

The 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, conducted on July 7, 2016.

ROLL

MAYOR MIKE THOMAS

CITY MANAGER:

MARIO GISBERT

COUNCILORS:

JOHN REICHARD

CITY CLERK:

DIANE FOWLER

PHIL CHESTER

FINANCE DIRECTOR:

JOSIE STRANGE

HOLLY WHITE

HECTOR SOLIS

CITY ATTORNEY:

AMY MYERS

Mayor Thomas called the Budget Workshop to order at 9:00 A.M., with all of the Council, the City Manager, City Clerk, Finance Director and City Attorney present. The Invocation and Pledge of Allegiance were led by Councilman Solis.

Mayor Thomas recapped the three Funds that were up for discussion: CRA, Aquatics and the Pier. Mr. Gisbert stated that Ms. White had also prepared a quick budget update as the monies from May were collected. Mayor Thomas opened the floor for public comments. There were none.

COMMUNITY REDEVELOPMENT AGENCY (CRA)

Ms. White began with a brief overview of the Community Redevelopment Agency (CRA), a separate legal entity from the City that served as a conduit for the Tax Increment Funding (TIF) the City received from the County. The Agency was comprised of the Front Beach Road CRA and the Pier Park CRA. She explained how the Agency collected TIF money from the County. The Front Beach Road CRA money was transferred from the Agency to the City into the CRA Special Revenue Fund. The Pier Park TIF money was swept into the Pier Park Community Development District (CDD) under the terms of the Public Improvement Partnership Agreement (PIPA) that developed the whole Pier Park Area.

Ms. White said the Front Beach Road Proposed Budget for 2016-2017 showed \$9.4 Million Dollars in estimated Tax Increment Revenue which would be distributed quarterly to the Special Revenue Fund. The Pier Park Agency monies, estimated next year to be slightly less than Four Hundred Eighty Thousand Dollars (\$480,000), would come in January and be swept to the CDD. In response to the Mayor's question, Ms. White explained that the City not only received the TIF but also the Gross Receipts Tax revenue which was also swept into the CDD. Last year, the total Gross Receipts Tax revenue was approximately \$1.5 Million Dollars and the City kept about Four Hundred Thousand Dollars (\$400,000) at this point. She continued that the kept amount would increase 7% for the next five to six years, and then increase more in 2021.

For the Special Revenue Fund, The TIF money was basically the only major source of revenue to implement the CRA plan. She said there would also be a small amount of money from parking lot meters at Churchwell and some Prop Share monies from different roadways. Mr. Gisbert said in 2012, the fee increased on the parking meters from Two Dollars (\$2.00) to Four Dollars (\$4.00), and the annual parking pass increased from Twenty Dollars (\$20.00) to Two Hundred Fifty Dollars (\$250.00). Mr. Gisbert said the meters accepted Dollar bills which were sometimes wet that contaminated the machines. That company suggested an increase to Five Dollars so that less paper went into the machine. Mr. Gisbert said this would give a slight increase in the Fee, and reminded that Five Dollars (\$5.00) to park for the entire day was still a good deal. Councilman Solis said using Five Dollar bills would be less wear and tear on the machines and that he did not have an issue with the increased fee because other locations had parking at Twenty to Thirty Dollars to park. Ms. White said the revenue stream from the parking meters was Seventy-Five Thousand Dollars (\$75,000) and would pay for approximately half of the landscaping costs.

Councilman Reichard asked about the Amended Budget and Ms. White explained it was dropping because plans were to use the Barnacle Bay parking as a laydown yard for Segment 2 construction. The revenue from the meters was not segregated by lot so she could not tell how much money came from each lot. Councilman Reichard asked if the Holiday Inn would be left any parking spaces. Mr. Gisbert said that would depend upon the contractor and explained that the materials would be stored at the lot as quickly as the first day. Mr. Shortt added that there were two lift stations at the site and both would be replaced. He said bids would hopefully be let and construction start before the CRA project but in the process the middle section of the parking lot would be out of service for about eight months. Councilman Reichard suggested contacting the Holiday Inn management to advise that a shuttle could be used at the Churchwell parking lot and the passes would work at that location as well. Councilman Solis asked if the grass parking lot could be utilized as well and Mr. Gisbert said the pass was good at all of the locations.

Mr. Casto gave a brief history of the CRA's management and gave the floor to Ms. Jenkins for the presentation.

Ms. Jenkins gave an overview of the CRA, with Segment 1 completed. She explained the projects in their various stages. She displayed photos of South Thomas Drive, Powell Adams Road and Churchwell Drive. Regarding Section 2, she said kickoff was close as the plans were complete and pond sites already acquired. The only items left were the final permits and the Transfer Agreement. Regarding Segment 3, one plan set included Highway 79 so both pieces needed to be constructed at the same time because the utilities and stormwater worked together as one. Ms. Jenkins said the plans were 100% complete but no right of way acquisitions had yet been done.

Ms. Jenkins identified Segment 4.1 and the City already had a FDOT grant in place with the State paying half of the engineering which would start next year. Segments 4.2 and 4.3 and Segment 5 was further out and only preliminary plans were done. She said FDOT was currently working on sidewalk plans from Portside to Highway 79. Mr. Gisbert said it was wonderful for that partnership but all of that sidewalk would be removed when the Segment 5 was done. Regarding the connector roads, Ms. Jenkins said they were in various stages.

