

The Special Meeting of the City Council of the City of Panama City Beach, Florida, and when permitted or required by the subject matter, the Panama City Beach Community Redevelopment Agency, regarding the General Fund Budget Workshop held on August 23, 2018.

ROLL

MAYOR MIKE THOMAS

COUNCILORS:

PAUL CASTO

PHIL CHESTER

GEOFF MCCONNELL

HECTOR SOLIS

CITY MANAGER:

MARIO GISBERT

CITY CLERK:

JO SMITH

CITY ATTORNEY:

AMY MYERS

Mayor Thomas called the Special Meeting/Budget Workshop to order at 10:40 A.M. with all Council members, City Manager, City Clerk and City Attorney present.

Councilman Casto gave the invocation and led the Pledge of Allegiance.

ITEM 1 PUBLIC HEARING FOR THE GENERAL FUND

Ms. White began with a broad overview with Department Head available to answer any questions about operations. She added a new spreadsheet which summarized by Department the major changes from the Amended Budget to the Proposed Budget, such as the new City Hall building and the new Fire Station. She said the City expected an increase in Personal Services of slightly over One Million Dollars for the salaries and benefits for the additional people approved at the last Workshop and the 2% across the board COLA for all existing employees. For Operations, all Departments were basically flat with the exception of the Street Department and Ms. White explained the timing issue for resurfacing projects. For capital outlay, the budget increased by \$16.6 Million Dollars for the new City Hall, the new Fire Station, new lights at Frank Brown Park and the Bay Parkway extension. Ms. White said Staff did not expect all construction to occur in FY19 and would probably roll over into FY20, but the entire cost was noted this year because the contracts could not be let unless fully funded. She added that funds would come from the Bay County Interlocal Agreement and some grants but those funds would not be received until FY20 to FY21.

Councilman Casto asked if the City was fronting the entire cost of the Bay Parkway Extension. Ms. White replied affirmatively and that the Half Cent Sales Tax money was being used for some and the balance from Reserves. Mayor Thomas said it was supposed to be received from the Half-Cent within two years. Ms. White confirmed when the funds were received from the Half-Cent Sales Tax, they would go back into the Reserves.

Beginning with the General Fund Revenue, she said she had updated the data since the last Workshop. One significant difference was the FDOT grant for the extension of Gayle's Trails near Arnold High School, Nine Hundred Four Thousand Dollars (\$904,000) and the City was just now receiving the reimbursements. The other line items had not changed significantly since the last meeting, all increasing a little. She noted the ten (10) accounts which represented approximately 87% of the City's total FY19 budget. Revenue increased \$4.8 Million Dollars in the proposed FY19 Budget primarily due to the Fire Assessment and the FDOT grant. She continued that the increases planned for revenue were fairly conservative, 2%, and with that, the City was able to budget all projects that the Department Heads had requested.

Ms. White explained the various Restricted Funds Reserves. She said the Fire Impact Fees would be used for the new Fire Station. The Recreation Impact Fees would remain a significant amount after doing some projects next year. The Library Impact Fees would be used to continue reimbursing the General Fund Reserves for the construction of the building at Lyndell. The Protection Fund was insignificant, required by the LDC to replace trees. The Half Cent Sales tax money would be used as received and to date, only used for the approved Engineering Task order for Bay Parkway. To date, the City had received \$1.1 Million Dollars for only for about seven months. She said the funds were allocated for the Bay Parkway but the Council would have to direct the funds to be used when the construction contract was let.

Mayor Thomas explained that the City streets were in good shape in comparison to the other cities, and the City did not need to spend the Half Cent Sales Tax for them. By the City committing the Half Cent Sales Tax to the Bay Parkway Extension, the County was also able to commit some of their funds to the Parkway. In response to Councilman Casto's question on construction, Mr. Gisbert said it would hopefully begin in Spring. Councilman Casto and Councilman McConnell urged acceleration in engineering to get the construction out to bid. Mr. Gisbert said the project was also in partnership with FDOT and the construction with FDOT standards so in future, FDOT could take over the road. Councilman Solis said he had spoken only yesterday with the TPO about that issue as well as the expansion of 98 and the SIS corridor which would help the traffic congestion.

