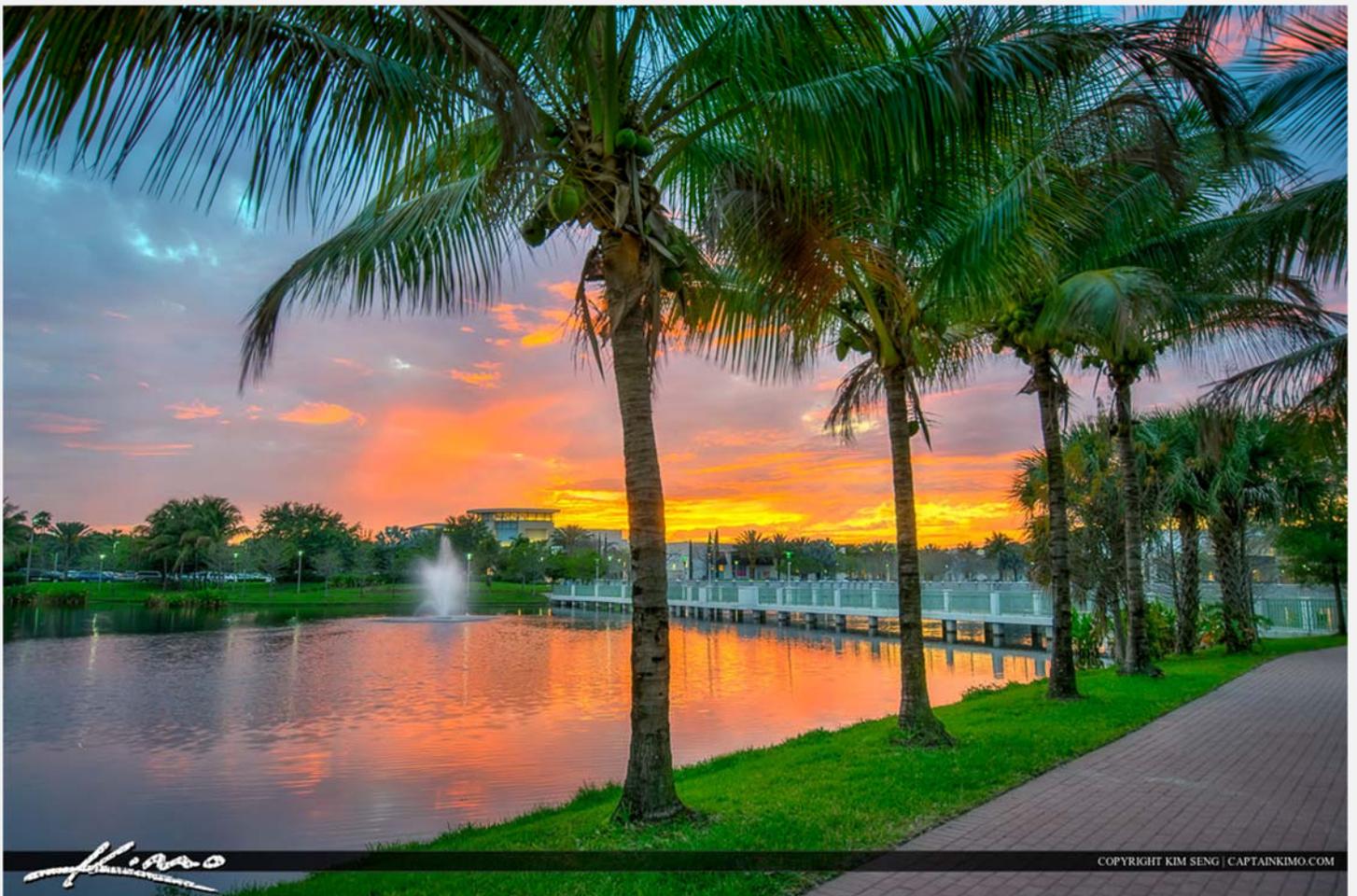
# Investing in our Community

# Introduction

## Popular Annual Financial Reporting Award Program

The City of Palm Beach Gardens is pleased to present the city's first Popular Annual Financial Report. The Government Finance Officers Association (GFOA) established the Popular Annual Financial Reporting Awards Program (PAFR Program) in 1991 to recognize government entities that provided the general public and other interested parties with an easy to understand and concise overview of information extracted from their comprehensive annual financial report.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.



# Message from the City Manager



To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of Palm Beach Gardens, Florida,

We are pleased to present the City of Palm Beach Gardens First Popular Annual Financial Report (PAFR) for the Fiscal year ending September 30, 2019. This report provides a brief analysis of the City's fiscal operations, highlight's the City's strong financial health and displays the City's various ongoing projects. We understand the importance of being accountable for the proper management of public funds and specifically designed this report to be readily accessible and easily understandable to the general public. The City is committed to improve communication with our citizens and to increase public confidence in the government. The report is reflective of our commitment to preserving our resident's trust and the city's long-term financial health.

The financial information in this report is derived in large part from the financial statements contained in the City's Comprehensive Annual Financial Report (CAFR) which is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and is audited by an independent certified public accounting firm. The financial section of this report focuses mainly on the City's governmental activities. The CAFR contains more detailed and extensive information, such as, the audited financial statements, notes, schedules, and other relevant information. A copy of the CAFR is available at the City of Palm Beach Gardens Municipal offices or on the City's website at [www.pbgfl.com/629/financial-reports.com](http://www.pbgfl.com/629/financial-reports.com).

We hope you find this report to be informative and welcome your comments and questions.

