

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 **September 1, 2020.**

Mayor Mark Sheldon called the Special Meeting/Budget Workshop to order at 10:00 a.m.

ROLL CALL

Mayor Sheldon asked the Clerk to call the roll. A quorum was present with all five members.

MAYOR MARK SHELDON
VICE MAYOR GEOFF MCCONNELL

COUNCILORS:
PAUL CASTO
PHIL CHESTER
MICHAEL JARMAN

Others present were City Manager Tony O'Rourke, Interim City Clerk Jo Smith, City Attorney Amy Myers, Finance Director Holly White, members of the senior leadership team, members of the public and press.

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

ITEM 4. BUDGET WORKSHOP, PUBLIC HEARING.

Mayor Sheldon opened the public hearing on the budget workshop at 10:02 a.m. Hearing and seeing none, Mayor Sheldon closed the public hearing. Mayor Sheldon turned the floor over to City Manager Tony O'Rourke for a presentation on the 2020-2021 budgets.

A. GENERAL FUND. Manager O'Rourke recognized and thanked the senior leadership team, in particular Holly White, Joey St. Germain, and Debbie Ward, who helped put this presentation together.

Manager O'Rourke presented the **attached** presentation entitled "Proposed FY 2020-2021 Budget." Manager O'Rourke reported he was pleased to submit for Council's consideration and adoption the proposed Fiscal Year 2020-2021 budget. Manager O'Rourke further reported the budget was balanced, prudent and responsive to Council's Strategic Plan and the community's needs. Manager O'Rourke added the proposed FY 2021 expenditure budget, including all funds was \$144,076,776, which represented a \$59,307,376 or 70% increase over the FY 2020 amended year-end budget. Manager O'Rourke reported the FY 2021 budget included a capital investment surge of \$81.7 million, a \$56.0 million or 218% increase over the FY 2020 amended capital budget. Manager O'Rourke added the capital

infusion represented 94.4% of the FY 2021 budget increase over the FY 2020 amended budget, with the major components being capital investment. Manager O'Rourke noted he would take Council through the General Fund and Ms. White would take Council through the Special Revenue Funds and the Enterprise Funds. Manager O'Rourke continued reviewing the slides in the attached presentation regarding staffing, transportation, street cleaning and mowing, CRA Segments 3, 4.1, 4.2 and 4.3, quality of life improvements, financial health and capital improvement priorities.

B. CRA FUND, AGENCY, AND SPECIAL REVENUE FUND. Director White provided a brief overview of the CRA Fund and Special Revenue Fund, as presented in the attached presentation. Director White referred to the **attached** gantt chart prepared by Director Campbell.

C. UTILITY FUND. Director White reviewed the presentation slides and provided a brief overview of the Utility and Stormwater Funds.

D. PIER FUND. Director White reviewed the presentation slides and provided a brief overview of the Pier Fund. Director White reported the Pier fund was very solvent with projected year-end reserves of \$1,110,131. Director White discussed the proposed \$1.00 admission increase for spectators: from \$3.00 to \$4.00.

E. AQUATIC CENTER FUND. Director White provided a brief overview of the Aquatics Fund. Ms. White noted this fund was off to its best start ever, then COVID hit. Director White further reviewed the presentation slides.

F. ADDITIONAL BUDGET MATTERS. Director White reviewed the presentation slides entitled "Priority List by Department."

Director White thanked Joey St. Germain and Debbie Ward for their help with this presentation.

Mayor Sheldon called for comments from Council members. Mayor Sheldon called for comments/questions on the General Fund.

Vice Mayor McConnell inquired if a cost benefit analysis had been done prior to bringing on a new GIS person. Director Leonard reported the City would continue to use the County's GIS person for this next budget year. Director Leonard noted a GIS person would benefit the City, especially Director Shortt's department. Director Shortt concurred and reported the person would be used in Utilities, CRA and Stormwater. Director Shortt added the funding of this position would be split over whichever departments used the services. Discussion regarding the County charging the City for use of its GIS services took place.

Vice Mayor McConnell asked for the total costs, certifications, equipment, etc. of the Procurement Officer, IT Administrator and any new proposed positions. Manager O'Rourke concurred. Discussion regarding the pending pay study took place.

Mayor Sheldon discussed the benefits of filling the Procurement Officer position. Mayor Sheldon recommended putting a succession plan in place for the Finance Director and especially for the City's top executives.

Councilman Chester inquired about the street resurfacing ratings. Director Jenkins reported most streets being resurfaced were "Ds", however, there were a few spurs with "C" ratings in poor condition that she recommended resurfacing because of the heavy equipment that would be on those roads. Discussion regarding the resurfacing supply budget increasing took place. Director White reported that several items/studies that were budgeted for this year did not take place because of COVID, so those items were carried over.

