

2021 BUSINESS PLAN

CITY OF PANAMA CITY BEACH



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Mayor and City Council:

November 12, 2020

I am pleased to present for your review and adoption the City's Fiscal Year 2021 Business Plan. This plan reflects the City Council's and the community's priorities and guides the City's decision making and resource allocations to move the community and City government forward. The 2020-21 Business Plan operationalizes the Strategic Plan that was adopted August 13, 2020.

The 2020 Business Plan focuses on integrating the City's strategic priorities, key intended outcomes, and performance measures into daily operations. The Business Plan includes a brief description of the City's organizational structure and the City Council's six strategic priorities:

- Mobility/Transportation
- Economic Development
- Financial Health
- Public Safety
- Attractive Community
- Community Quality of Life

Quarterly progress reports on the implementation status of the Business Plan will be presented to the City Council and the community.

The strategies reflected in the Strategic Plan and FY 2021 Business Plan allows the City to honor its commitment to the community to provide essential, outstanding and cost-effective services to its residents and businesses now and in the future.

I want to thank the City employees who are being called upon to embrace and achieve these initiatives and the City Council for providing the opportunity for the City to demonstrate its commitment to the community. I look forward to a productive year and will keep you informed of our progress.

Sincerely,

Tony O'Rourke
City Manager

Plan Adopted by the PCB City Council November 12, 2020

CITY OF PANAMA CITY BEACH

CITY COUNCIL MEMBERS

Mayor
Mark Sheldon

Vice Mayor and Ward 3
Geoff McConnell

Ward 1
Paul Casto

Ward 2
Phil Chester

Ward 4
Michael Jarman



SENIOR STAFF

City Administrator — Tony O'Rourke

Assistant to the City Manager, Finance — Holly White

City Attorneys — Amy Myers and Cole Davis

City Clerk — Lynne Fasone

CRA Manager — David Campbell

Director of Building & Planning — Mel Leonard

Director of Communications — Debbie Ward

Director of Human Resources/Risk — Lori Philput

Director of Parks & Recreation — Jim Ponek

Director of Public Works — Kelly Jenkins

Director of Utilities — Al Shortt

Fire Chief — Ray Morgan

Police Chief — Drew Whitman

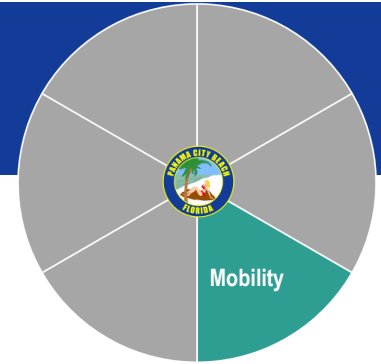
TABLE OF CONTENTS

- **Introduction**

- **City Priorities**

- Mobility/Transportation
- Economic Development
- Financial Health
- Public Safety
- Attractive Community
- Community Quality of Life

MOBILITY



The ease with which residents can move about their community, whether for commuting, leisure or recreation, plays a critical role in the quality of life for all those who live, work and play in the community.

Based on the 2020 Panama City Beach Citizen/Community Survey, residents indicated the overall satisfaction with community mobility was higher in importance and much lower in satisfaction than national benchmark comparisons. Improvements to roads or traffic flow were rated by 63% of community survey respondents as the top challenge facing Panama City Beach. Only 12% rated traffic flow or major streets excellent or good. This ranked 279 out of 279 other American communities that responded to the same question.

Clearly, after many years of rapid commercial and visitor growth, traffic has become a significant issue affecting the quality of life in Panama City Beach. Residents are frustrated by traffic congestion on major streets, and are facing continued traffic growth due to residential, commercial and visitor growth.

To that end, the City must promptly plan and implement transportation system improvements to improve mobility, and help residents carry out their daily lives with minimal anxiety over traffic congestion.