Respectfully submitted,

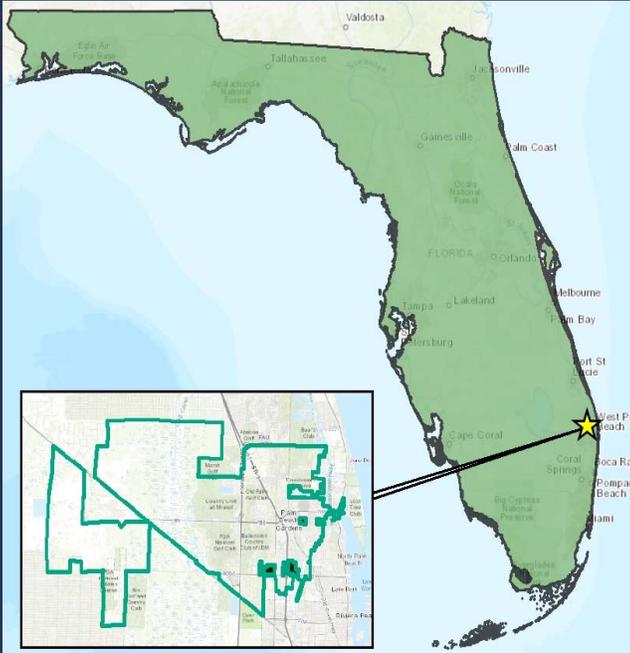
Ron Ferris  
City Manager

Allan Owens, CPA, CGFO  
Finance Administrator



# About Palm Beach Gardens

The City of Palm Beach Gardens provides citizens with a wide range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events.



The City of Palm Beach Gardens is located in Palm Beach County, Florida in the southeast part of the state. The City is approximately 7 miles north of West Palm Beach and 70 miles north of Miami. Current land area is 56.17 square miles, making it the largest land area in Palm Beach County.

Palm Beach Gardens has been fortunate to have land mass that is available for future development, which will only further enhance the City's economic base and allow the City to continue to prosper with additional employment opportunities and increases in property valuations and revenues. There is a significant amount of development within the City and multiple developments that could potentially increase employment.

The following are some of the significant projects taking place:

## -AVENIR-

The project includes a 4,763-acre site with plans for 2,407 acres of conservation, 2,690 single family homes, 960 age-restricted dwelling units, 250 multifamily townhomes, 1.8 million square feet of office, 400,000 square feet of retail, 200,000 square feet of medical office and 300 hotel rooms.

## -ALTON-

Alton Development of Regional Impact- Formerly known as the Florida Phase II/Briger Tract, is a 681-acre Development of Regional Impact (DRI) project with approval for 1,018 single family homes, 681 multifamily townhomes, 353 apartment units, 2.6 million square feet of industrial/research, 1.2 million square feet of office, 450,000 square feet of retail, and 300 hotel rooms.

## -FLORIDA POWER & LIGHT-

The City approved a site plan for a 270,000 square foot 6-story office building and 3-story parking garage located between Kyoto Gardens Drive and PGA Boulevard that will provide for 1,000 employees on an 80-acre site. Construction of the project is anticipated to begin in the first half of 2020.

# A Signature City



**DID YOU KNOW:** Palm Beach Gardens beat out over 2,500 cities in Florida as the “Top City to Live in Florida.”

Palm Beach Gardens is much more than a premier South Florida destination. It is a diverse community with beautiful green spaces, exceptional educational facilities, a pro-active business climate that embraces innovation, and recreational activities tailored for residents of all ages.



## –LIVE–

### A community of art and culture

- A Tree City USA designated City
- Award Winning Art in Public Places
  - Eco-friendly Green Spaces
- Premier shopping and dining venues
  - Local Green Market

## –LEARN–

### The City that grows with you

- 8 Palm Beach County Public Schools
  - 12 Private Schools
- Palm Beach State College
- Nova Southeastern University



## –WORK–

### Home to businesses big and small

- TBC Corp • Zimmer Biomet
- Chromalloy • United Technologies
- LRP Publications • Synthes Anspach



## –PLAY–

### **Fun and relaxation:**

- 15 Golf Courses
- Hosting City to the PGA Honda Classic
  - 17 City Parks
- Public Recreation and Aquatics Center
  - Pristine Natural Areas



# Palm Beach Gardens Governance

The City of Palm Beach Gardens operates with a Council-Manager form of government, pursuant to the city Charter. Residents are served by 5 at-large elected officials who are responsible for developing policy for the City.

These elected officials, the City Council, in turn, appoint the City Manager who is tasked with overseeing all administrative duties and the daily business operations of the city.

Mayor



Mark Marciano

Vice-Mayor



Rachelle Litt

Council Member



Carl Woods

Council Member



Matthew Lane

Council Member



Maria Marino

# City Vision

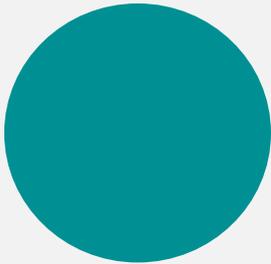


The City vision is distilled into the following ten 10 goals, which communicate the basic purposes of City government in simple and clear terms that are meaningful to City residents.

These City-wide goals are as follows:

1. **Sense of Community:** Create linkages in the City which connect or gather residents and business owners of different neighborhoods and developments into a single community
2. **Responsive and Fiscally Sound Government:** Increase the levels of service for City-provided services and facilities within the urban area, while maintaining fiscal responsibility
3. **Character of The City:** Preserve land use patterns that currently characterize the City
4. **Quality Education:** Encourage provision of quality education through world class curriculum to ensure all children are prepared for real world experiences, hold necessary skills for jobs, and continue to pursue knowledge
5. **Economic Vitality:** Promote economic development in the City through expansion of existing businesses and attraction of new businesses
6. **Environmental Stewardship:** Protect the natural environment through sustainable methods and practices
7. **Parks and Recreation:** Provide opportunities for recreation and leisure activities
8. **Quality and Affordable Housing:** Protect the City's character of high-quality housing and focus on maintenance of existing affordable housing
9. **Water Management:** Promote balanced water resource policies and programs which address water supply needs, flood control, and preserve environmentally sensitive areas and water aquifer
10. **Growth:** Promote logical phasing and timing of new development, consistent with capital improvement plans and budgets