For the near term projects, Ms. Jenkins said she had a construction estimate for Segment 2 at \$14 Million Dollars. She said this supposed bidding out the project and having the services out-house. However, there was the possibility that the CEI could be done inhouse and she elaborated. The Mayor asked if Staff could do it inhouse and Ms. Jenkins replied certainly and the CRA would coordinate with the Utility Department to make it work.

Regarding Segment 3 and Highway 79, Ms. Jenkins said it was about the same distance as Segment 2 so she increased the cost about 5%. The estimated price of \$25.8 Million Dollars included the right-of-way acquisitions at \$7.6 Million Dollars. She said she would like to start the right-of-way acquisitions to move forward with the project. Mr. Gisbert explained further that the acquisition included a large pond, almost three acres, and a buyout of three businesses (Panama Pizzeria, Muy Buenos, and the Chevron).

Councilman Reichard asked about the golf course, saying it would soon become an eyesore because it was not being maintained. Mr. Gisbert explained that FDOT had been given a timeline with the City starting construction in September or October. The contractor would tear it down to use for a laydown yard.

Ms. Jenkins said the estimates for the other projects did not go further because the City had just let a RFQ for the Financial Modeling. She said that would give Staff a better idea of the entire CRA. Mayor Thomas asked if the City had done modeling for maintenance in the past and Ms. White replied a little at the very beginning of the CRA. The Mayor said he was on the Council at the start of the CRA and thought he remembered that there had been a requirement for maintenance formulas. Ms. Myers replied that there were some formulas in the CRA Plan but no money had been put aside for maintenance. The Mayor said he had thought maintaining the CRA was part of the original plan. Ms. Myers said maintenance of the roads was always contemplated. Mr. Gisbert said this year was approximately One Hundred Sixty to One Hundred Seventy Thousand Dollars (\$160,000-\$170,000) for landscape maintenance. Ms. Jenkins said that was going up.

Councilman Solis said eventually, a fee would have to be placed on the tax rolls as the CRA got bigger and bigger, and with another Segment, the One Hundred Seventy could easily become Two Hundred Seventy Thousand Dollars. He said he understood that as the Segments were built, the fee would be charged to those areas in the CRA. Mr. Gisbert said that would be up to the Council whether to share across the entire CRA or share just within the zones as built. Ms. White said the original plan always contemplated special assessments on the road which would have to meet certain criteria, such as who benefitted from the improvements. Councilman Solis said it would have to be discussed on the next Segment as the tax burden would be too heavy to maintain. He said the CRA zone for the assessment would be a good place to start, not necessarily including other areas. Councilman Reichard said property on the gulf front paid more in maintenance than property on the north side of Front Beach Road. He continued that some of the gulf front properties would soon have very large maintenance costs due to the age of the properties. Councilwoman Strange asked if he meant that they should not share in the cost of the beautification improvements. Councilman Reichard said no one at Colony Club had been assessed due to the new road being built which benefitted that neighborhood. He said he thought an assessment was a reasonable thing and that he thought it was also reasonable for Colony Club. Councilwoman Strange said that was different due to safety issues. Councilman Reichard agreed that assessments were always part of the plan and reasonable. Mayor Thomas said to promise people they would not have to pay for improvements was not right. If the property benefitted, the owner should pay. The Mayor said there should have been a plan in place to maintain the new roadway. Both Ms. Myers and Ms. White said that had been the original plan. Ms. White said the original bonds and the refinance bonds all had special assessments as a secondary pledge of revenue source that the Council had a right to implement.

Ms. Jenkins said Staff needed input from the Council as to how to move forward and she detailed the suggested issues for the Near Term Work plan. Regarding the issue of identifying beach parking opportunities near beach access points, Mayor Thomas questioned building parking lots on the north side of the road, funneling people down the easement onto private property. Councilman Solis said the other side was the illegal parking everywhere because there were no parking places. Councilwoman Strange said there were many areas where the people could not get down to the beach because of parking and the Mayor said the people could go to St. Andrews, the Piers, etc.

Ms. Jenkins talked about the BP Restore Act Committee and the City's plan to put the continuous outfalls out further in the Gulf. She said the Committee would be going to the County Commissioners this month and the City's plan ranked 8th out of 15 projects and there would be potential money for that. She said the outfall pipes would benefit the stormwater and possibly remove the need to buy so many ponds for the Front Beach Road projects. Councilman Solis said as the City went to Segment 3, taking on the Highway 79 section, part of the discussion with FDOT was their willingness to give the City money to take over Front Beach Road. He said WFRPC had money available immediately for brown sites so he hoped to set a meeting soon with them, to look at the Chevron site and use grant money for preliminary work on contaminated areas in Segment 3.

Mayor Thomas said he agreed with Councilman Solis about the agreements with FDOT and looking more toward the Back Back Beach Road with FDOT's cooperation. It would benefit the City by accepting Front Beach Road because the roadway could then be built to a lesser money-wise standard due to the inspection and permitting processes. However, he felt FDOT could accept the Back Back Beach Road project because they were responsible for transportation.

For Segment 2, Ms. Jenkins said the water and sewer improvements were estimated at Two Million Dollars (\$2,000,000) and it was an option that those funds come from the Utilities Fund. The Mayor asked if Utilities had contributed before to the CRA and Ms. Jenkins replied no. Ms. White explained that most of the funds in Utilities were set aside for future projects and the Council could use some of those funds but it would require raising water and sewer rates. The Council would have to prioritize which projects were most important. In response to Councilwoman Strange's question, Ms. White said a Water and Sewer Rate Study was being prepared now with the direction to prepare rates if the excess cash remained available and another if the excess cash was

removed to pay for a new building. Mayor Thomas said he felt some of the money should be used, but maybe not as much. He reminded our rates were cheap.

