

ISSUER COMMENT

5 December 2019

RATING

General Obligation (or GO Related) ¹

Aaa No Outlook

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City of Weston, FL

Annual Comment on Weston

Issuer Profile

The City of Weston is located in Broward County in southern Florida, approximately 25 miles northwest of Miami. The county has a population of 1,890,416 and a high population density of 1,568 people per square mile. The county's median family income is \$65,596 (2nd quartile) and the October 2019 unemployment rate was 2.8% (2nd quartile) ². The largest industry sectors that drive the local economy are retail trade, administrative/waste management services, and health services.

Credit Overview

The credit position for Weston is excellent and its Aaa rating is much stronger than the median rating of Aa3 for cities nationwide. Notable credit factors include a very healthy financial position, extremely small debt and pension liabilities, a substantial tax base and a strong wealth and income profile.

Finances: Weston has a robust financial position, which is aligned with the assigned rating of Aaa. The fund balance as a percent of operating revenues (87.7%) is far superior to the US median, and grew materially from 2014 to 2018. Additionally, the cash balance as a percent of operating revenues (146.0%) is substantially above other Moody's-rated cities nationwide.

Debt and Pensions: The debt and pension burdens of Weston are exceptionally light overall and are consistent with its Aaa rating. The Moody's-adjusted net pension liability to operating revenues (0.01x) is favorably well below the US median, and stayed level between 2014 and 2018. In addition, the net direct debt to full value (0.1%) is materially lower than the US median.

Economy and Tax Base: The city has an exceptionally strong economy and tax base, which are comparable to the Aaa rating assigned. The full value per capita (\$176,540) is above the US median, and saw an impressive increase from 2014 to 2018. Also, Weston's total full value (\$11.8 billion) is much stronger than other Moody's-rated cities nationwide. Lastly, the median family income equals a significant 148.4% of the US level.

Management and Governance: Florida cities have an institutional framework score ³ of "Aa," or strong. Cities rely primarily on property tax revenues and sales taxes, and to a lesser extent on a variety of other user fees, which in total are moderately predictable. Revenue-raising flexibility is moderate as cities can increase property tax rates up to the 10 mill operating limit. Expenditures, which largely consist of public safety, are highly predictable. Expenditure-reduction ability is moderate as cities retain a strong legal ability to cut expenses, but they also face rising fixed costs, notably for pensions.

Sector Trends - Florida Cities

Florida cities are benefiting from a much improved housing and state-wide economic recovery, which is having a positive effect on property and sales taxes, the two largest sources of income for local governments. While residual effects of the housing crisis still are evident in the higher than average foreclosure rates in the state, home prices have steadily marched upwards since hitting bottom in 2010 because of a strengthening state economy and positive in-migration. This has boosted assessed valuations, and therefore property taxes, for most Florida local governments. A record number of tourists is also having a healthy impact on sales taxes.

EXHIBIT 1

Key Indicators [4](#) [5](#) Weston

	2014	2015	2016	2017	2018	US Median	Credit Trend
Economy / Tax Base							
Total Full Value	\$8,705M	\$9,637M	\$10,393M	\$11,279M	\$11,758M	\$1,904M	Improved
Full Value Per Capita	\$128,846	\$140,852	\$150,863	\$161,596	\$176,540	\$94,106	Improved
Median Family Income (% of US Median)	157%	155%	153%	148%	148%	111%	Weakened
Finances							
Available Fund Balance as % of Operating Revenues	75.8%	89.9%	95.4%	96.7%	87.7%	34.6%	Improved
Net Cash Balance as % of Operating Revenues	116.5%	134.5%	147.6%	150.3%	146.0%	39.6%	Improved
Debt / Pensions							
Net Direct Debt / Full Value	0.1%	0.1%	0.2%	0.1%	0.1%	1.1%	Stable
Net Direct Debt / Operating Revenues	0.11x	0.16x	0.21x	0.18x	0.14x	0.84x	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Full Value	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%	Stable
Moody's-adjusted Net Pension Liability (3-yr average) to Operating Revenues	0.01x	0.01x	0.01x	0.01x	0.01x	1.56x	Stable
	2014	2015	2016	2017	2018	US Median	
Debt and Financial Data							
Population	67,567	68,423	68,893	69,802	66,603	N/A	
Available Fund Balance (\$000s)	\$64,529	\$77,591	\$81,022	\$82,602	\$77,560	\$8,028	
Net Cash Balance (\$000s)	\$99,148	\$116,126	\$125,293	\$128,398	\$129,074	\$9,530	
Operating Revenues (\$000s)	\$85,134	\$86,317	\$84,893	\$85,446	\$88,427	\$23,172	
Net Direct Debt (\$000s)	\$9,468	\$13,804	\$17,914	\$15,133	\$12,505	\$19,139	
Moody's Adjusted Net Pension Liability (3-yr average) (\$000s)	\$453	\$609	\$840	\$946	\$976	\$35,448	

