

The Regular 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, conducted on February 26, 2015.

ROLL

MAYOR GAYLE F. OBERST

COUNCILORS:
JOHN REICHARD
RICK RUSSELL
JOSIE STRANGE
KEITH CURRY

CITY MANAGER:
MARIO GISBERT
CITY CLERK:
HOLLY J. WHITE
ASSISTANT CITY ATTORNEY:
AMY MYERS

Mayor Oberst called the meeting to order at 2:00 P.M., with all the Council, the City Manager, City Clerk and Assistant City Attorney present.

Pastor Rick Young of the Woodstock Church gave the invocation and Mayor Oberst led the pledge of allegiance.

The Mayor asked if there were any additions or deletions to the Agenda. Hearing none, **the Agenda was accepted as presented.**

The Minutes of the Regular Meeting of February 12, 2015 were **read and approved as written per motion by Councilman Russell. Second was by Councilwoman Strange and the motion passed by unanimous roll call vote recorded as follows:**

Councilwoman Strange	Aye
Councilman Curry	Aye
Councilman Reichard	Aye
Councilman Russell	Aye
Mayor Oberst	Aye

CONSENT AGENDA

1 ***“CLEAN-UP, PAINT-UP AND FIX-UP MONTH”. “A Proclamation encouraging aesthetic efforts by proclaiming March, 2015 as “Clean-Up, Paint-Up and Fix-Up Month” in Panama City Beach.”***

Ms. White presented the Consent Agenda. The Mayor asked for comments from the Council. Hearing none, **Councilwoman Strange made the motion to approve the Consent Agenda. Second was by Councilman Reichard. The motion passed by unanimous roll call vote recorded as follows:**

Councilwoman Strange	Aye
Councilman Curry	Aye
Councilman Reichard	Aye
Councilman Russell	Aye
Mayor Oberst	Aye

Prior to beginning the Regular Agenda, the Mayor reminded the audience about the Three Minute Speaking Rule and that forms were available on the table if anyone wished to address the Council.

REGULAR AGENDA

1. ITEM NO. 1 PLANNING BOARD MEMBER TERMINATION. Mr. Leonard said Mr. Tony Viejo had a scheduling conflict for the next several Planning Board meetings. The Planning Board discussed the situation and requested that the Council consider filling the seat and advertise for the vacancy as Mr. Viejo would no longer meet the LDC

Regular Meeting
February 26, 2015

attendance requirements. Mr. Gisbert said the advertisement would be placed on the City website and he thanked Mr. Viejo for his service to the City. The Council members added their thanks and recognized that Mr. Viejo had also served on the Board of Adjustment.

2. ITEM NO. 2 RESOLUTION 15-47, ELECTION TO USE THE UNIFORM METHOD OF COLLECTING NUISANCE ABATEMENT NON-AD VALOREM SPECIAL ASSESSMENTS, PUBLIC HEARING. The Mayor opened the Public Hearing at 2:05 P. M. Ms. Myers read Resolution 15-47 by title and explained that this Resolution was substantially identical as that approved last year, and the first of a series. She said by the City making the election to use the Uniform Method, it would give the City the ability, if an Assessment Roll was approved, to levy non- ad valorem assessments for nuisance abatement activities.

Councilman Reichard asked if this was only for the Front Beach Road area. Ms. Myers replied yes, only in the Front Beach Road CRA District. He questioned why this would not be City-wide. Ms. Myers said last year, the discussion had been to limit the abatements to only those within the Front Beach Road CRA. She said this was consistent with that decision from last year. Mayor Oberst said the thinking had been that in the subdivisions throughout the City, the nuisances would be small issues such as lawn mowing which would be too small to place on the tax bills. Mr. Gisbert said how the City dealt with nuisances within the subdivisions worked fine. However, for big ticket items, this process would be beneficial. Councilman Reichard questioned if something happened on Clarence, for instance, if the Council would have the option to place the assessment on the tax roll. Mr. Gisbert said that change would mean notifying everyone within the City and Ms. Myers said this would mean starting the process over again to expand the area. Now the only tool would be placing a lien on the property as opposed to levying an assessment.