To enhance community mobility and quality of life, the City is committed to the following 2021 initiatives:

1. Complete the 2.7-mile two-lane extension of Bay Parkway, Phase II, on time and within its \$14.2 million budget by May 2021. This critical road will alleviate huge volumes of traffic on Panama City Beach Parkway.
2. Begin construction of a major roundabout at State Road 79 (SR 79) and Front Beach Road, as well as, a complete street upgrade from SR 79 and Front Beach Road to Lullwater Drive at a cost of \$13.2 million and a scheduled completion date of July 2022.
3. Provide for safe and convenient multi-modal mobility along Front Beach Road's Community Redevelopment Area (CRA). Mobility improvements will consist of improved signalization, dedicated transit and bicycle lanes and roadway improvements.



- Powell Adams Road Phase II—Begin construction of a traffic signal at this intersection in March 2021. The Powell Adams Road and sidewalk improvements from Front Beach Road to Panama City Beach Parkway will be completed by February 2022 at a cost of \$4.8 million.
- Front Beach Road Segment 4.1—Lullwater Drive to Hills Road. Start construction of Segment 4.1 in September 2021, subject to coordination with potential beach stormwater outfall project, with a budget of \$6.5 million and a total multi-year budget of \$24.6 million.
- Begin construction of Segment 4.2 from Hills Road to Hutchison Boulevard in November 2021, with a \$6.0 million budget. Total multi-year budget is \$28.1 million.
- Start construction of road, sidewalk, lighting and stormwater improvements of Alf Coleman Road, Phase I in February 2021 at a cost of \$2.4 million of which \$519,819 will come from the Florida Department of Transportation.
- Begin design of complete street improvements for Front Beach Road from Hutchison Boulevard to Richard Jackson Boulevard in March 2021 and allow for 18 months to complete design, permitting, and land acquisition at a cost of \$500,000.



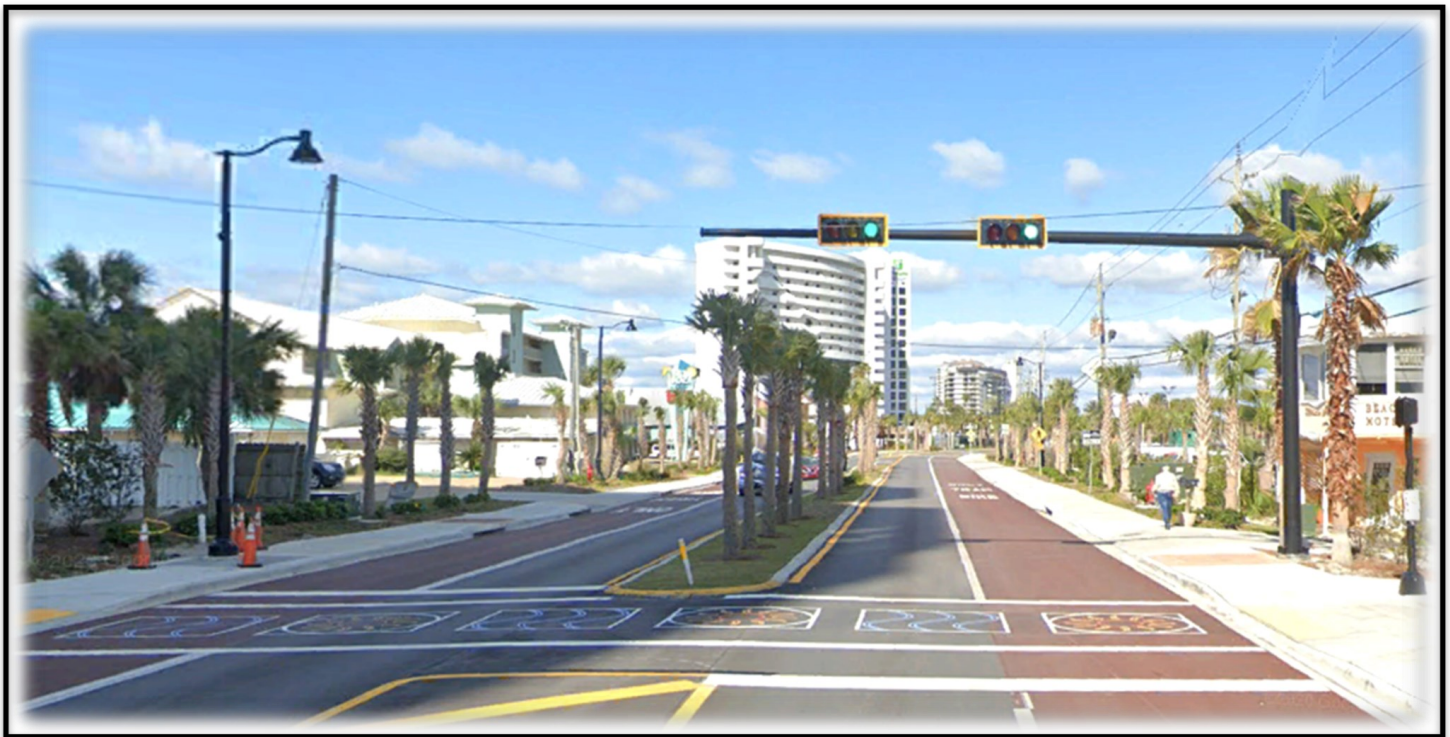
4. To ensure the forementioned road projects are constructed on time, within budget and meet specification and quality assurance standards, the City will explore the cost and use of third-party construction engineering and inspection (CEI) firms.
5. Retain federal and state lobbyists for state and federal funding for transportation improvements.