Councilman Reichard questioned permits being delayed by FDOT in exchange for maintaining Segments 1 and 2. Discussion ensued. Mayor Thomas said he would strive to ensure that FDOT would sign commitments the same as they are asking the City to sign for Segments 1 and 2. Ms. Jenkins said the construction portion was submitted to the State and FDOT had not issued permits. Mr. Gisbert said that Agreement for Segment 1 had already been approved by the Council and was in the midst of being executed by FDOT.

Ms. Jenkins asked if the Council members wanted her to come back with all of the items on the Near Term Work Plan or if there were any changes or additions. Councilwoman Strange said she liked all except would prefer Segment 3 occur before Segment 2 because of Lullwater. Councilman Reichard mentioned about acquiring the ROW property quickly for Segment 3 and Ms. White said those funds were already built into next year's budget. She said approximately \$8.6 Million Dollars (about half) were in the 2017 Budget for construction and Two Million Dollars for land acquisition for Segment 3. She added that the delay on Segment 2 helped from a funding standpoint, and with the direction of the TIF, she thought both Segment 2 and Segment 3 could be built as the monies came in over the next few years. She did not see the need for any outside funding in the next three to four years. She also projected the cash balances at the end of 2017, showing going into 2018 with about Nine Million Dollars (\$9,000,000) cash. So if more ROW opportunities became available next year, a Budget Amendment could be brought to Council to move the money. Mayor Thomas said he would rather buy the land now because it was only rising. He added that the City could tell the business owners that they could remain in business for another two years, that might help the purchase negotiations. Councilman Solis and Councilwoman Strange agreed on purchasing the land now. Councilman Reichard recommended doing Segment 2 now and Segment 3, with land acquisition. The Mayor said he wanted Ms. Jenkins to manage the work inhouse and Councilman Reichard concurred.

Councilwoman Strange asked if any designs had been prepared to move traffic quicker by making the median into another lane. She mentioned other cities making roads all one way to move traffic quicker, such as at Talladega. Mayor Thomas said he understood FDOT was adding another turn lane going up SR 79 and extending the existing turn lane, which should make a huge difference. Councilman Solis questioned the third lane funneled into two lanes near Pier Park which created congestion. It had been estimated at about One Hundred Sixty Thousand Dollars (\$160,000) to extend the third lane and asked if permits could be obtained at the same time to get this funnel corrected. The Mayor said they were looking at that situation when they worked on the intersection. Councilman Solis suggested the City funding the extension if FDOT would not. Mr. Gisbert said there were funds for the SR 79 intersection and FDOT told him if extra funds were available as they did that project, they would make that extension. The Mayor said he understood the plans were drawn but that FDOT had not yet started.

Councilman Reichard mentioned the large pipes funneling into the ditch at Signal Hill and asked what was being done. Ms. Jenkins said the two additional pipes would only add a tenth of a foot of a water rise. Councilman Reichard said Signal Hill flooded when a heavy rain so he suggested creating a plan to prevent the flooding, while emphasizing the City not pay for the correction. Ms. Jenkins said a plan had been created originally for Signal Hill to implement but they did not want to do the improvements. Councilman Reichard asked if Signal Hill should be advised what plans were in the making for the new pipes and that he thought the City should not be responsible. Ms. Myers said she did not think there would be any harm in recapping the events for them and the future of all the steps taken to date. Mayor Thomas recommended sending Signal Hill a letter.

A copy of the CRA PowerPoint presentation is attached to and becomes a permanent part of these Minutes.

PIER FUND

Ms. White began with the One Hundred Thousand Dollars (\$100,000) from the TDC for the lifeguard program. The funds had not yet been received but Staff felt

comfortable they would be forthcoming. She said the Pier generated slightly over One Million Dollars (\$1,000,000) for admissions and some passes. The passes were shared with the County, allowing access to both Piers, and the revenue shared, split 50/50. The other major source of revenue was from the businesses located on the boardwalk, slightly over Two Hundred Thousand Dollars (\$200,000) per year.

Councilman Solis asked when the initial contract was done for the concessions. Mr. Gisbert said in 2010 and we're in 5 of the 7 years, seeing revenue steadily climb. Councilman Solis said that was prime real estate and mentioned renegotiating. The Mayor said the percentages were good and Mr. Gisbert said it automatically escalated with higher revenue.

For expenditures, it was about Seven Hundred Fifty Thousand Dollars (\$750,000) and next year was projected at One Million Dollars (\$1,000,000) primarily because of restructuring Aquatic Staff and shifting more of Mr. Spivey's salary from Aquatics to Pier to run the proposed carpenter program, and two new full-time and one part-time employee to implement the new program. On the capital side, that was primarily connected to the new carpenter program, buying a vehicle, initial tools and uniforms as well as materials to start the repairs to the beach accesses.

Mr. Ponek said he and the City Manager had discussed the beach accesses with the idea to hire the people to initially make the accesses as safe as possible and then slowly rebuild them. He estimated it would take three to five years to rebuild all of the accesses. The first year would be a challenge and Mr. Spivey was confident he could handle the new program. Councilwoman Strange asked who repaired the accesses now and Mr. Ponek replied Public Works. She said the carpenter would be able to do other tasks for the City and Mr. Ponek replied affirmatively. Mr. Gisbert said it would be similar to sharing the City's electrician.