Ms. White said Staff anticipated by the end of FY19, there should be \$1.6 Million Dollars in the Restricted Funds and most would be the Recreation Impact Fees. The spreadsheet also listed some of the expected expenditures, with all Half Cent Sales Tax funds used for the Parkway, and some Recreation Impact Fees used for upgraded lights.

For the Recreation Impact Fees, only 46% could be used toward the new lights at Frank Brown Park. Mr. Gisbert said the consultant had confirmed some Impact Fees could be used when the City upgraded to LEDs. Councilman Casto suggested the TDC might contribute some money since they were using the softball fields. He asked the Mayor and Councilman Chester to approach the TDC since they were on the TDC Board.

Councilman Solis suggested some of the Recreation Impact Fees be used to create one or two small pop-up parks close to neighborhoods. He mentioned the increased numbers of sex offenders moving onto the Front Beach Road corridor and by having additional parks, it would increase the prohibited areas and make the City safer. He spoke of the numbers of kids in the high rises which would be protected. He also suggested research whether the distances could be greater due to our type city. He suggested a splash pad near Aaron Bessant Park and a bigger pavilion at Frank Brown Park. Councilman McConnell said one of the biggest complaints he received was the lack of shade for the Frank Brown Park playgrounds. Councilman Casto said he received the same complaints. Ms. White said if it was a big enough structure to qualify as a capital expense, some of the costs could be paid by Impact Fees after research.

For the remainder of the Reserves, Ms. White said some funds were set aside for the accrued compensated absences for the DROP employees and the increased road maintenance. She explained the projects not yet approved by Council but money being set aside although not restricted. Ms. White gave the example of the County's 800 Mhz system with the City's estimated portion being \$1.4 Million Dollars. She said One Million Dollars had been set aside for an internal road in Frank Brown Park and the entrance and traffic signal. Mr. Ponek also gave her a list of future projects at the Park totaling \$1.2 Million Dollars with one third being set aside each year. Ms. Jenkins gave her a list of potential sidewalk projects on four roads totaling \$1.6 Million Dollars with half set aside this year and the balance coming from grants. She said it was up to the Council but these funds were merely earmarked for future projects.

Councilman Solis said he thought the grant work by Ms. Jenkins and Ms. Younce should cover the sidewalks. He spoke of the WFRPC's TAP program that would give an overall view of the City and how much the sidewalks would cost. He suggested a cost analysis for some of the sidewalks using that set aside money and have them ready to apply for TAP grant funds. Ms. White said some funds were already set aside in the Street Department specifically for that purpose. Mayor Thomas mentioned St. Joe looking east of Pier Park as well as the Bennetts and the concurrency money which would upgrade sidewalks on Hills Road. Councilman McConnell mentioned community input and if the residents had a petition for a particular neighborhood sidewalk. Mr. Gisbert said the County had a program specifically for assessments for any neighborhood that wanted sidewalks. Discussion ensued concerning neighborhoods wanting sidewalks but the residents not wanting them on their side of the street. Councilman McConnell said he would like a process for the neighborhood to get a consensus of the residents whether the sidewalks were wanted. Councilman Casto explained how the sidewalks in Open Sands were not installed because although the residents wanted sidewalks, they did not want them on their side of the street. He said sidewalks in the Glades would be challenging because of the open ditches whereas Open Sands had smaller lots and residents did not want to give up their front yards.

Councilman Solis asked about the Alf Coleman property that was sitting unused and the status of the RFQ to get the property leased out to recover funds. He said it was for the CRA but until needed, it could possibly be used again for boat and RV storage. For Frank Brown Park, he thought it was time to do something with the front parcel, such as a plaza with a long lease which would provide funds. He mentioned extending the deck near the Russell-Fields Pier. Councilman Casto said he liked all those ideas for more ways to generate revenue to pay for those new positions next year. He also suggested charging for parking at Frank Brown Park. Councilman Solis said that was a great idea and something the Recreation Board could discuss.

Ms. White said One Million Dollars was set aside for R&R for major repairs and upkeep. She said it was imperative to start setting aside the funds now because of the new buildings. The balance was \$5.4 Million Dollars which Ms. White said she would like to keep approximately 25% operating expenses.

For the individual Departments, for Legislative, the figures changed very little.