6. Establish partnerships with FDOT, Bay County and neighboring jurisdictions for new transit options, demand management and other innovative options to address local and regional traffic congestion.
7. Collaborate with Bay County and adjacent cities to create an interlocal agreement for the equitable distribution of State gas tax revenue to fund local transportation system improvements.
8. Address deferred street infrastructure maintenance by committing \$1.5 million to resurface 12.8 lane miles of City streets.
9. To improve pedestrian and bicycle safety and mobility, invest \$454,000 on extending the sidewalk on the north side of Panama City Beach Parkway between Pier Park North and Nautilus Street.
10. The City has elected officials and staff representatives on the Bay County Transportation Planning Organization and Long Range Transportation Steering Committee that has input into the future transportation project needs within Bay County. The top City priority is coordinating with Bay County and FDOT in the design and right of way acquisition phases of widening Panama City Beach Parkway to 6 lanes from Mandy Lane to the Hathaway Bridge. Other projects staff will focus on include the extension of Bay Parkway to the east and future connectivity from SH79, west to the Bay/Walton County line.

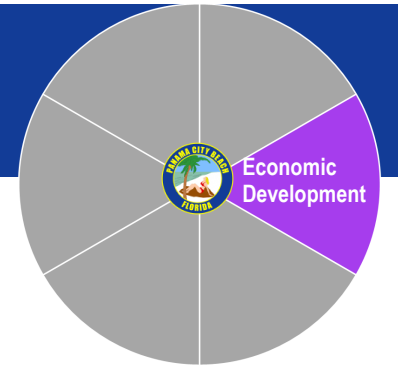


Mobility/Transportation Performance Measures

	<u>Current Actual</u>	<u>2021 Goal</u>
Citizen survey ratings of overall quality of transportation system (excellent/good)	29%	33%
Citizen survey rating of traffic flow on major streets (excellent/good)	12%	15%
Construct Bay Parkway Phase II on time and within budget	May 2021 \$14.2m	May 2021 \$14.2m
Construct Alf Coleman Road Phase II on time and within budget	Dec. 2021 \$2.4m	Dec. 2021 \$2.4m
Citizen survey rating of street repair (excellent/good)	34%	38%



ECONOMIC DEVELOPMENT



Local governments work in partnership with private and non-profit businesses, and with the community at large, to foster sustainable economic growth, living-wage jobs, and a dynamic, resilient and thriving local economy.

Panama City Beach is a tourist-based economy that is successful and growing. However, to weather the volatility of a tourist-based economy, the City desires to diversify its economy for it to become a more year-round, resilient, and sustainable economy.

The 2020 Citizen/Community Survey rated the overall economic health of Panama City Beach as 51% excellent or good. Respondents identified the community's shopping opportunities and the quality, vibrance and variety of local businesses as strong. However, they rated employment opportunities and the economy having a positive impact on their income at 38% and 26% as excellent or good, respectively.