## City Mission



**G**uarantee high quality services which are delivered in a cost effective and timely manner

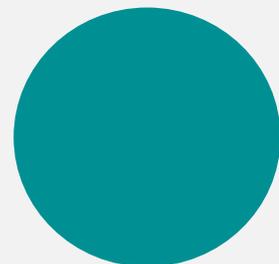
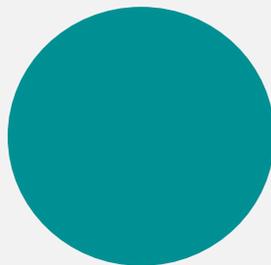
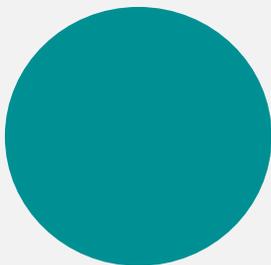
**A**nticipate and creatively respond to changing needs

**R**etain a well-trained, responsive and courteous City workforce

**D**evelop a sense of community and pride

**E**licit resident involvement in decision making, emphasizing open government

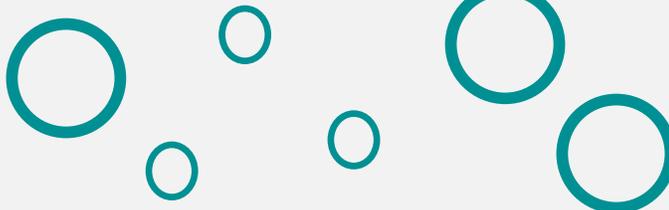
**N**urture the assets and natural resources entrusted to its care **S**timulate high quality of life and the pursuit of excellence through public-private partnerships



# Accomplishments



- ❖ Initiated and assisted with the *Operation Sister City* campaign, whereby the City of Palm Beach Gardens, Christ Fellowship & the Florida Chapter of the American Public Works Association joined forces to provide much needed items for the employees of Bay County Public Works and the City of Callaway, who were among the Florida communities impacted by Hurricane Michael. Many of these employees lost their homes and possessions in the wake of the hurricane. The campaign raised \$58,817 for supplies; coordinated the delivery of 3,500 Thanksgiving dinners to the community; and hosted a holiday party for Callaway employees that included dinner, gift cards for each family, and toys for the employees' children.
- ❖ Opened Phase I of The Gardens North County District Park. Amenities include seven lighted multipurpose fields, two playgrounds, concession, restroom, storage and meeting room building, splashpad, three pavilions, nature trail, walking areas, 4-acre lake, and 23.6 acres of preserve area. Implemented the Kronos Time and Attendance system, improving productivity and enhancing security
- ❖ Received National Procurement Institute Achievement of Excellence in procurement Award.
- ❖ Decreased permitting review time by being more interactive with engineers, consultants, developers and residents, thereby increasing efficiency during the development review process and permitting applications, while ensuring compliance with the City Code of Ordinances and sound engineering principals.
- ❖ Implemented new quarterly and annual reconciliation of City's insurance schedules (Inland Marine, Auto and Property) reducing costs and limiting exposure to uninsured losses.
- ❖ The Planning and Zoning department reviewed over 40 applications including numerous planning petitions that included 47 Administrative Amendments, 9 Planned Unit Development Re-zonings, 5 Planned Community Development Amendments, 15 Minor Administrative Amendments, 6 Major Site Plan Amendments, 5 Major Site Plan Approvals, 21 Pre-Application Meetings, 6 Conditional Use Approvals, and 4 Miscellaneous applications
- ❖ Officers conducted 138 Crime Prevention Through Environmental Design (CPTED) preliminary plan reviews, 363 building permit plan reviews, attended 160 development review committee meetings, and conducted 205 site inspections on permit requests from City Hall.
- ❖ The Fire department installed 139 smoke detectors and developed 79 escape plans at the Meadows Florida
- ❖ The Public Works department completed 6.72 miles of road resurfacing on MacArthur Blvd, Holly Dr, Garden Lakes, Fairway Dr
- ❖ Constructed and opened the new synthetic turf driving range tee line with 30 bays which allows for more patrons to utilize the range at one time as compared to the previous line of 10 spaces. This tee line also allows Maintenance the flexibility for scheduling and the ability to provide a better playing surface for the Bermuda grass when the line is not in use.
- ❖ Successfully developed a Public Private Partnership with Cressey Sports. This partnership provides for the re-location of a premier baseball/multi-sport training and conditioning business to the City. In addition to their primary business, this partnership will provide quality training for youth sport coaches, wellness programming for first responders and the community.



# How Much of My Tax Bill Goes to the City

The tax levy of the City is established by the Council prior to October 1st of each year during the budget process. The Palm Beach County Property Appraiser incorporates the City's millage into the total tax levy, which includes the County, County School Board, and special district tax requirements. The Fiscal year 2019 millage rate is based upon the certified property valuation received from the Palm Beach County Property Appraiser in the amount of \$11,540,575,519. As illustrated in the graphic below, this includes new construction of \$186,109,218, and represents an increase of 6.12% from last year's valuation. This is the seventh consecutive year that the City's property valuation has increased.

Increase in City of Palm Beach Gardens Taxable Assessment from FY 2018 to FY 2019:



The City of Palm Beach Gardens property millage rate for the 2019 fiscal year was 5.6003, which is down 1.2% from last year's total rate of 5.6678. The operating rate is 5.55, the same as last year. This change is due to the debt service millage rate decreasing from .1178 to .0503. As the image below indicates, only about 29 cents of every \$1 in total property taxes paid goes to the City. Other taxing authorities collect about 71 cents for Palm Beach County School Board, Health Care District and other special taxing districts.