Mayor Oberst recommended continuing as planned with the option of making changes if such a situation occurred. In response to Councilman Reichard's question about moving forward, Ms. Myers said there would be a series of two more Resolutions which would establish the assessment program. Councilman Reichard asked Mr. Gisbert if the two concrete structures discussed in past meetings would be included in this process. Mr. Gisbert replied one would be included but the other not included; however, they were different because they were at the beginning of their lives versus the Beach Club Motel that was at the end of its life. It would be more problematic to demolish something which still had inherent value. Councilman Reichard said he thought those two structures had already had sufficient time.

Councilman Curry asked if the Beach Club Motel owners could complain that the City had targeted them specifically by this process. Ms. Myers replied no because this process would be applicable to any property within the CRA on which the City had performed nuisance abatement activities. She said she did not think the City was made vulnerable by limiting the scope to only the CRA. Mayor Oberst asked if there were any comments or questions from the audience. Hearing none, **Councilman Curry made the motion to approve Resolution 15-47. Second was by Councilwoman Strange.** The Mayor called for comments; there were none. **The motion passed by unanimous roll call vote recorded as follows:**

Councilwoman Strange	Aye
Councilman Curry	Aye
Councilman Reichard	Aye
Councilman Russell	Aye
Mayor Oberst	Aye

The Public Hearing was closed at 2:12 P.M.

3. ITEM NO. 3 RESOLUTION 15-60, SPRING BREAK 2015 ADDITIONAL SECURITY AND BUDGET AMENDMENT #11, PUBLIC HEARING. SPRING BREAK LISTING INCLUDED. Mayor Oberst opened the Public Hearing at 2:12 P.M. Ms. Myers read Resolution 15-60 by title. The Mayor asked if there were any questions for Ms. Myers. There were none. Mr. Gisbert said this item also included the Spring Break schedule. He also thanked Bay County and the TDC, saying this was part of the twenty items discussed after last Spring Break. Last year, the TDC gave the City \$100,000 and this year, increased the funding to \$150,000 to both the City and the County. **Councilman Reichard made the motion to approve Resolution 15-60. Second was by Councilman Russell.** The Mayor called for comments: there were none. **The motion passed by unanimous roll call vote recorded as follows:**

Regular Meeting
February 26, 2015

Councilwoman Strange	Aye
Councilman Curry	Aye
Councilman Reichard	Aye
Councilman Russell	Aye
Mayor Oberst	Aye

The Public Hearing was closed at 2:15 P.M.

4. ITEM NO. 4 RESOLUTION 15-61, HICA AGREEMENT WITH JEFFREY D. LOHMAN FOR LOHMAN SUBDIVISION. Ms. Myers read Resolution 15-61 by title and explained that the Resolution was corrected to reflect that the Bond was Forty Thousand Dollars (\$40,000). The City had received the Bond and the executed Infrastructure Agreement from Mr. Lohman which committed to building the infrastructure within the next twelve months. The Mayor asked if there were any questions or comments; there were none. **Councilwoman Strange made the motion to approve Resolution 15-61. Second was by Councilman Russell.** The Mayor called for comments: there were none. **The motion passed by unanimous roll call vote recorded as follows:**

Councilwoman Strange	Aye
Councilman Curry	Aye
Councilman Reichard	Aye
Councilman Russell	Aye
Mayor Oberst	Aye

5. ITEM NO. 5 PLAT APPROVAL LOHMAN SUBDIVISION, #04-PL-15, PUBLIC HEARING. Mayor Oberst opened the Public Hearing at 2:15 P.M. She read the order of procedures and began with the Jennings Disclosures. Councilman Reichard said he had only spoken with the City Manager on this subject. Councilman Russell said he knew the property's location and had spoken with Mr. Leonard. Mayor Oberst said she had spoken with Staff. Councilwoman Strange said she knew the property's location and had spoken with no one. Councilman Curry said he knew the property's location and had spoken with Staff.

Mr. Robert Carroll said he was the engineer of record and represented Mr. Lohman. At this point, the witnesses who planned to testify were sworn.