To diversify and grow the local economy, the City is committed to the following 2021 initiatives:

1. Ensure a transparent, predictable and fair regulatory environment for business retention, expansion and growth, while ensuring protection of the public's health, safety and welfare.
2. In partnership with the Community Redevelopment Agency (CRA), expand public parking opportunities for Front Beach Road businesses and patrons.
3. Work with the Tourist Development Council to target private development of a convention center.
4. Target new business clusters in the areas of healthcare, wellness, entertainment and lifestyle. Focus particularly on enhanced healthcare access and options.
5. Collaborate with the Northwest Florida Beaches International Airport to optimize business development and additional commercial and general aviation air service.
6. Work with the Economic Development Advisory Committee to explore means to retain, expand, incubate and attract businesses to Panama City Beach in concert with existing local, state and federal partners.



7. Explore the cost and feasibility of the City or private provider to offer higher speed and more affordable broadband Internet services for residents and business opportunities.
8. Increase tourism opportunities and special events at both Aaron Bessant Park and Frank Brown Park during both peak and the shoulder season to optimize the tourist market and experience.
9. Work with the private, non-profit and public sector to facilitate the development of more quality, affordable housing, healthcare and educational opportunities to enrich the community's quality of life and attract employers and employees to the community.



Economic Development Performance Measures

	<u>Current Actual</u>	<u>2021 Goal</u>
Increase the number of City business licenses	10,603	10,815 (2%)
Unemployment rate	3.2%	3.0%
Number of jobs (Bureau of Labor)	6,310	6,436 (2%)
Median Household Income	\$58,619	\$59,790 (2%)
Development review cycle time	30 days	28 days
Average days to process a development order	3.0 days	2.75 days
Percentage of building permits processed in 5 business days	82%	85%
Average number of days to process building plans and permits for:		
— Residential	3.0 days	2.75 days
— Commercial	5.0 days	4.75 days

Economic Development Performance Measures *Continued*

Current Actual 2021 Goal

ISO Building Code Enforcement rating

— Residential	4	3
— Commercial/Industrial	3	3

Citizen survey rating of overall quality of business and service establishments in PCB (excellent/good)

68% **70%**

Citizen survey rating of employment opportunities (excellent/good)

38% **41%**

Citizen survey rating of shopping opportunities (excellent/good)

70% **72%**

Citizen survey rating of variety of businesses (excellent/good)

59% **62%**

Citizen survey rating of overall economic development (excellent/good)

51% **55%**

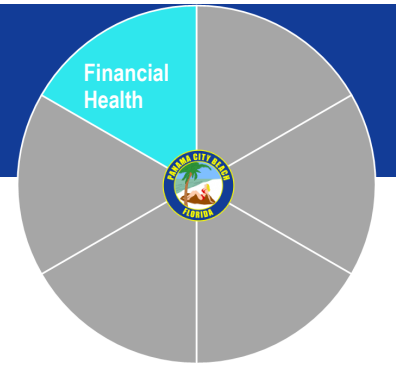
Citizen survey rating of PCB as a place to work (excellent/good)

47% **50%**

Cost of Living in PCB (excellent/good)