# Principal Taxpayers

## Top Three Principal Taxpayers in the City of Palm Beach Gardens



**DID YOU KNOW:** Ad Valorem Tax or more commonly known as property tax is the largest revenue generating source for the all Funds. In 2019, \$62,162,541 was collected which is \$2,814,870 more compared to 2018.

**\$1.9M**

Total Tax

Gardens Mall  
Gardens Venture LLC

Total taxable value  
\$360,000,000

**\$601K**

Total Tax

Legacy Place  
GLL US Retail LP

Total taxable value  
\$108,312,347

**\$568K**

Total Tax

The Quaye at Palm Beach Gardens  
PR The Quaye Owner LLC

Total taxable value  
\$102,333,889

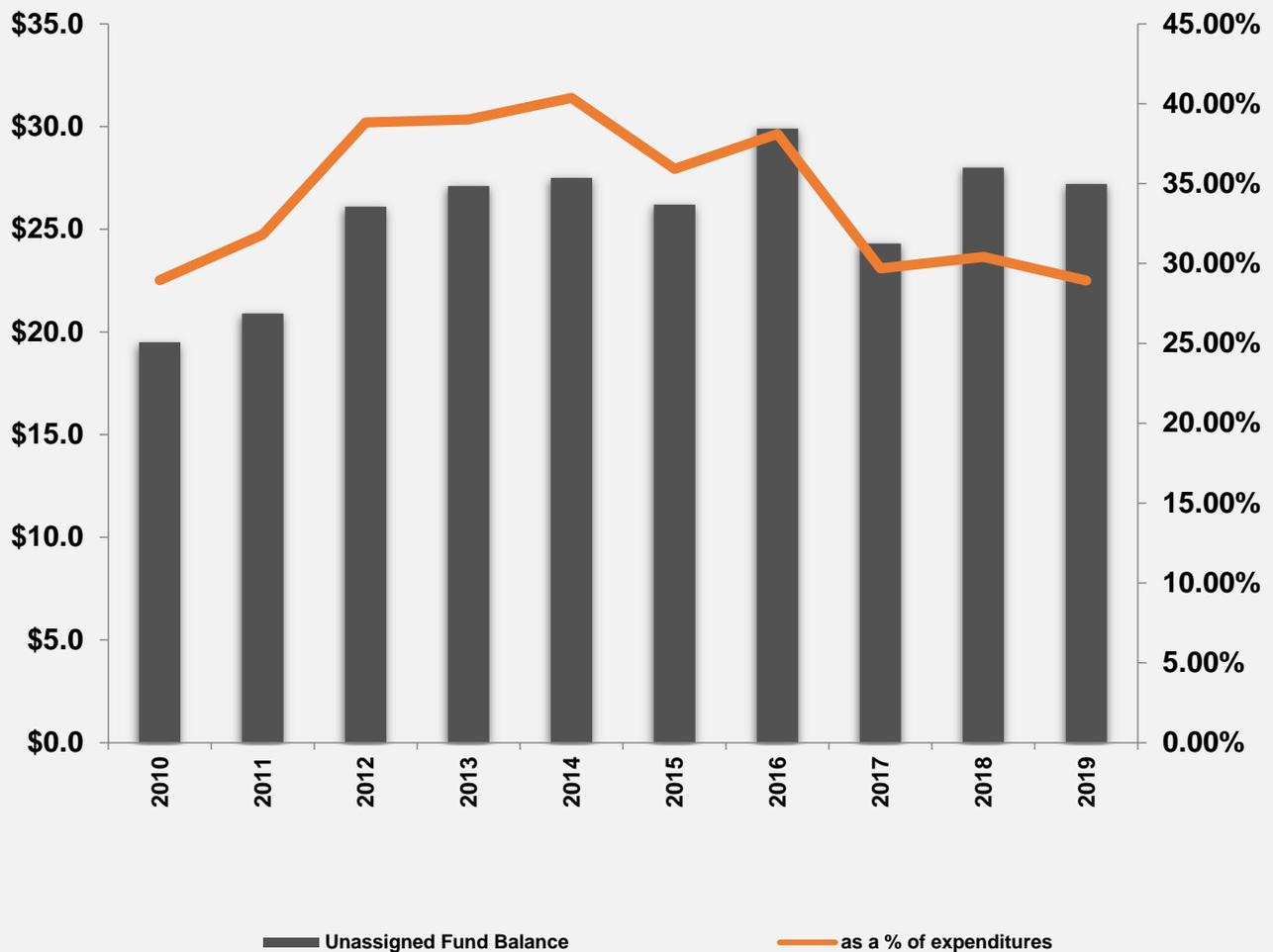
The Palm Beach County Property Appraiser's Office establishes the assessed values of real and taxable property on the tax roll every year. This is accomplished by examining real estate market activity using a state-of-the-art computer system to continuously process property data from local and industry sources, as well as, by completing field inspections.

# Financial Health

## GENERAL FUND RESERVES AND HISTORICAL DATA

During the current fiscal year, unassigned fund balance in the General Fund was \$27.2 million. It is approximately equal to three and a half months of the General Fund expenditures. The current year balance includes approximately \$1.7 million as part of the budget stabilization fund. Over the last ten years, the City has been able to maintain its unassigned fund balance, not only in dollar value but as a percentage of expenditures, within the fund balance policy target of 17% as shown in the graph to the right.