Mr. Shortt said this was a Gulf-front parcel east of Cobb Road, to be divided into four single-family lots. He said the Bond would be to bring water and sewer to the site, and the sidewalk along the frontage. The stormwater facilities would be privately owned and operated, and located within the subdivision. He said the stormwater would percolate on site and not run off into the Gulf or onto Front Beach Road. He said this Hearing was properly noticed. The subdivision complied with all subdivision regulations and there was nothing unique about this property. The Mayor asked if there were any questions and there were none. Mr. Leonard said this subdivision was within the City limits, complied with the LDC and was compatible with the Comprehensive Plan. The Mayor asked if there were any questions and there were none. Ms. Myers said the face of the plat contained the title certificate and all of the encumbrances had been taken care of, the title certificate had been executed, and the plat appeared to satisfy the requirements of Florida Statutes. The Mayor asked if there were any questions and there were none.

Mr. Robert Carroll, representative of the developer, said years ago this parcel had contained a multi-family development. He said they thought the four units would be low density and compatible with the character of the neighborhood. Councilman Reichard asked if the developer planned to build the homes. Mr. Carroll responded at least for three of the homes, if not all four. The Mayor asked if there were any more questions for Mr. Carroll. There were none. She asked if anyone opposed approval of the plat. There was none. There were no public comments from the audience.

Councilman Reichard said he was concerned about the trend of "building castles on the shore" on the scenic Gulf and he asked for the developer to be careful of building a large structure with inadequate parking. Councilwoman Strange said with the lot 200' deep, it would have to be a large house not to leave room for adequate parking. Mr. Carroll said this matter was only for the subdivision itself and the houses would come later. However, due to the Coastal Construction line and with other issues, there would only be about 70' depth for building. Councilwoman Strange said this would be a valid concern not to have the same situation as on Oleander. Mayor Oberst said the issue now was not parking but rather approving the plat itself. She said when they returned with house plans, if the LDC was the same as now, all of the Council then could be

concerned about parking. Mr. Gisbert said Staff was looking at parking and it would be addressed shortly. The Mayor asked if there were any other comments or questions; there were none. **Councilman Reichard made the motion to approve the plat. Second was by Councilwoman Strange.** The Mayor called for comments; there were none. **The motion passed by unanimous roll call vote recorded as follows:**

Councilwoman Strange	Aye
Councilman Curry	Aye
Councilman Reichard	Aye
Councilman Russell	Aye
Mayor Oberst	Aye

The Public Hearing was closed at 2:27 P.M. The Mayor thanked Ms. Myers for the overview which helped make the process easier. Ms. Myers said the owner had not yet signed the plat to dedicate the infrastructure to the City so Staff asked to delay Council signatures until the signed plat was received from the developer.

6. ITEM NO. 6* RESOLUTION 15-62, TRIP FUNDING APPLICATION FOR FRONT BEACH ROAD SEGMENT 4.3 IMPROVEMENT PROJECT. Mayor Oberst announced that this item, noted with an asterisk, was an item in which the City Council was also acting as the Panama City Beach Community Redevelopment Agency and voting as both. Ms. Myers read Resolution 15-62 by title. The Mayor asked if there were any questions. Ms. Myers explained the area was Front Beach Road westward from Richard Jackson Blvd. to the terminus of Middle Beach Road. The Mayor called for comments or questions. There were none. **Councilman Russell made the motion to approve Resolution 15-62. Second was by Councilman Curry. The motion passed by unanimous roll call vote recorded as follows:**

Councilwoman Strange	Aye
Councilman Curry	Aye
Councilman Reichard	Aye
Councilman Russell	Aye
Mayor Oberst	Aye

7. ITEM NO. 7 ORDINANCE 1335, AMENDING LDC REGARDING COMMERCIAL USE OF FRONT YARDS, 2ND READING, PUBLIC HEARING AND ADOPTION. Mayor Oberst opened the Public Hearing at 2:30 P.M. Ms. Myers read Ordinance 1335 by title. Mr. Leonard said the Planning Board had recommended approval and he explained that current front yard uses in the FBO District were classified as a Conditional Use which required submittal to the Planning Board and costly mailouts. The mailouts were sometimes an impediment for people wanting an outdoor eating area that was encouraged by the Code under certain circumstances. This proposal would change it from a Conditional Use to a Supplemental Use that only required a Staff review. Any adversely affected person who wished to appeal would then go to the Planning Board. This would allow a more streamlined process for approval of outdoor eating areas and other front yard uses. The Mayor asked if there were any questions or comments; there were none. **Councilwoman Strange made the motion to approve Ordinance 1335. Second was by Councilman Reichard.** The Mayor called for comments; there were none. **The motion passed by unanimous roll call vote recorded as follows:**

Councilwoman Strange	Aye
Councilman Curry	Aye
Councilman Reichard	Aye
Councilman Russell	Aye
Mayor Oberst	Aye

The Public Hearing was closed at 2:32 P.M.