Councilman Solis said a previous bid to rebuild three accesses had been Seventy-Five Thousand Dollars (\$75,000) for labor and materials. Mr. Casto explained that almost all of the fifty-five (55) beach accesses were rebuilt after Hurricane Opal so most needed to be completely rebuilt, not repaired. Councilman Solis said his concern was the benefit package for a full-time employee, about Thirty Thousand Dollars (\$30,000) per year. He suggested using a part-time person initially to see if the program succeeded before committing the funds for a full-time position. Mayor Thomas said he did not believe a qualified carpenter would leave another job if a full-time position was not offered. Councilman Solis said he preferred starting with only one full-time person and a part-time person rather than two full-time people and a part-time person. Mayor Thomas said two people were not going to quickly rebuild the walkways. However, he thought the program was worth trying and hoped that this Council would be able to say if the program was not working that it should cease. Councilman Solis asked if this meant terminating the employee and the Mayor responded absolutely.

Mr. Casto said Public Works usually budgeted Thirty Thousand Dollars (\$30,000) per year to merely put band aids on the accesses to keep them going. Councilwoman Strange said she liked the idea of trying the program using only one person to see how it worked. Councilman Chester said he did not believe one part-time person was needed, that there were enough part-time personnel in Parks & Recreation that had carpentry experience to help the full-time person. Mr. Gisbert said this was an investment because of the costs if someone was hurt on the accesses. Councilman Reichard suggested trying this program as outlined for one year and monitor the progress, with the idea of being able to report how much money was saved at the end of the year.

Councilman Solis said one full-time person and one part-time instead of two full-time people and a part-time person. Mayor Thomas said one person would not be able to do the work and he thought this would trim the program so that it would not succeed. Mayor Thomas said it should be reevaluated during the budget time to determine how the project had progressed. He said it would take the first six months to merely patch the existing accesses before they could be rebuilt. Councilman Solis said his concern was how many other departments would be asking for additional staff.

Ms. White said she understood the consensus was for two full-time employees and not have the additional part-time person. Councilman Chester asked if the new carpenter would need a new truck or if there was already one available from another department. Ms. White said the Pier did not have much existing equipment because historically, it was not needed. She said if after buying a new truck the program failed, the truck could be used elsewhere in the City.

Councilwoman Strange asked if the Pier was insured. Ms. White replied that the Pier structure itself was not insurable but the buildings were insured. Councilwoman Strange asked if the Pier would be rebuilt by FEMA if demolished. Ms. White said historically, FEMA had always rebuilt the Pier. She said initially, the City would have to make the Pier safe and was the reason for the Seven Hundred Fifty Thousand Dollars (\$750,000) set aside to handle the immediate aftermath of the storm event for routine repairs. That amount could be increased if possible but in the past, the excess above that amount had been moved primarily to Aquatics.

Moving forward, Ms. White said her major concern was that in future, there would not be enough excess revenue from the Pier to fully fund what would be needed for the Pool. Then funds would need to be taken from the General Fund in the future to subsidize the Pool operations. The Pool was ten years old and reaching the normal end of life cycle for some big ticket items such as the heaters, liner, kiddie pool play structures, and air conditioners. Approximately Half a Million Dollars (\$500,000) per year had been moved to the Pool and more would probably have to be moved over the next three to four year period in order to do what was needed to keep the facility in the best shape.

Mayor Thomas said he wanted more money in the reserve because he had been on the Council right after Opal, and he remembered working with Mayor Griffiths, Mr. Jackson and FEMA the first time. Mr. Jackson had said FEMA could help the rest of the County initially because the City had money in reserves to start the repairs. He added that FEMA refunded amounts that would normally have been paid upfront and the City did not have to wait. Ms. White said we could do that but the only way to increase reserves would be to decrease the funds moved out.

AQUATIC CENTER

Ms. White identified the different income streams for the Aquatic Center. Unfortunately, the revenue could not keep up with the expenditures. Mayor Thomas asked if the Pool made a profit the first year, and Ms. White responded that she could prepare an analysis of the years, adding that the Pool had never made a profit.

Councilman Solis said he thought no one made a profit from pools. He said he had asked Mr. Ponek to obtain swim team rates from Tallahassee to Pensacola because he thought the City was too cheap for the swim teams and daily entry fees for non-Panama City Beach people. He said the daily fees should be increased to make the facility comparable to other areas.

Mr. Ponek said he thought the Pool was going in the right direction. The revenues had improved and one new option was the planned takeover of the Concession Stand. He said the Pool was now having Three Thousand Dollar (\$3,000) and Thirty-Five Hundred Dollar (\$3,500) days which had not occurred in the past and that was only the ticket office. Regarding the swim teams, originally the teams only paid approximately One Dollar Eighty Cents (\$1.80) per hour per lane. A six-year contract was then signed with the swim teams and now in its the third year, the lanes will be Three Dollars Fifty Cents (\$3.50) per hour beginning October 1st. Next year will be Four Dollars Twenty-Five Cents (\$4.25) and the sixth year Five Dollars (\$5.00) per hour per lane. Mr. Ponek said the lane hourly rates should be Eight Dollars (\$8.00) per hour, matching the average, so he felt the next contract should be Seven or Eight Dollars (\$7.00-\$8.00) per lane per hour.