Fiscal Years 2010 through 2019  
(in millions)



# STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2019

## GOVERNMENTAL FUNDS

	General Fund	One-Cent Sales Surtax Capital Improvements Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes:				
Ad valorem taxes	\$ 62,162,541	\$ --	\$ --	\$ 62,162,541
Local business taxes	1,538,888	--	--	1,538,888
Utility taxes	1,983,296	--	--	1,983,296
Special assessment	135,785	--	--	135,785
Franchise fees	5,808,900	--	--	5,808,900
Licenses and permits	5,344,130	--	--	5,344,130
Intergovernmental	8,427,563	3,866,013	826,383	13,119,959
Impact fees	--	--	3,801,311	3,801,311
Charges for services	6,505,181	--	6,895,943	13,401,124
Fines and forfeitures	265,396	--	9,791	275,187
Investment earnings	2,035,193	585,761	96,513	2,717,467
Miscellaneous	1,983,359	54,249	1,237,943	3,275,551
<b>Total Revenues</b>	<b>96,190,232</b>	<b>4,506,023</b>	<b>12,867,884</b>	<b>113,564,139</b>
<b>Expenditures</b>				
Current:				
General government	20,752,846	--	--	20,752,846
Public safety	50,920,055	--	512,976	51,433,031
Culture and recreation	846,384	--	6,699,746	7,546,130
Physical environment	11,766,857	--	--	11,766,857
Transportation	--	--	958,324	958,324
Capital outlay	5,530,348	17,295,998	1,502,281	24,328,627
Debt service:				
Principal	3,757,722	2,775,000	--	6,532,722
Interest	396,156	569,525	--	965,681
Bond issuance costs	--	--	--	--
<b>Total Expenditures</b>	<b>93,970,368</b>	<b>20,640,523</b>	<b>9,673,327</b>	<b>124,284,218</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>				
	2,219,864	(16,134,500)	3,194,557	(10,720,079)
<b>Other Financing Sources (Uses)</b>				
Transfers in	688,779	--	1,003,066	1,691,845
Transfers out	(1,003,066)	--	(688,779)	(1,691,845)
Capital lease financing	679,504	--	--	679,504
Proceeds on disposal of capital assets	899,600	--	--	899,600
<b>Total Other Financing Sources (Uses)</b>	<b>1,264,817</b>	<b>--</b>	<b>314,287</b>	<b>1,579,104</b>
<b>Net Change in Fund Balances</b>	<b>3,484,681</b>	<b>(16,134,500)</b>	<b>3,508,844</b>	<b>(9,140,975)</b>
<b>Fund Balances - Beginning</b>	<b>46,375,977</b>	<b>29,416,164</b>	<b>6,972,323</b>	<b>82,764,464</b>
<b>Fund Balances - Ending</b>	<b>\$ 49,860,658</b>	<b>\$ 13,281,664</b>	<b>\$ 10,481,167</b>	<b>\$ 73,623,489</b>

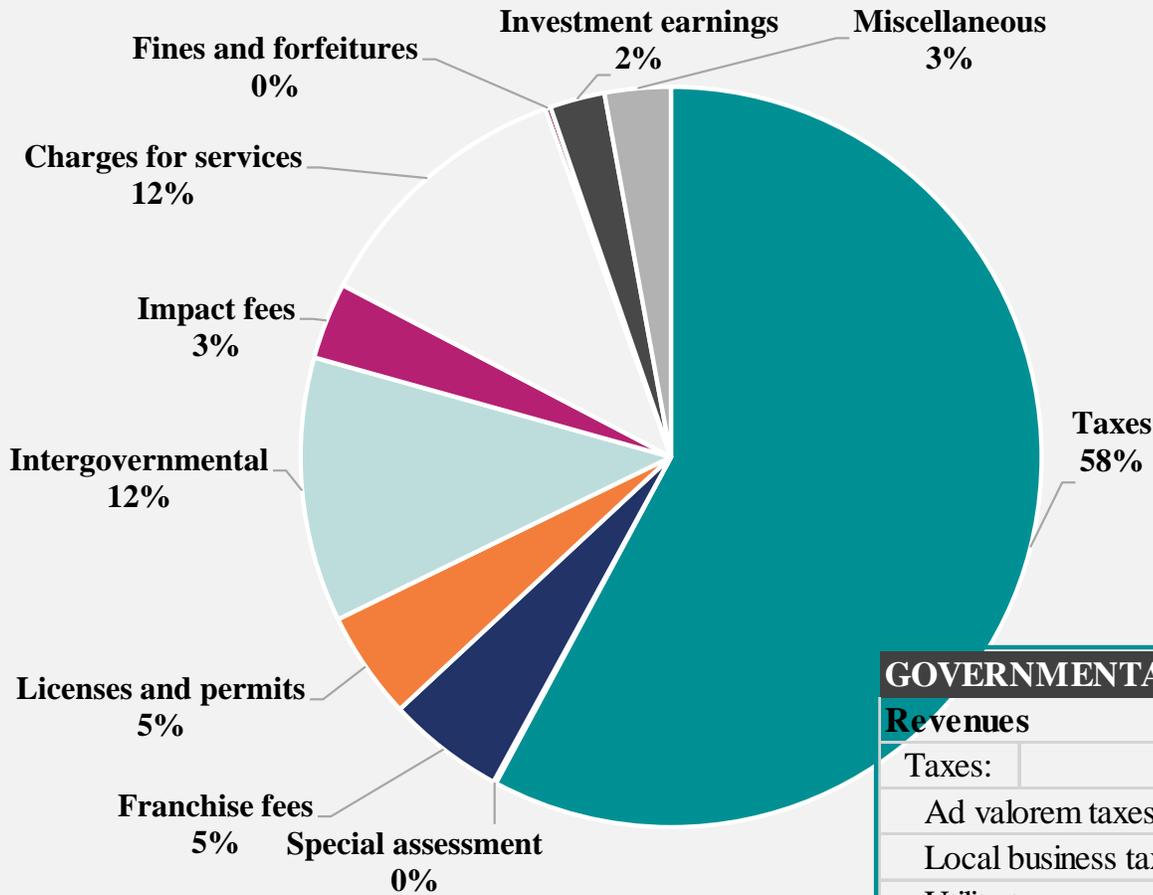
## GOVERNMENTAL FUNDS

Typically used to account for tax-supported activities, the governmental funds of the City of Palm Beach Gardens include the following activities, Police, Fire, Public Facilities, Construction Services, Planning and Zoning, and Culture/Recreation. Also included are the various administrative programs such as Council, Administration, Legal, Clerk, Engineering, Purchasing and Contracts Management, Finance, Information Technology, Human Resources, and General Services. Effective January 1, 2017, County voters approved a ballot issue to enact a one-cent infrastructure sales surtax to pay for acquisition or improvements to public infrastructure.