8. ITEM NO. 8 RESOLUTION 15-63, WOW BUSINESS SERVICES AGREEMENT BUDGET AMENDMENT #9, PUBLIC HEARING. Mayor Oberst opened the Public Hearing at 2:32 P.M. Ms. Myers read Resolution 15-63 by title. Mr. Gisbert said the contract had been approved at the last meeting and this approved the Budget change for the funds provided by the TDC. The Mayor asked if there were any questions. There were none.

Councilwoman Strange made the motion to approve Resolution 15-63. Second was by Councilman Curry. The Mayor called for comments; there were none. The motion passed by unanimous roll call vote recorded as follows:

Councilwoman Strange	Aye
Councilman Curry	Aye
Councilman Reichard	Aye
Councilman Russell	Aye
Mayor Oberst	Aye

The Public Hearing was closed at 2:33 P.M.

9. ITEM NO. 9 RESOLUTION 15-67, 2015 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) FOR EMERGENCY WARNING PACKAGE & PUBLIC ADDRESS SYSTEM AND BUDGET AMENDMENT #10, PUBLIC HEARING.

Mayor Oberst opened another Public Hearing at 2:33 P.M. Ms. Myers read Resolution 15-67 by title. The Mayor asked if there were any questions about the grant; there were none. **Councilman Curry made the motion to approve Resolution 15-67. Second was by Councilman Russell. The motion passed by unanimous roll call vote recorded as follows:**

Councilwoman Strange	Aye
Councilman Curry	Aye
Councilman Reichard	Aye
Councilman Russell	Aye
Mayor Oberst	Aye

The Public Hearing was closed at 2:34 P.M.

10. ITEM NO. 10A* CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2006 (FRONT BEACH ROAD PROJECT) IMPROVEMENT PROJECT, REFUNDING OPPORTUNITY- DISCUSSION.

Mayor Oberst announced that this item and the next, noted with asterisks, were items in which the City Council was also acting as the Panama City Beach Community Redevelopment Agency and voting as both. Mayor Oberst said Mr. Gisbert had information and Mr. Jay Glover was in the audience and would be able to handle this transaction for the City if approved as he had done in the past.

Mr. Gisbert said at the last meeting, the Council had directed further research into the refunding issue and to check with more banks. Mr. Glover checked with the corporate offices of the banks, not the local branches which sometimes gave different answers. Mr. Glover had input from all of the banks mentioned at the last meeting as well as a few more.

Mr. Jay Glover, Public Financial Management, introduced himself and said this issue had been briefly discussed at the earlier meeting. At that point, he had reported some preliminary inquiries with local and regional commercial banks and had analyzed a publicly marketed transaction to see which would offer the best alternative. Indications at that time would save the City about Four Million Dollars on a net present value basis which was about \$275,000 annually throughout the life of the transaction. Since that meeting, they reached out to a few more banks to gauge their interest and ensure that the City had the best deal available. Per his memo, they contacted Bank of America, Hancock Bank, JP Morgan, Pinnacle Public Finance, Regions, Summit Bank, SunTrust, Trustmark and Wells Fargo. Mr. Glover continued that of those banks, only Regions and SunTrust indicated their interest to pursue further and he asked them to provide interest rate indications. The offer from Regions was substantially better than SunTrust. As he mentioned at the last meeting, Regions had provided an interest rate indication which equated to 2.88%. Since then, the Ten Year Treasury went down and their interest rate now would be 2.73%. He said if the City locked the interest rate today, it would save \$4.2 Million Dollars on the net present value basis or 10.5% of the refunded Bonds par amount. He said when they looked at refunding to decide whether to go forward, they looked at the overall savings as well as the refunded Bonds amount, and anytime that an entity could achieve 3% to 5% of the refunded Bonds par amount, it was typically good to move forward with the refunding. Mr. Glover said he felt this was a good transaction and that his firm had fully vetted the market.