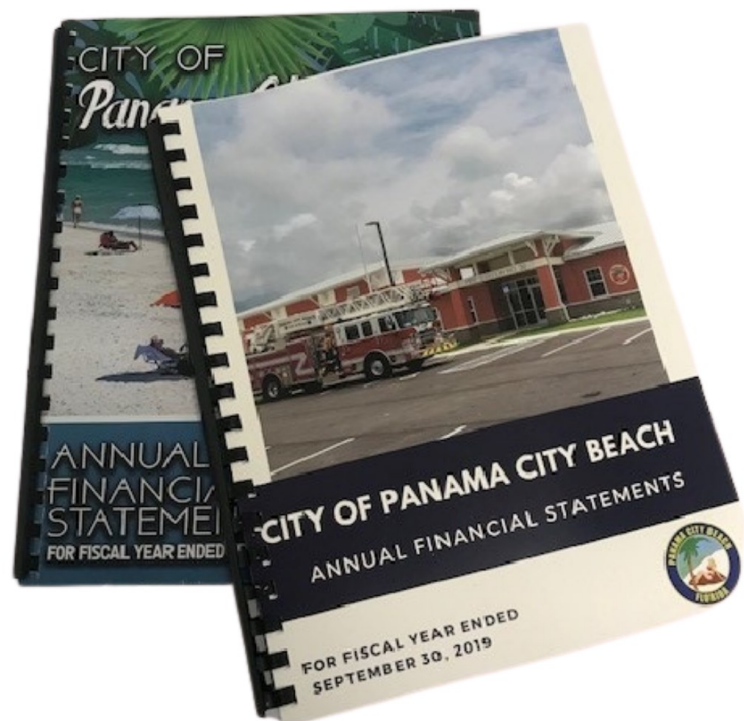
41% **44%**

FINANCIAL HEALTH

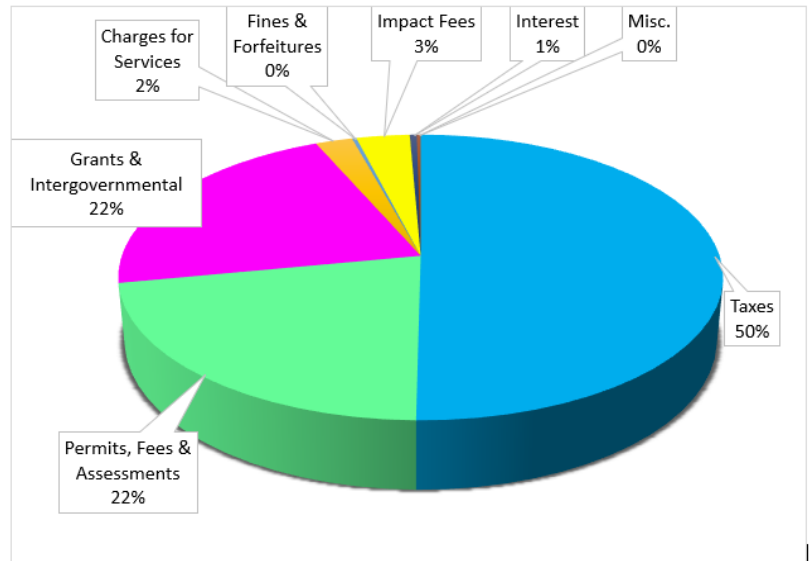


The City's future vitality and sustainability is linked to its financial stewardship and health. To that end, the City will undertake the following initiatives to ensure the City is a prudent steward of the public's resources and maintains a sustainable financial capacity to meet the current and future needs and expectations of the community.

1. Prepare and maintain a balanced, prudent and responsive FY 2021 \$144.8 million budget that addresses the City Council's Strategic Plan and community's needs, and operates within fund expenditures 100% of the time.
2. Ensure the FY 2021 budget's \$81.7 million in capital improvements is properly accounted for and results in projects being built within budget and on time.
3. Maintain a 25% General Fund operating reserve for valid emergencies and one-time capital expenses.
4. Have the City Council review and prioritize the \$7.2 million in assigned General Fund operating reserves.
5. Develop more public-private partnerships to expand the City's finite revenue sources, in the absence of an ad valorem property tax. Immediate opportunities to pursue include the Russell-Fields City Pier, Frank Brown Park, and CRA parcel RFPs.
6. Develop and review with the City Council a 5-year Financial Plan to identify future expenditure, revenue and shortfall trends.
7. Develop a Financial Trend Monitoring System comprising key financial and economic indicators to serve the City Council as an "early warning system," regarding the financial and economic health of the City.
8. Create Monthly Financial Reports for City departments and the City Council.
9. Work in conjunction with the City's Federal and State lobbyists to pursue grant opportunities to leverage the City's financial resources.
10. Undertake an Information Technology Assessment and Strategic Plan to optimize City efficiency, productivity and performance.
11. Recruit and retain a Procurement professional to develop a comprehensive City Procurement Guide and optimize the value and cost of City goods and services acquisitions.