The Pool now generated swim lessons, up from Seven Thousand (\$7,000) to Twenty-One Thousand Dollars (\$21,000) per year. He anticipated this increasing to Thirty Thousand (\$30,000) to Forty Thousand Dollars (\$40,000) per year in the future. He recommended not changing User Fees as the City was in the middle compared to many other cities. For the lap swimmers, the fee was Eight Dollars (\$8.00), comparable across the board. He said he anticipated about Five Hundred (500) people using the Pool today, with the church and school groups being charged Four Dollars (\$4.00) each instead of Five Dollars (\$5.00).

Mayor Thomas asked why the church groups were not charged Five Dollars (\$5.00) since they had no contract. Mr. Ponek replied during the season, individuals would be Five Dollars (\$5.00) each and a big group would be Four Dollars (\$4.00) each. The Mayor said during the summer at his restaurant, a discount was not given if twenty people came to eat as opposed to only one or two. Mr. Ponek explained that three years ago, these type groups did not come to the Pool and now they were.

Councilman Solis asked about membership passes and if there was a difference between local and people from outside of the City. Mr. Ponek replied that the City did not have a non-resident pass and he did not recommend one because of problems verifying residency. The Mayor asked the percentage of residents versus non-residents entering the Pool and if that was checked for the people entering the pool and Mr. Ponek replied no. Councilwoman Strange said that had been the problem in the past because of people not having a drivers' license with them while standing in line to get into the Pool. Mayor Thomas said when he coached Little League here, seventy-two percent (72%) of the participants lived outside of the City limits, and he imagined it was the same way for the Pool. Councilman Solis said the membership pass would be easily verified with a drivers' license upon purchase. He mentioned locals if presented an ID with "Panama City Beach" and Ms. Myers commented about a portion of Walton County being called Panama City Beach.

Mayor Thomas mentioned that if the non-residents gave another Dollar (\$1.00) or Two Dollars (\$2.00) to be in the Pool over a year's time, that would be a significant amount of money. He said the Pool was a quality of life issue and never meant to make money. However, the City must do all possible not to throw away money. During the winter, the pool might be open for only three people and suggested having realistic hours during the offseason. He also thought there should be different fees for users who lived outside of the City limits.

Regarding the Concession Stand, Ms. White reported poor results and after discussions with Mr. Ponek, she had doubts of that expected revenue. However, she did think it would be greater than the Twelve Thousand Dollars (\$12,000) currently reported. Mr. Ponek stated that the current contract for both the Pool and Frank Brown Park would end in December and he planned to bid out a new contract for Frank Brown Park.

Councilman Reichard asked about reducing expenses. Mr. Ponek said this winter, the hours would be reduced by almost forty percent (40%) and concentrated on the swim teams. The swim teams were in the Pool year round and needed the time. He reported there were ten (10) visiting swim teams this year and they were paying premium fees.

Councilman Reichard asked about the remaining three heating/cooling units. Mr. Ponek explained the Pool had a total of six units, with three new ones. Unfortunately, when Symbiont replaced the last two units, the remaining three units quit working. He said the water temperature was now at 86 degrees so the Pool needed the other three units. Councilman Solis said this was putting a strain on the three new units. Councilwoman Strange asked when the competitive swim meets would begin and Mr. Ponek said August & September. For competition, the water temperature should be no warmer than 82 degrees. Councilman Chester asked if the City would have a liability issue due to the temperature. Mr. Ponek said the teams knew and were taking precautions, and it was their call to swim at this temperature.

Ms. White said the first year, the daily entry fees were One Hundred Forty Thousand Dollars (\$140,000) and now were One Hundred Thousand Dollars (\$100,000). Before Mr. Ponek was hired they had bottomed out to below One Hundred Thousand Dollars (\$100,000) but he had been able to increase that revenue. She said she thought there were opportunities to increase the revenue stream to what it had been at the start. Ms. White said where Mr. Ponek had made significant impact were the programs, originally very little money and now summer swim camps, safety classes, etc. Mayor Thomas asked if new employees were required to teach the classes and Mr. Ponek said yes but they were contracted out. Ms. White added there was a margin of profit even though there was a cost associated with the contract.

Ms. White said the three heaters and the HVAC equipment in the locker room were built into next year's Budget, a little less than One Hundred Thousand Dollars (\$100,000). In reality, if the Council wanted to move forward now, the money could be moved now and possibly avoid the repairs over the next few months. She said she could bring a Budget Amendment to the next Council meeting and rework the numbers. Councilman Reichard said the HVAC system was also ten years old and about half was not operating. Ms. White said the only item not included in the proposed Budget was the replacement pool cover. Mr. Ponek said he would talk with the swim teams for a possible buy-in to help toward its replacement. Councilwoman Strange recommended doing now rather than wait three months. Ms. White confirmed that the bulk of the repairs this year were related to the HVAC system.

Councilman Solis asked how quickly the three new heating/cooling units could be delivered. Mr. Poněk replied three to four weeks. Councilman Solis agreed that this should move as quickly as possible due to meets in August. Councilman Reichard asked about hours of availability in the six year contract and Mr. Poněk said those would have to be revisited if plans were made to close the Pool during the winter.

Mayor Thomas said Staff needed to look closely at closing the Pool during the winter, three months to run at minimal power with minimal Staff. He said Staff needed to look more at who lived within the corporate City limits and charge accordingly. Ms. White said she could track the expenditures and revenue by month, so it would be relatively simple to see particular months. She added that there were days when the fees were miniscule for the entire day, not covering Staff costs much less the maintenance costs. The Mayor said he would like a projection of a daily cost for power, Staff, everything. Mr. Poněk said this winter there would be reduced hours, closing for about 4.5 hours which was new. Mayor Thomas said he saw Staff standing around when the swim teams were in the Pool and questioned why the teams did not accept the responsibility for lifeguards and save the City that cost. Councilman Solis said that was a good possibility. Mr. Poněk said he had explored that possibility at this last job and lifeguards were required because there were also lap swimmers in the pool at the same time. Discussion ensued concerning different rates for City residents and Bay County residents. The Mayor said the City residents were paying for the maintenance and he thought it should be distinguished resident versus non-resident.