Mr. Glover explained one of the reasons for the lack of interest from the other banks was the size of the transaction, fairly large for a commercial bank. This loan size would eliminate many of the local banks and smaller banks. Another reason was the TIF financing nature of the credit. He said although the City had a strong TIF credit and the CRA had been established for many years, many banks were hesitant to lend based on that security due to its volatility. He said

the current Bonds had a maturity date of 2031 and most commercial lenders did not want to lock their funding for that length of time. In this case, Regions had an advantage because they were the City's day-to-day bank. He recommended moving forward with Regions.

Mr. Glover explained his firm's experience in such matters, completing about forty bank loan financings for municipalities in Florida last year, which ranged from about One Million Dollars up to Eighty Million Dollars. He supplied Mr. Gisbert with that listing and the various rates and banks involved with those loans.

He said if the Council felt this refunding should move forward, he thought they were in a good position to potentially lock the interest rate on approval, and come back in two weeks for final approval in the form of a Bond Resolution. He asked if there were any questions.

Councilman Curry said this would not be extending the duration of the Bonds, and although Mr. Glover had mentioned a 30 year Bond, this would be a 15 to 16 year private placement. Mr. Glover said in the public markets, the cities could sometimes get a 30 year fixed rate transaction; in this case, the maturity would not be extended so they proposed to take the savings over the life of the loan, the same as refinancing a private mortgage. A lot of commercial banks were not willing to handle that type transaction and a term over fifteen years would eliminate most banks, especially given the TIF. Councilman Curry said looking through the documents he had not realized that the Council was being asked to approve the proposal submitted by Regions. Mr. Glover said his recommendation was to move forward with Regions and if directed, they would return to the Council with more documents at the next meeting. Today he was requesting the approval to move forward to prepare the final documentation.

Councilman Russell asked if the Council approved moving forward today would the 2.73% interest rate would be locked. Mr. Glover said Regions had agreed that they would be willing to hold that rate based on the Treasury market as of tomorrow morning and contingent upon the approval of the Bond Resolution in two weeks. The bank would take this action in good faith and if something unforeseen occurred, there would be no penalty to the City. He said this was quite unusual to hold the interest rate in today's volatile market. Councilman Curry said if another financial institution came in with a better rate, would this mean the City was locked into the transaction with Regions. Mr. Glover said nothing would obligate the City to do anything until the Bond Resolution was approved at the next Council meeting and if a better deal was brought forth, the City would have every right to use that new deal.

Councilman Reichard said earlier, the Council had been told that larger institutions would not be interested in this type deal due to the duration of the Bonds, 15 to 16 years. He asked why the larger lenders, such as Wells Fargo or Bank of America, were not interested. Mr. Glover replied that JP Morgan, Bank of America and Wells Fargo were not interested due to the duration of the loan. Those three banks did not typically go out beyond ten years. Councilman Reichard questioned the length of bond maturities in the other municipality refundings reported in the handout. Mr. Glover said he identified the different maturities and in most cases, the banks generally would not be interested and especially because of the TIF.

Mayor Oberst said if the Council adopted the following Resolution, this meant to move forward and Regions would hold the interest rate. Ms. Myers said the Council could make a motion to move forward, ask Regions to lock in the interest rate, and direct Staff to prepare the Bond paperwork for the next meeting. The next Resolution approved the form of the public notice to advise that the City planned the refunding.

Councilman Russell asked if the interest rate dropped tomorrow, could it be locked in instead of the 2.73%. Mr. Glover said after the meeting, Regions would be given notice of today's decision but the final interest rate would be based on the 10 Year Treasury rate at that time based on a particular formula. He said this would protect the City if interest rates rose, but if interest rates dropped, he would not be comfortable asking them to redo their commitment. Mr. Glover said the City would have the right to do so, but he would not recommend asking because the City and Regions were good partners. Ms. Myers suggested the motion phrasing should be to accept Regions proposal of 2.73% and direct Staff and Bond Counsel to present the authorization and award Resolution at the next meeting. **Councilman Reichard so moved. Second was by Councilman Russell.** The Mayor asked if there were any comments.