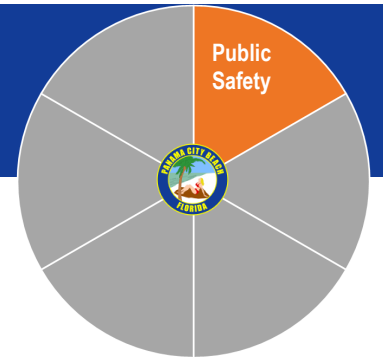
12. Refinance two Utility revenue bond issues from 2012 and 2016 to generate \$3.0 million in interest cost savings.
13. Examine the City's pension plans for long-term viability, cost savings and competitiveness opportunities.
14. New services or programs must identify new revenue sources or a reduction of current services and program costs to be budget neutral.
15. Provide appropriate oversight and accounting of the City's fiscal resources to ensure no substantial or reportable findings are found in the City's comprehensive annual audit.



Financial Health Performance Measures

	<u>Current Actual</u>	<u>2021 Goal</u>
Maintain operating reserves of at least 25% of General Fund recurring expenditures	31%	31%
Operating within budgeted General Fund expenditures 100% of the time	\$36.1m	\$36.1m
Operating within the Utility Enterprise Fund expenditures 100% of the time	\$64.0m	\$64.0m
Operating within the CRA Fund expenditures 100% of the time	\$39.0m	\$39.0m
Operating within the Stormwater Fund expenditures 100% of the time	\$3.0m	\$3.0m
Operating within the Aquatic Fund expenditures 100% of the time	\$829k	\$829k
Operating within the Pier Fund expenditures 100% of the time	\$1.1m	\$1.1m
Complete and have the City Council adopt a 5-year Financial Plan	Yes	Yes
Implement the recommendation of the Information Technology Assessment and Strategic Plan	Yes	Yes
Develop and adopt a Comprehensive City Procurement Guide	Yes	Yes

PUBLIC SAFETY



Public Safety is the most important function and responsibility of local government. All residents should feel safe and secure in their neighborhoods and in the greater community.

The City is committed to providing a safe and secure environment for its residents, businesses and visitors. Based on the 2020 City Survey, 96% of the community feel safe in their neighborhoods in the day and 82% feel safe from violent crime, 76% from property crime, and their overall feeling of safety in Panama City Beach is 70%. To ensure a continued sense of community safety and security, the City is committed to the following initiatives in FY 2021:

1. Historically, beach drownings have plagued Panama City Beach. In 2018 and 2019, Panama City Beach experienced 10 and 12 drownings, respectively. In 2020, year to date, there have been nine drownings. While this is a positive trend, the goal is to save lives by reducing drownings to zero.

The Fire Department, in partnership with the Police Department and Code Enforcement, and the Public Safety Advisory Committee, will develop a comprehensive plan to reduce public beach drownings through prevention education, surveillance intervention, rescue response and double-red flag enforcement to ensure a safe and secure environment for community residents and over 4 million annual beach visitors.

To that end, the City proposes to increase its lifeguard staffing through cost-sharing partnerships with hotels and condominiums, proactively enhance public education about rip currents, use the public to survey the beach for distressed swimmers, deploy jet skis in water rescues, build a youth lifeguard program, enhance beach safety flag awareness, and build upon double-red flag condition education and enforcement, and acquire a tactical radio channel for the Beach and Safety Division.

2. Increase the number of City first responders by investing \$500,000 to add four new sworn officers to the Police Department and one fire inspector in the Fire Department, to enhance community safety and reduce life-safety and property risk.

3. Develop and adopt an Emergency Management Plan that coordinates and integrates the City's natural and man-made disaster preparedness, mitigation, response and recovery.

4. Enhance Traffic Safety. Increase traffic safety through motorist education, traffic



safety campaign, special enforcement, and increased focus on efforts to reduce impaired driving and high accident locations.

5. Invest \$151,000 to increase both Police and Fire personnel training for leadership and job-specific skill development. Both Police and Fire departments will focus on succession planning and preparation of current staff to assure future leadership roles and positions. Internal and external leadership training, mentoring programs, cross-training, job shadowing, and job-specific skill development programs will be offered to prepare staff for future leadership and supervisory positions.
6. Develop innovative methods to enhance Police and Fire personnel recruitment and retention to ensure optimal staffing levels. Methods to be pursued include recruitment videos and brochures, recruitment teams, social media campaign, and retention strategies.
7. Invest \$132,000 for 60 body cameras to increase both police and public accountability, transparency and public trust.
8. Explore the feasibility and cost of bolstering the City's emergency medical service capacity in the Fire Department to include patient transport to the closest qualified medical center.
9. Increase the skill and readiness of the Fire Department personnel by pursuing the development of a training tower through State and Federal government funding.
10. Strengthen the relationships and interoperability with automatic/mutual aid fire service agencies to optimize on-scene operations during emergencies and natural disasters.
11. Enhance Police and Fire service operations and other City and County agreements by upgrading the City/County radio communication system.