Ms. White asked if the Council members wanted her to prepare the Budget Amendment now to move the funds for the HVAC and the three heating/cooling units. Mayor Thomas said that was the consensus to move forward. Ms. White said she would take care of it.

Councilman Solis said he was also in favor of the City taking over the Concession Stand to be able to look next year at improved revenue numbers. He said Mr. Poněk had ran concession stands in his official duties at other jobs. Mr. Poněk said that would start in January.

Ms. White recapped the changes that would be made to the proposed budgets as 1) increasing the land acquisition costs in the CRA, 2) handle the CRA construction/engineering inspection inhouse, 3) eliminate the part-time person from the Pier, 4) work with the Pier reserves, 5) shift the equipment for the Pool, and 6) bring back daily/monthly information to operate the Aquatic Center.

Councilwoman Strange asked if she knew the costs to operate the ballfields on a daily/monthly basis. Ms. White said no because it was not tracked the same way and were different funds. She explained in detail that individual programs were not tracked separately within the General Fund for Parks. To track the individual programs would be difficult and take time and some accounting help to do it. She said she could get an approximate order of magnitude based on revenue derived from some of the programs. Councilwoman Strange asked if she could create something to group the soccer, tennis, baseball, etc, and determine the operating expenses. Ms. White said that would take a significant amount of time and a lot of assistance from Parks. Councilwoman Strange asked Mr. Poněk if he could "ballpark" a figure and he responded affirmatively.

REVENUE REPORTS

Ms. White explained the Fund graphs were updated through the end of June, showing nine months of cash collected through June 30th. Briefly, the Local Option Fuel Tax was down but still ahead 4% for the year. She said if it continued down for the next three months, she was not sure if the revenue would reach the budget number but would be close. For Franchise Fees and Utility Taxes for Electricity, Gulf Power sent a one-time settlement in June of about Three Hundred Thousand Dollars (\$300,000) and she gave the details. However, taking out that settlement, the revenue was down and had been going down for the last three months in both Funds. Next to the Gross Receipts Tax, these were the two biggest revenue drivers in the General Fund. She said if the trend continued, they would also not reach the budgeted amounts and part of the reason could have been a mild winter for less electrical use. She said she was a little concerned over these two funds. The Communications Services Tax was basically flat. For Building Permits, May was a huge permit month and for this year, the City may reach Six Hundred Thousand Dollars (\$600,000) more in permits, a level not seen since 2008.

The Gross Receipts Tax was down a little for June but she was not as concerned because last June was a huge month, almost a Million Dollars. So for the City to only be down Forty Thousand Dollars (\$40,000) was not a bad thing. Ms. White said the fund was still up 3.3% year-to-date. For State Revenue Sharing, it was the same and on track. For the Half Cent Sales Tax, the City had no direct control and was consistently up all but one month so far this year, up about 5% year-to-date. Ms. White said for the month of June, for all eight Funds less the Gulf Power settlement, the total collections would be down about One Hundred Thousand Dollars (\$100,000). She said most of that tied back to the Utilities Franchise Fees, but overall the City was doing well, up almost 6% year-to-date for nine months.

Mayor Thomas adjourned the meeting at 12:17 P.M.

READ AND APPROVED this 11th of August, 2016.

