

The Special Meeting/Budget Workshop 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, held on August 22, 2019.

ROLL

MAYOR MIKE THOMAS

COUNCILORS:

PAUL CASTO

PHIL CHESTER

GEOFF MCCONNELL

HECTOR SOLIS

CITY MANAGER:

MARIO GISBERT

CITY CLERK:

MARY JAN BOSSERT

CITY ATTORNEY:

AMY MYERS

Mayor Thomas called the Special Meeting/Budget Workshop to order at 11:00 a.m. with all Councilmen, the City Manager, Finance Director, City Clerk, and City Attorney present.

Mayor Thomas announced it was a Public Hearing and introduced Ms. White, Finance Director.

ITEM 1 UTILITY FUND. Ms. White gave a brief overview of the Utility Fund. She explained the budget was broken down by the different departments that are covered within the fund. She stated it is her intention to place Stormwater into its own fund next fiscal year. She explained the unrestricted reserves are currently \$46 million, but the capital projects coming up in the next five years exceed that amount. She commented there is no changes on the revenue side, the 2% increase for sewer was built into the budget, but no kind of growth component was put into any of the revenue numbers. She explained most of the rates are driven by Stormwater fees that are projected roughly \$1.7 million. She explained the Utility Fund starts at \$55 million for the start of the fiscal year and should be \$45 million at the end of the year after project expenditures.

Ms. White explained the water side of the budget. She explained they are requesting an additional position that is split between water and sewer. She explained that position is an additional engineer to deal with the increase in plan review, but the primary reason is for Mr. Churchwell's upcoming retirement. She explained Utility and Wastewater are the two departments that have had the most difficulty staffing, which reflects the decreased number in salaries. She explained the operating side and stated the \$8.6 million for capital outlay will be pushed out to 2020 because of postponed projects last fiscal year.

Councilman Solis asked for Mr. Shortt's vision for automated meters. Mr. Shortt explained he had a meeting with the current meter provider yesterday. He explained he has had conversations with legal to develop an RFP or an RFQ process. He suggested a pilot study to install the meters and test drive them to make sure they work as advertised before making a big investment. He explained the project will cost around \$7 million. There was a question on if a meter reader position would be eliminated. Mr. Shortt explained the position would be repurposed to Wastewater.

Ms. White explained the wastewater side of the budget. She explained salaries have decreased due to a lack of staff in the department for a good portion of the year. She explained no additional positions are being requested, several positions are posted to be filled. She explained the operations side to wastewater. She commented doing an updated rate study has been discussed. She explained there is an increase in electricity expense, this department is the heaviest user of electricity in the entire city. She explained the capital projects that included the second phase of Bay Parkway. There are several projects planned out through 2022 that total in the \$70 million range.

Ms. White explained the Fleet Management Worksheet. Mr. Shortt explained the only employees taking vehicles home are on call. He commented the GPS system has been a big benefit so far as in efficiency and saving fuel. Ms. White explained there is a fuel

tax report filed once a month with the State, where the city recovers a small refund amount of those charges.

Councilman Solis asked for an update on Thomas Drive. Mr. Shortt explained the first phase of this two-phase project is going well, the next phase is going onto Beach Drive. He commented they are working with the County to where they are a month ahead of where their contractors are going to be. Councilman McConnell commended Mr. Shortt on his spreadsheet and information presented.

Ms. White gave a brief overview of the Stormwater Department. She explained they are requesting an additional stormwater maintenance person. She explained capital outlay projects have been pushed out due to the storm. She commented Ms. Jenkins has done a good job of trying to build in the 25% match so that if we become eligible for any of those projects, the match money would already be incorporated into the budget. Discussion ensued.

Ms. White asked for direction on whether the council would like to approve the additional position so it could be included in the final budget. All Council agreed to include it in the budget.

ITEM 2 RECREATION CAPITAL PROJECTS. Ms. White explained the Recreation Capital Projects. She explained the Recreation Department has listed several improvements and machinery equipment purchases in the next year's budget. The biggest project will be the south complex and soccer field lighting. She commented other expense items such as batting cages, roof replacement, shade structures, and equipment are listed. She explained buying a piece of equipment instead of spending fifteen thousand to rent it per year is a good option. Mayor Thomas inquired on the shade structures. Mr. Ponek explained the shade structures will cover the playground and t-ball areas. He commented the playground equipment will be shaded. Councilman Casto commented this will help keep the playground equipment from being too hot to play on. He explained he will be attending a conference soon and will ask for other cities' input on cooling sports equipment. He explained the shades will be like those at the airport. Mr. Gisbert requested Mr. Ponek to bring the design to the Council. Discussion ensued.

Ms. White explained the greenways and trails projects have been budgeted and will be a \$1.3 million project. Mr. Ponek explained he has a five-year plan and try to keep the list prioritized.

ITEM 3 UPDATES TO GENERAL FUND. Ms. White gave a brief overview of the General Fund. She explained the reserves at the end of the fiscal year 2020, was projected to be 3.8 million on the version in the last workshop, after things were approved, we should end up somewhere around 4.4 million; that is an increase of \$800,000 since the last workshop. Councilman Chester asked if the amount included FEMA money. She commented it does not include FEMA money, she expects to get FEMA money in, its just a matter of when. She commented when it does Mr. Gisbert will announce it at the manager update portion of the council meeting. Discussion ensued.

ITEM 4 ADDITIONAL BUDGET MATTERS. Mayor Thomas asked Mr. Ponek to give the Council an update on comparative pier charges. Mr. Ponek explained we are already high from everyone else, which is surprising. He commented he will bring back user fees to the Council in September. He stated two years ago the fishing rates were raised by a dollar. Councilman Casto commented we have one of the most beautiful piers in the country and doesn't think people would stop going on the pier if the fee was raised. Mayor Thomas commented he has been able to do some traveling and every other city has charged for parking. Councilman Solis suggested using new app programs where people pay for parking. Mr. Gisbert stated he will investigate that because there may be restrictions due to retail stores being in the vicinity of the pier parking. He commented there are many cities that charge for parking. Discussion ensued.

Ms. White explained the budget will be brought to the Council at the first meeting in September. She explained the utility fund and the general funds won't change. She commented the Aquatic, Pier and CRA will be tweaked slightly. Mayor Thomas asked for Mr. Ponek to bring back all the information on the lifeguards and suggestions from staff as far as timelines.

Mayor Thomas opened the Public Comments section of the meeting at 11:44 a.m. and invited comments. There were none. He closed the Public Comments.

With nothing further, the meeting was adjourned at 11:44 a.m.

READ AND APPROVED this 26th of September, 2019.

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