Public Safety Performance Measures

Current Actual

2021 Goal

Overall feeling of safety

70%

75%

Fire service community survey rating
(excellent/good)

87%

90%

Police department community survey rating
(excellent/good)

78%

81%

Feeling safe from violent crime

82%

85%

Feeling safe from property crime

76%

80%

Number of beach drownings

9

6

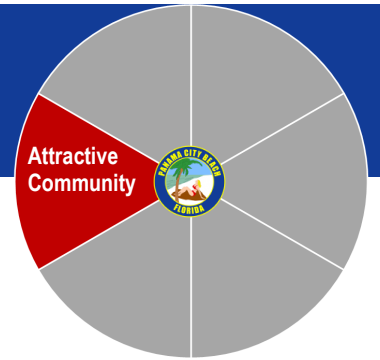
Fire prevention and education rating

78%

81%



ATTRACTIVE COMMUNITY



Panama City Beach recognizes its natural and built environment is a critical component of its quality of life, livability, well-being and appeal to residents, businesses and visitors. It is therefore essential to the overall health, vitality and sustainability of the community to protect, preserve and enhance the state of both our built and natural environment.

Respondents in the 2020 Citizen/Community Survey rated the overall appearance of Panama City Beach as 51% excellent or good. They were more critical of the overall design or layout of Panama City Beach's residential and commercial areas (45% excellent/good), and well-planned residential and commercial growth at 35% and 38% respectively, as excellent or good.

On the subject of the overall quality of the natural environment in Panama City Beach, 72% of the respondents indicated it was excellent or good. However, only 53% found the cleanliness of Panama City Beach excellent or good. To ensure a well-designed and physically attractive community in harmony with its natural environment, we propose the following initiatives in 2021:

1. Enhance the physical appearance of the community by adding one full-time code enforcement officer, partnering with a non-profit beach cleanup program, optimizing beach raking opportunities in partnership with beach vendors and the TDC, and assume responsibility for maintenance of State Road 79.
2. Improve the physical appearance of Front Beach Road and the Community Redevelopment Area (CRA) by designing and constructing physical street-scape, sidewalks, utilities and road improvement in the following corridors:



- State Road 79/Front Beach Road — \$8.7 million
- Lullwater Lake to Hills Road — \$3.5 million
- Hills Road to Middle Beach Road — \$3.0 million
- Powell-Adams Phase II — \$4.8 million
- Alf Coleman — \$2.4 million
- Richard Jackson — \$250,000

3. Partner with the Sunshine Art Center of Panama City Beach to create and grow the public art SeeLife project. Ten fiberglass statues of dolphins and turtles will be painted by community organizations to be showcased throughout the community, thereby adding to the identity, heritage, beauty and appeal of the community.
4. Implement the City's first street sweeper operation.
5. Maintain and improve the City's 55 public beach accesses.
6. Explore the cost and feasibility of creating timeless monument gateway entry statement signs at the entry of the City on State Road 79 and State Highway 98.



Attractive Community Performance Measures

Current Actual 2021 Goal

Citizen survey rating overall appearance of PCB (excellent/good)

53%

57%

Citizen survey rating of cleanliness (excellent/good)

53%

57%

Citizen survey rating of PCB as a place to live (excellent/good)

75%

78%

Citizen survey rating of preservation of natural environment (excellent/good)

59%

62%

Citizen survey rating of quality of water resources-beaches/lakes (excellent/good)

84%

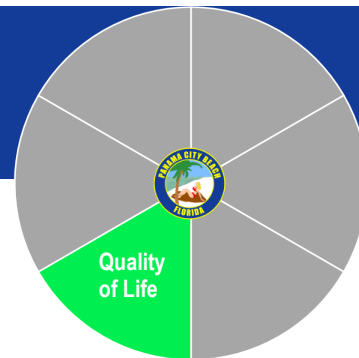
87%

Citizen survey rating of Code Enforcement (excellent/good)

35%

40%

COMMUNITY QUALITY OF LIFE



The phrase community quality of life or livability is not a measure of simply being habitable, but being desirable. It is not only where do people live, but where do they want to live.

