

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 July 25, 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 11:57 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. Ms. White explained she has met with each Council Member to discuss the budget one on one.

ITEM 1 CRA FUND, AGENCY AND SPECIAL REVENUE FUND. Ms. White gave a brief overview of the CRA Agency. She explained the nature of the two Community Redevelopment Agencies, Front Beach Road and Pier Park, and how they are accounted in the City's budget. She explained the funding mechanism for the Pier Park CRA and Front Beach Road CRA, the Tax Increment Funding (TIF). The TIF each year for the Pier Park CRA is transferred to the Community Development District while the Front Beach Road TIF money is transferred to the Special Revenue Fund, which is the fund that is used to operate and fund the projects in the Front Beach Road CRA. Mr. White explained the tax increment funds for Front Beach Road are anticipated for next fiscal year are estimated at 11.2 million, and the tax increment funds for Pier Park are anticipated to at 460,000.

Discussion ensued regarding the status of the Front Beach Road CRA and permitting from the Florida Department of Transportation.

Ms. White explained that under the anticipated revenue and expenditures in the proposed budget, substantially all of the Front Beach Road CRA funds received would be committed to the project.

ITEM 2 PIER FUND. Ms. White explained she restructured the accounts internally to be more compliant with the Florida Uniform Accounting Code. She explained admissions at the pier were down in the fall due, due to Hurricane Michael; which decreased pier revenue. She explained the Renewal and Replacement Reserve is currently at 800,000 and would like to see it reach \$1,000,000. Councilman Casto agreed with the idea of the increase. Ms. White explained the money is placed in the Florida Investment Trust. She noted a decrease in personnel expenses due to the seasonal lifeguards shifting into the General Fund. She explained the department has proposed additional personnel for the next fiscal year, one being a full-time equipment maintenance worker, and the other being the part-time bookkeeper to become full time.

ITEM 3 AQUATIC CENTER FUND. Ms. White explained during the fall season the pool has little activity. She explained the City transferred \$450,000 from the pier fund to the aquatic center this fiscal year. For next fiscal year, the budget proposed a transfer of \$750,000 will to primarily fund a capital improvement project. She explained the Cash Carry Forward dollar amount is \$382,000; and highlighted that the department did well in controlling costs. Ms. White later revisited the pool fund and explained the operating expenses and capital improvements budget.

ITEM 4 CITY WIDE SALARY DISCUSSION. Ms. White stated the budget accounted for a 2% cost of living raise for all City employees, as well as a 2% merit raise depending on evaluations. The Council discussed the process for approving and determining merit raises and suggested ensuring the process was fair to all employees. Ms. White explained that health insurance premiums will remain unchanged for next fiscal year with a slight increase in dental and life insurance. She explained the City's share of the general employee and police retirement contributions went down and the fire department went up about 4.5% due to the number of new employees hired with another increase anticipated in 2021.

ITEM 5 GENERAL FUND – REVENUE. Ms. White explained the existing employees and proposed addition of 21.75 new employees in the general fund in the fiscal year 2020. She explained the two additions for each department. Administration proposed adding a new full-time floating position and an additional accountant, due to the workload with the City's growth and Ms. White's anticipated retirement. She explained the Police department's request of 6 positions, four patrol and two communications. She explained the Fire department's request for 11 positions consisting of nine firefighters, one Beach and Surf Director, and one Director of Training. She explained the Street department's request of 1.25 people, one maintenance worker and the .25 being a field inspector allocated between stormwater, street, and CRA. Finally, she explained the Recreation department's request for 1.50 positions, the half being a part-time bookkeeper position to be filled as full-time, and one being a mechanic position. She explained in the fiscal year 2020 there are 324 current approved positions, with 26 proposed new positions totaling 350 for next fiscal year and discussed future projections on retirements and succession.

Councilman Solis requested a cost analysis of the fire assessment. Ms. White explained the general fund revenue projections incorporate fire assessments revenue, showing fire assessment revenue for \$3,900,00 this fiscal year with next year projecting an increase to approximately \$4,000,000. Discussion ensued. Ms. White explained the next workshop will be a discussion on the General Fund and some projections about the long-term projections of employee and capital costs.

ITEM 6 ADDITIONAL BUDGET MATTERS. Councilman Solis initiated a discussion of the current pricing for use of the Frank Brown Park fields and asked for a comparison with other similar sports complexes including the new complex recently opened by Bay County. The Council discussed discounts to local residents, matching the new County complex, and charges for parking. The Council asked Parks Director Jim Ponak for additional information about fees in the coming meetings.

Ms. White explained for business tax receipts were originally projected 11.8 million in revenue. She stated that Hurricane Michael drove revenue up to projected revenue of 13.8 million this year. Her projections for next fiscal year was set at 12 million. She reviewed the health of the business tax revenue. Councilman Chester complimented the staff for its collection efforts. Ms. White explained that staff has been diligent in collecting business taxes and imposing late fees in accordance with the City's code. She briefly noted the increased revenue projected from Pier Park and other revenue streams to the general fund.

Regarding FEMA reimbursements, Ms. White commented timing for payments is unknown. She explained that the City has received half of the cost for its debris contract with Crowder Gulf. She commented she feels confident the City will receive the other half by the end of the fiscal year. Ms. White noted that no revenue is projected for next fiscal year, but any revenue received should be used to build up depleted reserves. Councilman Solis noted the additional revenue derived from changes in investment of reserve and restricted funds and encouraged staff to continue these efforts.

Ms. White provided a review of the Cash Carry Forward and complimented the Department Heads for prudent budget management.

Councilman Casto thanked Ms. White for preparing the budget, it is a tremendous amount of work. He stated it is a smart move to hire another accountant and have them trained in the transition period of Ms. White getting ready for retirement.

Mayor Thomas explained the City needs to be more conservative with their money. He stated employees now clock in and out and employees and have stopped taking vehicles home. Mayor Thomas noted the savings to the City thanks to these measures. He emphasized the need to practice good budgeting and accounting. Councilman Solis agreed that the City needs to be more conservative with the money and that the City has to prepare for losing tourists due to a natural disaster. Councilman McConnell commented as we build more residences, townhomes, and apartments the City is required to provide more services and the City must plan revenue to provide those additional services.

Ms. White commented that every department within the City are busier than they have ever been. Mayor Thomas opened the Public Comments section of the meeting at 1:06 p.m. and invited comments. There were none. He closed the Public Comments.

With nothing further, the meeting was adjourned at 1:07 p.m.

READ AND APPROVED this 22nd of August, 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