Property Taxes comprise 64% of the General Fund operating revenues. This high percentage is because the City does not impose garbage/trash collection fees, utility service taxes, fire assessments, or storm water utility taxes. At the adopted rate of 5.55 mills an additional \$2,814,870 was generated from property taxes in FY 2019. Most of the expenditures in the General fund are personnel related, due to the labor-intensive nature of providing general government services. As illustrated in the chart to the left, Public Safety expenditures represent the largest portion of the budget, at slightly more than \$51 million.

Capital outlay under the City's One-Cent Sales Surtax Capital Improvements Fund comprised of a little over \$17 million related to various infrastructure projects. The City is obligated to use the Tax proceeds in a manner consistent with Florida Statutes Section 212.055, which provides that the Tax proceeds must be restricted to finance, plan, and construct infrastructure and to acquire land for public recreation or conservation or protection of natural resources.

# Where Does The Money Come From?



## GOVERNMENTAL FUNDS 2019

Revenues	
Taxes:	
Ad valorem taxes	\$ 62,162,541
Local business taxes	1,538,888
Utility taxes	1,983,296
Special assessment	135,785
Franchise fees	5,808,900
Licenses and permits	5,344,130
Intergovernmental	13,119,959
Impact fees	3,801,311
Charges for services	13,401,124
Fines and forfeitures	275,187
Investment earnings	2,717,467
Miscellaneous	3,275,551
<b>Total Revenues</b>	<b>113,564,139</b>

The revenues for governmental activities total \$113,564,139 for 2019.

**Taxes** comprise of all funds most of the City's revenue, 58% and is generated by property taxes, local business taxes, and utility taxes.

**Special assessments** revenue collections are related to the Neighborhood Improvement Assessment Program (NIAP) project for infrastructure improvements.

**Franchise fee** include both electric and solid waste franchise fees.

**Licenses and permits** account for 5% of Governmental Fund revenues and includes city business license taxes.

**Intergovernmental** Included in this category are federal and state grants, ½ cent sales tax, and state shared revenues.

**Impact fees** are fees charged on new residential construction and can only be used for capital expenditures that are a direct result of the demand for services attributed to the new development.

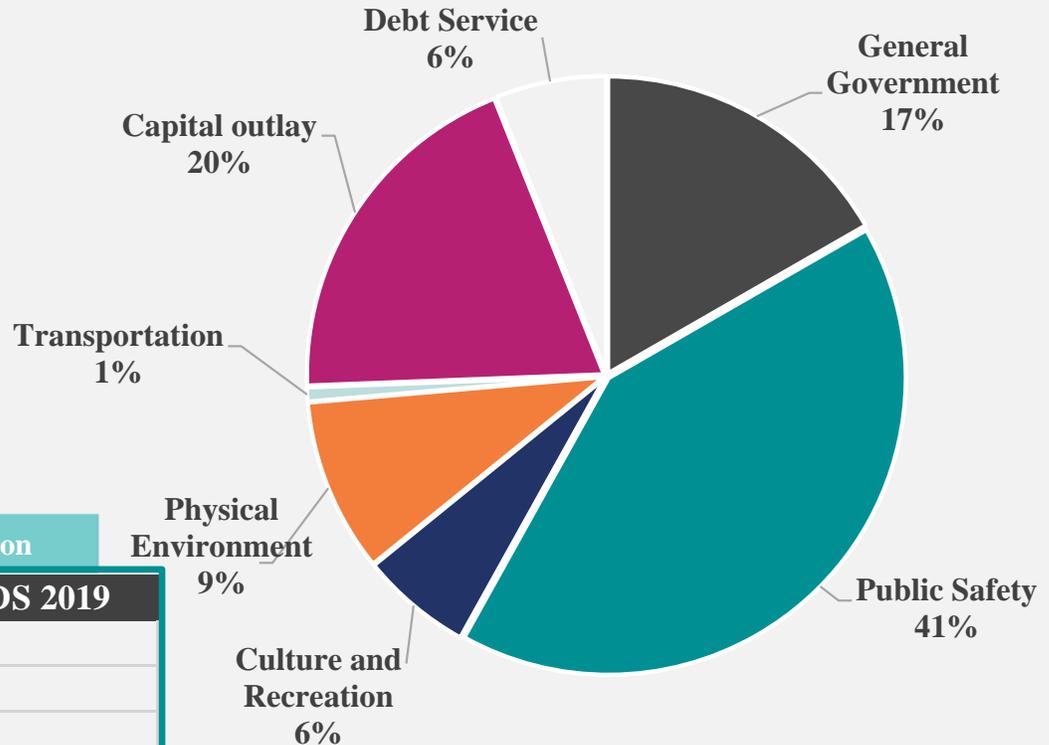
**Charges for services** contribute 12% of the total Governmental Fund revenues. Revenues included in this category are EMS Fees, dispatch service charges, and fire inspection fees.

**Fines and forfeitures** revenues include court and code enforcement fines.

**Investment earnings** include favorable interest rates and unrealized gains resulting from City held investments.

**Miscellaneous** revenues in this category include reimbursement of city services, tax searches, and rental fees for wireless towers.