Councilman Casto inquired if Director Jenkins was planning on hiring any part-time/seasonal employees. Director Jenkins recommended hiring one full-time employee and no part-time seasonal employees.

Mayor Sheldon inquired how the \$100,000 budgeted for the outfalls would be used. Director Jenkins discussed the Restore Act grant and noted it had been difficult getting that grant. Mayor Sheldon inquired about the \$800,00 budgeted for the Glades and inquired if those funds would fix the problem. Director Jenkins stated no that it would not fix the problem. Director Jenkins discussed the FEMA buy-out program. Further discussion regarding improvements already made in the Glades area took place. Discussion regarding FEMA guidelines and the 100-year storm guidelines took place. Discussion regarding the recent record rains took place.

Mayor Sheldon inquired about the Colony Club project. Director Jenkins reported the project had been pushed back one year. Director Jenkins added that possibly the design could be moved up on the schedule, if funds were available. Councilman Chester reported that the residents of Colony Club were willing to help out. Discussion regarding doing part of the Colony Club project in-house took place. Director Jenkins noted she would move the project up on the list.

Councilman Casto thanked Manager O'Rourke and Director White for preparing the budget. Councilman Casto recommended Council be conservative with its spending and noted he was in favor of holding funds in the reserves until the Spring, until Council sees what happens with COVID. Councilman Casto recommended not hiring a bunch of additional employees at this time.

Councilman Chester note he had a question regarding Frank Brown Park, however, he would hold off and talk with Director Ponek. Councilman Casto inquired about the costs of the lights being installed. Discussion regarding the costs associated with installing LED lights took place. Manager O'Rourke recommended bringing back all recreation projects to Council to let the Council prioritize. Director White recommended reviewing the impact fees at the same time. Council concurred.

Mayor Sheldon called for questions about the Police Department funding and invited Chief Whitman to the podium.

Mayor Sheldon recommended exploring a police/fire and even employee-wide gym subsidy. Mayor Sheldon reported several police/fire employees had talked with him about the benefits of exercising. Vice Mayor McConnell inquired if the City's health insurance/wellness plan would cover this initiative. Further discussion regarding health assessments, tying to performance, and measuring results took place. Manager O'Rourke noted staff would put something together.

Mayor Sheldon inquired if the mutual aid funds budgeted at \$100,000 was still needed if additional officers were hired. Chief Whitman discussed spring break and having all officers and all hands of deck. Vice Mayor McConnell inquired if Chief Whitman would be willing to cut back on the purchase of police vehicles, as he would rather see the Chief hire the additional officers. Discussion regarding vehicle rotation and maintenance took place. Council decided to budget four cars and four officers. Manager O'Rourke reported that change would produce a net difference of \$350,000.

Mayor Sheldon inquired about procurement and if there was a citywide fuel program in place. Manager O'Rourke reported Director Shortt was taking the lead on putting out an RFP. Mayor Sheldon inquired about the status of the impound yard. Chief Whitman reported that he would work with Director Shortt to put out an RFP.

Councilman Casto inquired if Chief Whitman would be willing to wait until January to hire new officers. Chief Whitman discussed the growing population and new hotels being built. Chief Whitman recommended hiring four officers, one per shift, and four cars. Manager O'Rourke reported the officers would not be on the payroll until January, realistically, because of training. Councilman Casto thanked the Chief and Manager O'Rourke. Council members noted their support for the Police Department.

Vice Mayor McConnell inquired if there would be a cost savings to bring on a part-time IT person, as a bridge, instead of a full-time person. Council members concurred. Manager O'Rourke stated he would work up the numbers.

Mayor Sheldon called for additional questions on the General Fund. Hearing and seeing none.

Mayor Sheldon called for questions on the CRA Fund. Mayor Sheldon discussed the importance of moving projects forward. Mayor Sheldon noted he did not see a roundabout scheduled for Segment 4.1. Director Campbell reported the roundabout was predicated on closing Pier Park Drive and eliminating the traffic signal. Further discussion regarding the design and traffic in the area took place. Director Campbell recommended commissioning an analysis based on off-season traffic with respect to keeping the traffic signal. Director Campbell stated he could get that report to Council in conjunction with the design, as the design was only about 60% completed. Discussion regarding the proximity of the traffic signal to a roundabout took place. It was decided that the area would be looked at through a traffic analysis.

Vice Mayor McConnell asked for a meeting with Director Campbell to go over the CRA gantt chart provided to Council in detail. Further discussion regarding planning, designing, utilities and timing of Segment 3 & 79, Segment 4.1, Segment 4.2 and Segment 4.3 took place. Further discussion regarding the biggest challenge being the utility companies not cooperating, being unresponsive. Council directed Attorney Myers to move forward with action, in particular with Segment 2 utilities.