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

Front Beach Road Community Redevelopment Area (CRA) - 2016



Front Beach Road CRA

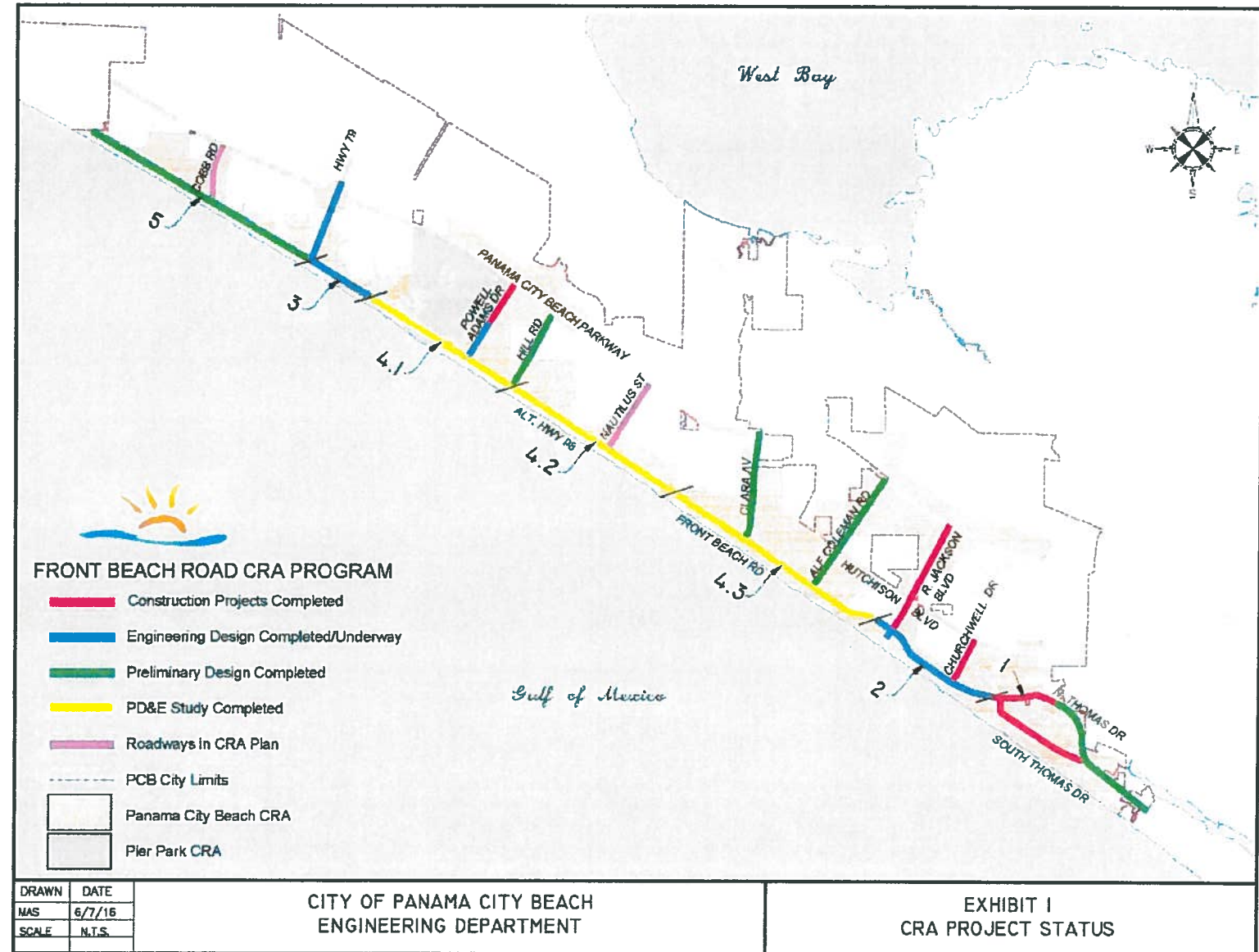
- ❖ **Adopted by City Council June 21, 2001**
- ❖ **Enhancement of Existing Roadways within the CRA**
- ❖ **Improvements Include:**
 - Widening, lighting, turn lanes, medians, landscape, hardscape, bike lanes, tram lanes, sidewalks, stormwater drainage systems and undergrounding utilities**

Front Beach Road CRA

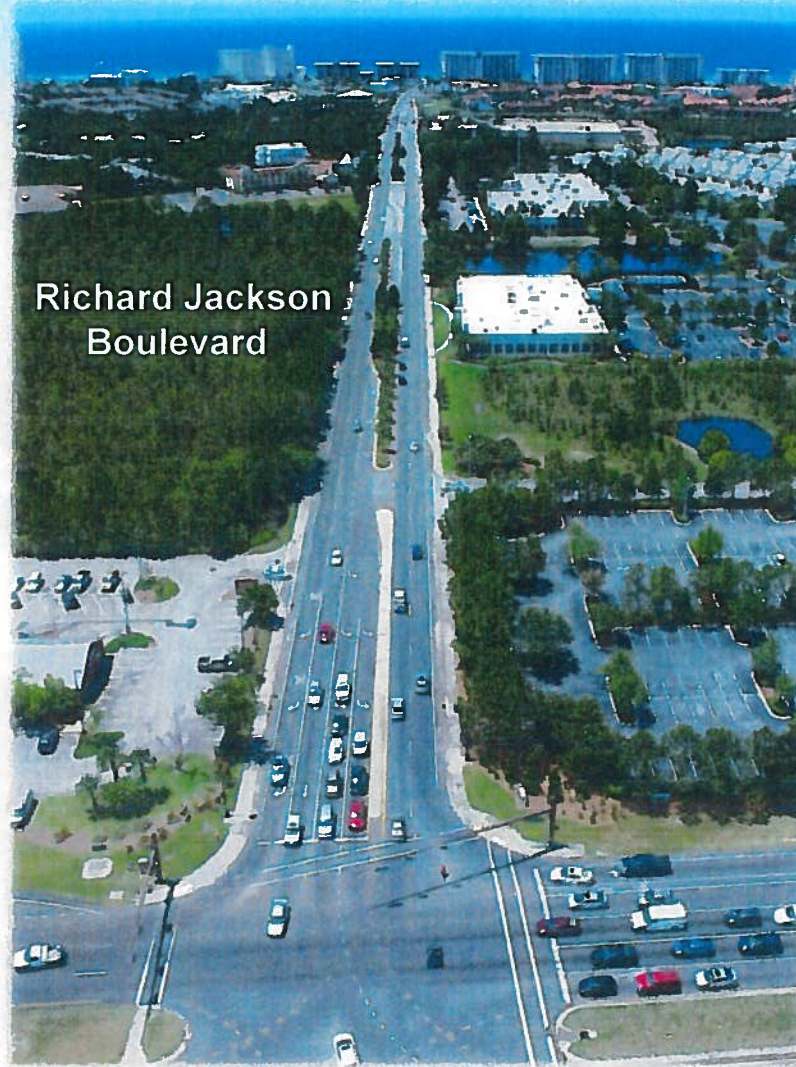
3 Primary Objectives of CRA:

1. **Pedestrian, Parking and Transportation Improvements;**
2. **Enhance Beach Access and Related Parking; and**
3. **Plan Funding and Financing**

