

The Special Meeting and Public Hearing 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 Budgets for the General Fund Revenue, held on August 24, 2017.

ROLL

MAYOR MIKE THOMAS

COUNCILORS:
JOHN REICHARD
JOSIE STRANGE
PHIL CHESTER
HECTOR SOLIS

CITY MANAGER:
MARIO GISBERT
DEPUTY CITY CLERK:
JO SMITH
CITY ATTORNEY:
AMY MYERS

Mayor Thomas called the Special Meeting and Public Hearing to order at 10:05 A.M. with all Council members, City Manager, Deputy City Clerk and City Attorney present.

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

GENERAL FUND

Ms. White said she would give a brief overview of the Funds and if the Council had any specific questions about the operations, the Department Heads could answer those questions.

She gave a summary for the Proposed Budget and explained approximately \$22 Million Dollars would come forward in cash balances, some of those restricted funds and some set asides. She estimated next year's revenue to be approximately \$24.4 Million Dollars, with some of that revenue also restricted. The expenditures by each Department totaled \$23.7 Million Dollars. Restricted funds totaled \$3.6 Million Dollars, money that could not legally be spent except in accordance with an ordinance, such as Impact Fees. The Half-Cent Sales Tax was reserved until the Council designated what project to fund. Money was also set aside for accrued compensated absences, road maintenance and capital expenditures. The Capital Projects set aside totaled \$10.8 Million Dollars that included the new City Hall, the new Fire Station, and the extension of the Bay Parkway. Ms. White said she liked to keep 25% set aside on an annual basis in case of an emergency and that amount was \$5.6 Million Dollars. Regarding General Fund Personnel, thirteen additional positions were proposed in the General Fund. Discussion ensued.

Councilman Chester asked how much the Beach generated for the Half-Cent Sales Tax. Mr. Gisbert explained there had been estimates that the Beach produced 65% of the Ad Valorem Tax and in the City limits was 45%. The Beach was the prominent producer of that tax, yet only received back approximately 7%. Councilman Chester explained Callaway and Lynn Haven received more Ad Valorem Tax than the City because it was based on population. Ms. White explained that everything revenue wise was going great, now performing around 7%.

Councilman Solis explained that the Pier lease was approximately \$25,000 a year and if a building or a shell of a building was on the vacant property at the pier, it could be additional reoccurring income. Councilman Reichard explained the incentives in the Land Development Code (LDC) included being able to see the beach.

Ms. White said that the Legislative Department Budget was basically the same. For the Administrative Department, the biggest difference was the \$280,000 construction in progress for the potential City Hall building. Health insurance remained flat and the retirement contribution has decreased on all three Plans. She reported thirty employees were in the DROP program now. Mayor Thomas asked the liability for their accrued time when they left. Ms. White responded approximately \$1 Million Dollars. Councilwoman Strange asked who received the \$10,000 vehicle expense. Ms. White said she and Mr. Gisbert received the vehicle allowance in their Department. Discussion ensued.

Regarding Legal for the General Fund, there was an increase on the Amended Budget due to the activities going this year and she projected it staying flat for the upcoming year. Discussion ensued.

Ms. White explained Comp. Planning and the Building Department fell under Mr. Leonard. The Comp. Planning Budget decreased and operating expenses remained consistent. For the Building Department Budget, there were significant changes primarily due to additional personnel. She explained that an additional Code Enforcement Officer would potentially eliminate the outside contract services for building inspections. Councilwoman Strange asked how many new employees were added. Ms. White responded there would be three total: a new Code Enforcement Officer, a new Building Official/Inspector, and a Licensing Aide.

Regarding the Police/Law Enforcement Department, their Budget included four new employees with three contingent on the Department being awarded the COPS grant. The Budget included the City's 25% share. Councilman Solis asked for the breakdown of the grant. Chief Whitman clarified the City paid 25% the first year, 25% the second year, 44% the third year, and 100% the fourth year. There was a small drop in the retirement contribution percentage in the Police Fund, 19% to 17%. All of the Mutual Aid was not spent that had been budgeted this year and was moved into the Proposed Budget. Insurance liability had an 18% premium increase. Councilman Reichard asked if we needed to look for better rates. Ms. White explained she and Mr. Gisbert had discussed delaying consideration until next year due to the time crunch and not having Risk Management personnel. Councilwoman Strange asked about the incentive pay in that Law Enforcement had \$33,000 and no other department had anything close to that level. Ms. White responded that by Florida Statute, the City must pay for certain education requirements. The four K-9 officers received incentive pay, an extra \$100 per month and most expenses were reimbursed by the State. Councilman Solis asked why the overtime pay decreased. Chief Whitman responded that he reorganized the patrol shifts to 12-hour shifts, two days on, two days off, which gave the officers more downtime. Ms. White said the Police Department also had a Comprehensive Traffic Enforcement Grant (CTEP) that paid for overtime traffic enforcement issues but it was not budgeted that until the grant was awarded. Councilman Chester asked about the 800-megahertz system. Chief Whitman explained his officers could communicate state wide with this system and that it was time to rebuild the City's outdated system. It was going to be County wide as well and Public Works and other departments had access to this system as well.