Councilman Chester asked for clarification on "Gulf Power Fees". Councilman Chester discussed Gulf Power undergrounding utilities. Vice Mayor McConnell inquired if FEMA paid anything with respect to undergrounding utilities in the CRA. Director Campbell reported the City was asking FEMA to harden approximately \$18 million. Manager O'Rourke reported the City should be hearing from FEMA on all its projects within the next month. Director Campbell reported he would put together a more detailed gantt chart to distribute to Council. Council thanked Director Campbell.

Mayor Sheldon called for questions on the Utilities Fund. Director Shortt briefly discussed upcoming projects. Vice Mayor McConnell noted there seemed to be a reduction in impact fees, by approximately 50%. Director Shortt reported the City collected more impact fees than ever this year, approximately \$4 million, and he was uncomfortable projecting that spike out to the next year.

Councilman Jarman asked if Director Shortt anticipated any problems with the lift station at Calypso and/or could the City look at a different location. Director Shortt discussed deed restrictions and he and staff looking for alternative location. Director Shortt reported the station was over 50 years old and did not meet current standards. Council thanked Director Shortt.

Mayor Sheldon called for questions on the Pier Fund. Mayor Sheldon inquired if any other annual fee adjustments were being recommended. Manager O'Rourke reported this \$1.00 increase was the only fee adjustment being proposed at this time and revenues were derived almost exclusively from visitors. Discussion regarding the City being in a local agreement with Bay County with respect to the Pier fees took place.

Mayor Sheldon called for questions on the Aquatics Center Fund. Mayor Sheldon reported the fund lost \$632,000 this year. Mayor Sheldon reported he had asked the City Manager for an economic impact on the pools and fields. Vice Mayor McConnell concurred and noted the previous Council had tasked the Parks & Rec Board to do an analysis on both revenue and expenditures, however, Council was still waiting on that report. Further discussion regarding improvements to the pools, COVID effecting revenues, and treating the pool as a business entity and/or an asset took place. Vice Mayor McConnell discussed implementing initiatives to mitigate cost/lost. Councilman Jarman noted he would like to see more stats, attendance numbers, etc. Manager O'Rourke discussed kids driving the revenues. Discussion regarding Enterprise Funds and whether to make the ballfields an Enterprise Fund took place. Discussion regarding accounting software, tracking revenue, data and metrics took place.

Mayor Sheldon called for questions on additional budget matters. Councilman Jarman noted he was prepared to move forward with adding the police officer positions and the procurement officer to the wish list. Mayor Sheldon recommended adding to the wish list positions for an Assistant City Manager and Assistant Finance Director.

Mayor Sheldon noted he would like the City to be able to accept credit card payments, across the board. Director White noted she would see which departments were not accepting credit card payments and report back.

Mayor Sheldon reported the City offers amazing benefits to its employees and recommended looking into a cafeteria plan to give employees more control over their money. Discussion regarding the menu of benefits offered to employees took place.

Vice Mayor McConnell discussed and recommended bringing all permitting on-line, similar to Walton County. Councilman Jarman concurred and noted the City of Pensacola, Escambia County did the same. Director Leonard and Mayor Sheldon reported on attending a recent vendor meeting with City Works regarding this initiative. Vice Mayor McConnell recommended moving this item forward sooner rather than later and added it to his wish list. Manager O'Rourke recommended moving the IT assessment study up to help implement this initiative. Mayor Sheldon and Vice Mayor McConnell concurred.

Manager O'Rourke and Director White summarized the changes as being: 1) funding the IT assessment study, 2) funding one part-time IT person; 3) funding four police officers, 4) funding four police vehicles, and 5) funding a procurement officer. Council members concurred.

Mayor Sheldon recommended adding a Fire Inspector to the City. Chief Morgan concurred and reported the cost would mostly be offset by inspection fees and fines. Chief Morgan added the \$93,000 cost was pretty much all-inclusive: salary, vehicle, radio, equipment. Mayor Sheldon recommended moving the position forward. Councilman Casto noted if it was pretty much a wash he was in agreement. Council members agreed to move this position forward. Council thanked Chief Morgan.

Manager O'Rourke reported staff would plug these items into the budget and bring it back to Council for review on September 10 and approval on September 24, 2020.

Mayor Sheldon thanked everyone involved. Mayor Sheldon called for further comments. Hearing and seeing none, the meeting was adjourned at 12:43 p.m.

READ AND APPROVED this 12th day of November, 2020



Mark Sheldon, Mayor
City of Panama City Beach, Florida

ATTEST:



Lynne Fasone, MMC
City Clerk

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