# Where Does The Money Go?



GOVERNMENTAL FUNDS 2019	
<b>Expenditures</b>	
Current:	
General government	20,752,846
Public safety	51,433,031
Culture and recreation	7,546,130
Physical environment	11,766,857
Transportation	958,324
Capital outlay	24,328,627
Debt service:	
Principal	6,532,722
Interest	965,681
<b>Total Expenditures</b>	<b>124,284,218</b>

The expenditures for governmental activities total \$124,284,218 for 2019. The largest category is for public safety and represents 41% of all governmental activities.

**General Government** expenditures comprise departments whose responsibilities are related to the legislative and administrative services for the benefit of the public and the city unit.

**Public Safety** expenditures provide services for the security of persons and property.

**Culture and Recreation** include expenditures toward maintaining recreational facilities for the benefit of citizens and visitors. This includes various parks, the aquatic complex, tennis courts and golf course.

**Physical environment** include expenditures for services that provide a suitable living environment by controlling and utilizing elements of the environment. This would comprise of sustaining safe streets and roadways, as well as, subsidiary

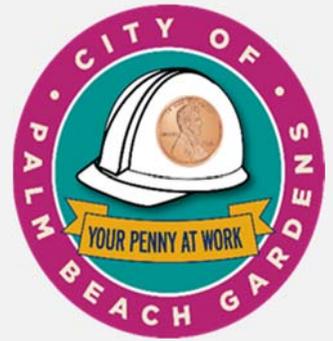
facilities such as sidewalks and bridges.

**Transportation** include expenditures to provide safe and adequate flow of vehicles and pedestrians through the construction and maintenance of roads, bridges, traffic signals, pathways, and sidewalks.

**Capital outlay** expenditures stand at 20% of the total and include capital expenditures that cost more than \$1,000 and result in a fixed asset for the City. Also included in this category are capital improvement projects that results in a capital asset or improvement that costs at least \$50,000 and have a useful lifespan of five (5) years.

**Debt service** includes principal and interest payments for the acquisition, construction, or improvement of major capital projects or equipment.

# Capital Improvement Projects



## ONE-CENT SALES SURTAX PROJECT

Building for tomorrow. In November of 2016, Palm Beach County Voters passed a one-cent Infrastructure Sales Surtax. The Surtax funds are limited to improve needed infrastructure that was deferred for repair or replacement during the recession. The City of Palm Beach Gardens has adopted a plan, per City Ordinance 10, 2017, to use the revenues to expand current and new facilities. These facilities will service the residents of Palm Beach Gardens current and future needs.



**Operations Center**  
**\$6,860,655**

The Operations Center Capital Improvement Project consisted of constructing an approximately 40,000 square foot, Category 5 Operations Center. The new building consolidates the Public Works and Public Services Divisions into one location. The new Operations Center will also be used during emergency management responses and will house emergency response staff and equipment.

**District Park**  
**\$13,700,000**

District Park was the first Surtax Project to be completed. Phase I elements included several full-size multi-purpose fields, sports field lighting for each field, one concession building with bathrooms and a meeting room included, one playground, one splash pad, lighted parking, one freshwater lake and one turf maintenance facility.