For Administration, no new positions were added at City Hall, the PIO position was for a full year, and a long-term employee was leaving next year and the funds were there for the Sick Leave payout. She said the entire construction cost for the new building was included this year but if not completed, some costs would move forward to FY20.

For Legal, she left the figures flat but a lot was out of our control because it depended upon what was needed.

For the Comp Plan, this Department changed the least with no new people and operating expenses up and down due to timing issues. She said she budgeted a full year for the GIS person shared with the County, and then afterwards, the County would bill the City for actual use.

For the Police Department, there was a 9% increase in Personnel, four Patrol, one Comm Room and one Beach & Surf. She said everything had been left status quo for the moving of the lifeguards and Beach & Surf until after the first of the year. She said the City Manager would discuss with the Council members individually and then shift funds at that time. For Operating, those were the normal increased expenses when adding personnel. For machinery & equipment, that was the normal rotation of the vehicles, five years for patrol cars and seven years for admin cars. Ms. White added that the Department was asking for a small substation at Churchwell for One Hundred Thirty-Five Thousand Dollars (\$135,000) and some would be funded by Impact Fees. Mr. Gisbert elaborated on its size and location. Mayor Thomas asked if the motorhome could be used at that location and Chief Whitman stated that he needed a permanent building with a restroom, break area and interview area. Councilman Solis asked about bicycle officers being utilized from that substation, and Chief Whitman replied that he has done so in the past depending upon manpower. Councilman Solis said he had no opposition to the request. Councilman McConnell asked if it could be a portable building and Mr. Gisbert said a portable pod may be used. Councilman Chester mentioned security for a pod. There were no objections.

For the Fire Department, there were nine (9) new Firefighters but not for the entire year. Plans were to begin staffing in January or February so that when the new station was completed, trained Firefighters would be ready. She explained salaries would increase but not as much as anticipated because of the Sick Leave payout in FY18 and new personnel would only be paid for a portion of the year. For operations, it was virtually the same since the Department had already started to purchase items for the new Firefighters in FY18. For capital outlay, two large items were the new Fire Station and the Eight Hundred Thirty Thousand Dollars (\$830,000) for a new fire engine.

For the Building Department, Ms. White continued that there was not a lot of change with no new personnel. In fact, personnel expenses went down because one retiree was not replaced. Operations were flat, no capital outlay, and contractual services with Bay County inspections may have to be revisited if more building occurred next year.

For the Street Department, there were no additional employees. FY18 rose due to Sick Leave payouts and personnel for FY19 was down even with the COLA. For operations, the significant change was the resurfacing timing which had already been discussed. She also identified the Twenty-Six Thousand Dollar (\$26,000) line item which was earmarked for the sidewalk studies mentioned by Councilman Solis. For capital outlay, the Bay Parkway Extension was included.

For the Library, the only difference was the increase requested at the last Workshop which was approved.

For Recreation, Mr. Poněk had more personnel so the COLA had more of a noticeable effect. Two (2) new maintenance people were being added as discussed at the last Workshop, and some part-time positions were being eliminated due to the new full-time positions. Operations were basically flat. For capital outlay, these were the proposed light upgrades at the soccer fields and South Complex. Mr. Poněk also planned One Hundred Thousand Dollars (\$100,000) for upgrades at the Miracle League field. There was also an estimate for the Greenways and Trails construction costs and most of those costs would be recovered from the grant and the balance from Impact Fees.

Ms. White asked if there were any questions. There were none.

Mayor Thomas asked about scheduling the next meeting. Ms. White said one more Workshop was needed for the Utility Fund. Mr. Gisbert suggested 4:00 P.M. prior to the September 13th 6 P.M. meeting. There were no objections.

The meeting was adjourned at 11:40 A.M.

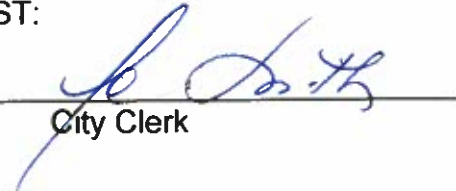
READ AND APPROVED this 13th of September, 2018.

IN THE EVENT OF A CONFLICT BETWEEN THE FOREGOING MINUTES AND A VERBATIM TRANSCRIPT OF THESE MINUTES, THE FOREGOING MINUTES SHALL CONTROL.



Mayor

ATTEST:



City Clerk