Councilman Curry asked Mr. Glover if he had ever been employed by any financial firm other than PFM. Mr. Glover said no. Councilman Curry said other portions of PFM were an investment management company and consulting. The core business was financial advisory and investment management, all with local governments. He asked if his firm would receive a concession for refunding these Bonds. Mr. Glover replied that his firm would be paid a flat fee for the transaction, about Thirty Thousand Dollars, which would be paid out of the cost of

issuance, along with the other costs, about One Hundred Fifty Thousand Dollars total. He said that One Hundred Fifty Thousand Dollar final cost was already netted out of the present value debt service savings and all fees would be contingent on the loan closing. Councilman Curry asked if Mr. Glover received any concessions or kickbacks from Regions for their recommendation. Mr. Glover said no, they received no kickbacks as they had the fiduciary relationship to the City to represent our best interests. He continued that as the City's municipal advisor, they had the fiduciary responsibility to the City. With no further questions, **the motion passed by majority roll call vote recorded as follows:**

Councilwoman Strange	Aye
Councilman Curry	Nay
Councilman Reichard	Aye
Councilman Russell	Aye
Mayor Oberst	Aye

11. ITEM NO. 10B* RESOLUTION 15-68, APPROVAL OF NOTICE FOR BONDS. Ms. Myers read Resolution 15-68 by title and explained that there were two notices attached to the Resolution, one published and one mailed by USPS as required by law. The Mayor asked if there were any questions from the audience; there were none. **Councilman Russell made the motion to approve Resolution 15-68. Second was by Councilwoman Strange.** The Mayor called for comments; there were none. **The motion passed by majority roll call vote recorded as follows:**

Councilwoman Strange	Aye
Councilman Curry	Nay
Councilman Reichard	Aye
Councilman Russell	Aye
Mayor Oberst	Aye

12. ITEM NO. 11 CITY MANAGER UPDATE. Mr. Gisbert said the Beach Blast event would be returning May 13th through May 17th at Edgewater. He reminded that these were the paragliders and a plan had been submitted for review by City Staff. That review was almost finished and registration was planned to start this weekend. He reminded that the 2 A.M. closure of alcohol sales would take effect March 1st and rack cards were now available for the Spring Break regulations. He said the new cards would be distributed to the hoteliers and condominiums. Mr. Gisbert thanked Chief John Daly for his 30 year anniversary with the City. The audience responded with applause. He said recently, the Mayor, Chief Whitman and he gave a short presentation to the Florida Lodging & Restaurant Association about the history behind the City's adopting the recent Spring Break Ordinances. Mr. Gisbert said the City had received four responses to the City's Request for Qualifications for the two new buildings. Staff reviewed the four responses and ranked the top three firms. A presentation from the three ranked firms, Childers, GAC, and Reliant South, was scheduled for March 5th and Staff planned to present the ranking of those three to Council at the March 12th meeting.

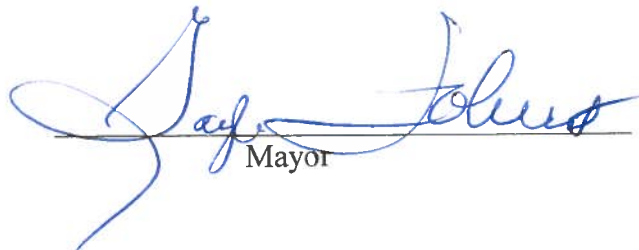
FLOOR ITEMS

ITEM 1 STAFF. Mayor Oberst invited Mr. Casto, Chief Daly, Chief Whitman, Mr. Shortt, Mr. Leonard, Mr. Alaghemand, and Mr. Ponek to the podium. She said everyone knew these gentlemen and she asked them to state their length of service to the City. Mr. Casto at 37 years, Chief Daly at 30 years, Chief Whitman at 24 years, Mr. Shortt at 21 years, Mr. Leonard at 15 years, Mr. Alaghemand at 4 years, and Mr. Ponek at 1½ years. Mayor Oberst explained their titles and duties and said this was the example of the City having almost no turnover. She added that Mr. James Creamer, Maintenance, had just celebrated his 25th anniversary.

With nothing further, the meeting was adjourned at 3:05 P.M.

READ AND APPROVED this 12th of March, 2015.

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



Mayor

ATTEST:



Deputy City Clerk