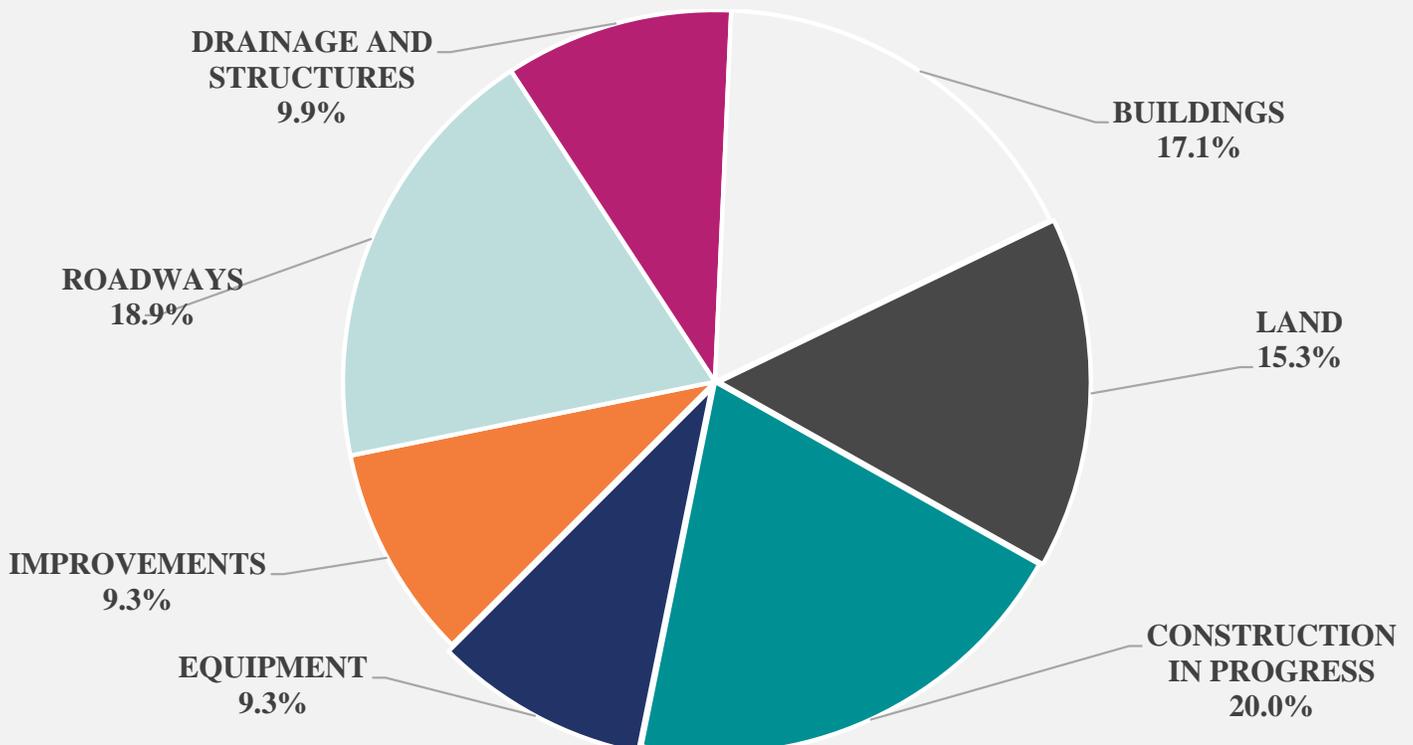
# Capital Assets

## Investing in our Community

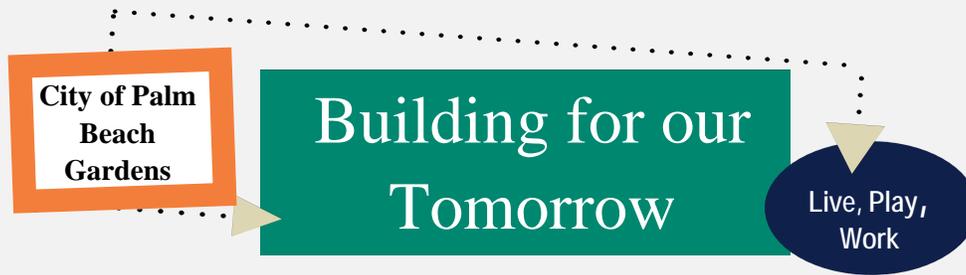
The City of Palm Beach Gardens recognizes the need to keep pace with the growth of the community and the needs of the City’s residents. The City prioritizes projects according to guidelines set forth by the Capital Improvements Element of the Comprehensive Plan. The Capital Budget is designed to balance the need for public facilities and infrastructure as stated in the City ‘s Comprehensive Plan.

As of September 30, 2019, the City’s capital assets for both governmental and business type activities amounted to \$129,086,963 (net depreciation). Capital assets include land, roadways, drainage and structures, equipment, improvements, buildings, and construction in progress.

Capital Asset by Type	FY 2019 Total Capital
Land	\$19,779,365
Roadways	24,450,183
Drainage and Structures	12,819,406
Equipment	12,046,818
Improvements	12,032,593
Buildings	22,130,116
Construction in Progress	25,828,482
<b>Total All Funding Sources</b>	<b>\$129,086,963</b>



# Significant Capital Projects



As part of its budget process, the City prepares and submits to the City Council a Five-Year Capital Improvement Plan beginning with the next fiscal year. The City has included several significant non-recurring projects budgeted for FY 2020. A project is considered significant if the costs are projected to exceed \$100,000 or it potentially has a considerable impact on the current or future operating budgets. Funding for the significant capital projects listed below are from General Fund, Capital Projects Fund, Special Revenue, and Internal Service Funds.



## **Johnson Dairy Road Expansion – Phase II Signal**

This project includes the installation of a new traffic signal at the intersection of Johnson Dairy Road and Military Trail. The signal will be installed to improve traffic circulation for City Hall, Police Station, Fire Station, Sports Complex and the residential area on Johnson Dairy Road.



## **Golf Course Cart Barn Replacement**

This project was completed in 2019. This project replaced the original cart barn which housed the golf cart fleet, ball washing machine and a small maintenance office. It is also planned to be used as a seating area for tournament luncheons.



## **Apparatus and Central Supply Building**

This project will re-purpose the vacated Fleet Maintenance building to store public safety apparatus and support supplies. Additionally, the building can be used to store City equipment/assets and to serve as an additional staging area for needed supplies and resources during Emergency Management activations in the event of a catastrophic impact to the City.



## **Sports Lighting Retrofit**

This project was completed mid-2019. Due to aging, the lighting equipment at Gardens Park Baseball, Mirasol Park, Plant Dr Park, PGA National Park and Oaks Parks were outdated and no longer under warranty, causing significant amount of money being spent in energy usage, as well as, approximately \$40,000 in repairs each year. By changing light heads to LED, this will require 30-40% fewer fixtures that use less wattage resulting in reduction in energy costs.

# Outstanding Debt

The City of Palm Beach Gardens at times needs to incur debt to fund the acquisition, construction, or improvement of major capital projects or equipment. To keep the City’s level of indebtedness within its available resources while holding down costs, the City carefully analyzes each new borrowing. The amount to be borrowed, interest rate, term, and the existing debt service structure are evaluated to achieve a balance between the need for a capital project and the City’s ability to finance it.

Much of the City’s debt requirements are met through the issuance of general obligation bonds, public improvement bonds, bank notes, and capital leases. General obligation bonds are voter approved and backed by the full faith, credit, and taxing power of the City. They are payable out of ad valorem taxes. Public improvement bonds and notes are pledged with non-ad valorem revenues. One measure of the City’s financial condition is its bond rating. The rating agencies evaluate the City’s management, economic conditions, financial performance and flexibility, and debt. The City’s non-ad valorem debt is rated AAA by Standard and Poor’s, AA+ by Fitch, and Aa1 by Moody’s. These ratings reflect the strong investment quality of the City’s bonds.

The City of Palm Beach Gardens is committed to consistent capital planning through the adoption and periodic amendments to a Comprehensive Plan. The City’s Comprehensive Plan provides that its total debt service expenditures shall not exceed 20% of total annual revenues and that total outstanding debt is limited to no more than 10% of the City’s property tax base.

The following table illustrates the City’s governmental activities long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$34.4 million. All of the City’s outstanding debt is secured by specified revenue sources.

	GOVERNMENTAL ACTIVITIES	
	2019	2018
Debt payable:		
General obligation bonds	\$ --	\$ 540,466
Non ad valorem bonds payable	28,951,485	33,909,672
Capital leases payable	5,415,230	5,836,189
<b>Total</b>	<b>\$ 34,366,715</b>	<b>\$ 40,286,327</b>