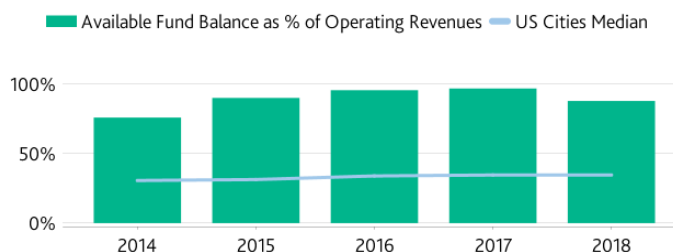
Note: the 2014 available fund balance figures do not include the Indian Trace Development District and Bonaventure Development District debt service funds as they were classified as "fiduciary funds" prior to fiscal 2015. Beginning fiscal 2015, they are included.

Source: Moody's Investors Service

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

EXHIBIT 2

Available fund balance as a percent of operating revenues increased from 2014 to 2018

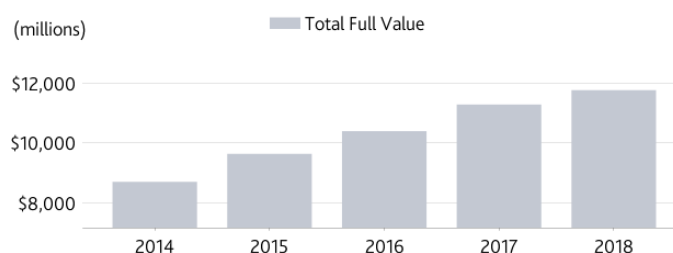


Note: the 2014 available fund balance figures do not include the Indian Trace Development District and Bonaventure Development District debt service funds as they were classified as "fiduciary funds" prior to fiscal 2015. Beginning fiscal 2015, they are included.

Source: Issuer financial statements; Moody's Investors Service

EXHIBIT 3

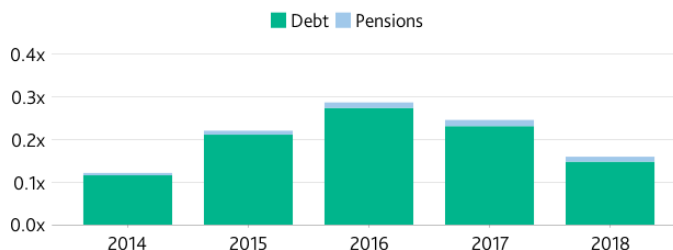
Full value of the property tax base increased from 2014 to 2018



Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

EXHIBIT 4

Moody's-adjusted net pension liability to operating revenues increased from 2014 to 2018



Source: Issuer financial statements; Government data sources; Offering statements; Moody's Investors Service

Endnotes

- The rating referenced in this report is the issuer's General Obligation (GO) rating or its highest public rating that is GO-related. A GO bond is generally backed by the full faith and credit pledge and total taxing power of the issuer. GO-related securities include general obligation limited tax, annual appropriation, lease revenue, non-ad valorem, and moral obligation debt. The referenced ratings reflect the government's underlying credit quality without regard to state guarantees, enhancement programs or bond insurance.
- The demographic data presented, including population, population density, per capita personal income and unemployment rate are derived from the most recently available US government databases. Population, population density and per capita personal income come from the American Community Survey while the unemployment rate comes from the Bureau of Labor Statistics.

The largest industry sectors are derived from the Bureau of Economic Analysis. Moody's allocated the per capita personal income data and unemployment data for all counties in the US census into quartiles. The quartiles are ordered from strongest-to-weakest from a credit perspective: the highest per capita personal income quartile is first quartile, and the lowest unemployment rate is first quartile.

- The institutional framework score assesses a municipality's legal ability to match revenues with expenditures based on its constitutionally and legislatively conferred powers and responsibilities. See [US Local Government General Obligation Debt \(December 2016\)](#) methodology report for more details.
- For definitions of the metrics in the Key Indicators Table, [US Local Government General Obligation Methodology and Scorecard User Guide \(July 2014\)](#). Metrics represented as N/A indicate the data were not available at the time of publication.

⁵ The medians come from our most recently published local government medians report, [Medians - Tax base growth underpins sector strength, while pension challenges remain \(May 2019\)](#) which is available on Moodys.com. The medians presented here are based on the key metrics outlined in Moody's GO methodology and the associated scorecard.

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