The current overall quality of life in Panama City Beach, as rated by residents in the 2020 Citizen/Community Survey, is strong, with 71% rating it excellent or good. Seventy-five percent of respondents also rated Panama City Beach as an excellent or good place to live, and 89% rated it an excellent or good place to visit, and 69% rated it an excellent or good place to retire. That said, all communities can and should continuously improve their livability and quality of life.

To enhance the desirability and quality of life of Panama City Beach, the City will invest in and seek partnerships to enhance the cultural, recreational, health, aesthetics and educational assets and opportunities in the community.

Areas of particular need for improvement in Panama City Beach, based on the Citizen/Community Survey, are wellness opportunities (59%), availability of affordable health and mental healthcare (45%), quality of affordable housing (28%), childcare (33%), K-12 education (52%), Charter School (81%) and S.T.E.M. opportunities (92%), and overall education, arts and cultural opportunities (38%). To that end, we recommend the following initiatives:

1. Pursue opportunities to achieve the community's strong interest in attracting a hospital to the City to provide better healthcare access and affordability.
2. Expand community education, arts, and cultural opportunities by lifting black-out dates (March 1-April 15/June 10-August 10) at Aaron Bessant Park, and expanding attendance capacity.
3. Increase health and wellness opportunities by expanding the City's Gayle's Trails bike and pedestrian trail system from Colony Club to Breakfast Point at an investment of \$1,054,000.
4. Invest \$1.6 million to implement odor control measures related to the wastewater treatment facility and several lift stations.
5. Invest in stormwater improvements in the following neighborhoods:
 - \$376,000 for Glades Drainage Base Hombre culvert
 - \$300,000 Vestavia and San Souci drainage improvements
 - \$50,000 Agave Street intersection improvements
 - \$60,000 Colony Club subdivision stormwater study



6. Explore an opportunity to mitigate significant area flooding by identifying the cost to design and permit one pilot project that combines two continuous outfalls at Lullwater and Calypso into a major offshore outfall pipe extension that would go beneath the Gulf of Mexico approximately 1,500 feet. The timing of this opportunity is critical given the final design of the CRA Segment 4.1 (Lullwater to Hills Road) by June 2021. Potential funding for both the design and construction of this offshore outfall extension is from the Restore Act Grants and FEMA Community Development Block Grants (CDBG).



7. Meet current and future quality of life water and wastewater improvements by funding and constructing the following utility improvements:

- Bay Parkway to Nautilus Street wastewater force main and reclaimed water main for \$2.9 million when completed in May 2021.
- New wastewater treatment plant on Griffin Boulevard connection for \$1,000,000 by June 2021.
- Beach Drive utility improvements for \$5.3 million by October 2021.
- Bid-a-Wee subdivision water system improvements for \$1,390,000 by November 2021.
- Rose Lane and Avenues B & C water main improvements for \$1,010,000 by August 2021.
- PCB Parkway/Cauley Avenue reclaimed water transmission main improvement for \$1,330,000 by September 2021, contingent upon grant funding.
- Woodlawn water system improvements for \$490,000 by September 2021.
- Conservation Park water crossing improvements for \$310,000 by July 2021.
- Conservation Park office and educational building for \$350,000 by December 2021.

Community Quality of Life Performance Measures

	<u>Current Actual</u>	<u>2021 Goal</u>
Citizen survey rating of the overall quality of life in PCB (excellent/good)	71%	74%
Citizen survey rating of PCB as a place to live (excellent/good)	75%	78%
Establishment of hospital in PCB	No	Yes
Completion of the Gayle’s Trails extension on time and within \$1,054,000 budget	---	Yes
Successful implementation and results of a \$1.6 million wastewater odor control system	---	Yes
Citizen survey rating of overall opportunities for education, culture & the arts (excellent/good)	38%	44%