Ms. White explained that the Fire Department had the biggest Budget increase this year. Three additional Firefighters were added to the Budget as well as two Firefighters leaving with their sick leave payout budgeted. Two other Firefighters in the DROP program stated they may leave next year so that time payout was budgeted. Councilwoman Strange asked how many people were on auxiliary. Deputy Chief Couch responded eight Firefighters. Ms. White said the operating expenses were up primarily due to repairs and maintenance. She said there were many \$10,000 to \$15,000 items that needed to be fixed and had been budgeted. Councilman Solis asked for examples and Chief Daly explained one big-ticket item was the apparatus floor replacement. Councilman Solis asked with the \$3 Million Dollars in the Budget to build a new fire station, how many more employees would be needed to staff the new fire station. Chief Daly responded that for a new fire station, it would be between twelve and eighteen Firefighters, four on each shift with three shifts per day. He continued that the City needed a new station to fill a lot of gaps and provide a faster backup for each of the other stations. Ideally, there should be three personnel on an engine and two on the rescues. The east end of the City was the busiest area. Chief Daly said when he became Chief, the call volume was approximately 1100 calls a year and now there were 5000 calls this year. Councilman Reichard inquired about the tentative location of the new fire station and Chief Daly stated they are hoping for the Nautilus area. Councilman Solis stated a Fire Assessment study should be discussed. Mayor Thomas requested that Mr. Gisbert post an RFQ for a Fire Assessment. He also thanked Chief Daly for his service to the City.

Ms. White said for the Street Department, the Proposed Budget had a large decrease from last year's Budget. This Department had two additional maintenance personnel, consistent operational expenses and the machinery equipment would include an additional trash truck. Mr. Casto explained they were down to two trash trucks but needed three trucks to keep up with yard debris. Councilman Reichard asked if they can change shifts to do pickups on Saturday and Sunday. Mr. Casto responded affirmatively, using the two trucks and work longer with the hope that those trucks continue to function. The life span of the trucks was about five years, with one truck seven years old, one seventeen years old and the new one that had a lot of problems. Mayor Thomas asked

the cost of the service. Mr. Casto responded that it was approximately \$500,000 running three trucks with the tipping fees. Councilwoman Strange asked if the parts from the 2003 truck could be used on the other trucks. Mr. Casto replied that it was better to have an old truck as backup rather than not having a truck. Councilman Reichard said there were landscape businesses dumping their debris on City streets. Mr. Casto stated Code Enforcement helped on that issue and some relief with help from the media. They were now dumping on County roads and Bay Parkway. Councilman Solis stated the City did not charge for trim/debris pickup. Councilman Reichard asked how the commercial businesses were policed to prevent the dumping. Mr. Casto stated it was the property owner's responsibility to dispose of the debris if a professional did the work. It was difficult for the City's drivers to know if a professional did the work or not. The businesses charged a tipping fee to the homeowner and then dumped it on another person's property.

Ms. White said for the Library Budget, there was nothing significantly different other than battling the air conditioner unit with future repairs to a normal level. The Library, the EDA, and Senior Center did not request an increase in funds for the Proposed Budget. Only the TPO sent a request for an increase of \$6,000 based on an increase in trips. Bay County asked the City to contribute \$1,400 to the Bay County Transportation Disadvantage Program that provided transportation services for individuals who were eligible and had no access to other transportation. The figure was based upon the number of trips which were relatively few compared to other municipalities. Mayor Thomas stated that he did not think the City should pay for County transportation. Councilman Solis said it did offer a service and agreed with the increase to the TPO. Discussion ensued.

Regarding the Recreation Budget, this Department had the smallest change. There was one additional person for the Pier and one administrative person to share among the three departments. Councilman Solis said suggested asking the TDC for more money to subsidize the upkeep of the fields, lights and upgrades. Mayor Thomas stated this was a tourist town and revenue was going up every year so everything was working. Councilwoman Strange asked about the condition of the Frank Brown Park parking and the ball field lights. Mr. Poniek responded that some of the parking area lights had been hit, an older parking lot needed to be resurfaced and some lights were leaning. Mr. Gisbert said funds had already been set aside for the soccer field lights and the south complex lights. If the Department needed to start saving money for those lights, it should start now. Councilwoman Strange asked when the County Sports Complex was opening and if the City would be able to compete. Mr. Gisbert explained there would be no competition and he did not foresee any loss of participation. Ms. White explained the pier and the pool were the busiest in the summer and Pool revenue for July looked great. Their revenue increased \$30,000 each year.

Mayor Thomas opened the public meeting at 11:28 A.M. and closed the public meeting at 11:28 A.M.

Mayor Thomas explained he skipped over the City Managers report in the last meeting. Ms. Myers explained in September she would discuss the Charter Amendments with each of the Council members. Councilman Reichard said the City Manager should not have to live in the City. Councilman Solis gave kudos to Mr. Gisbert and Ms. White for keeping the budget in line.

Mr. Gisbert said applications were being solicited for the Civil Service Board and the Planning Board. He also reported the job vacancies posted on the website as well as one Bid. He announced upcoming community events.

With nothing further, the meeting was adjourned at 11:35 A.M.
READ AND APPROVED this 9th of November, 2017.

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

ATTEST:



City Clerk



Mayor