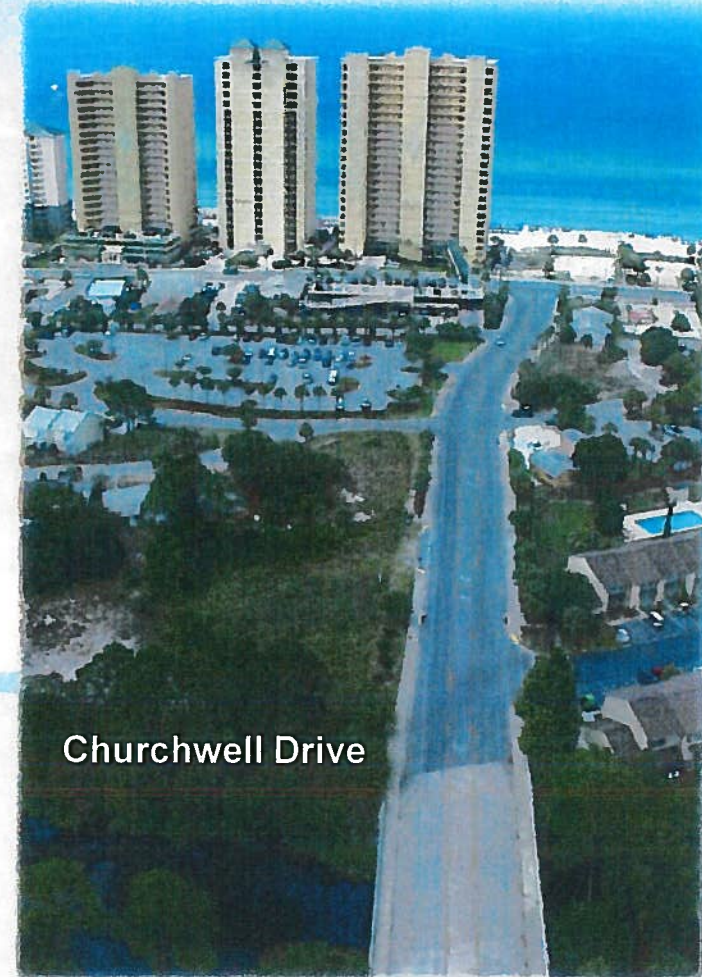
Front Beach Road CRA



Completed Construction

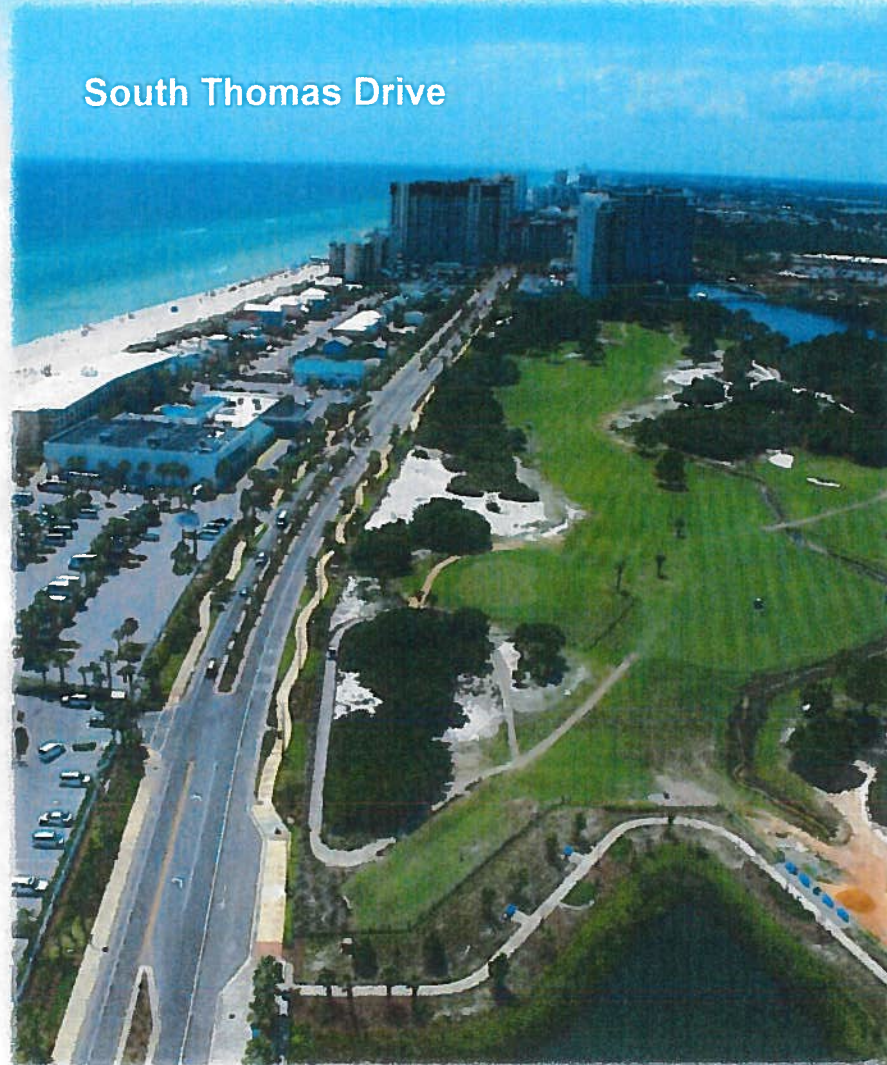


Richard Jackson
Boulevard



Churchwell Drive

Completed Construction



Project Status – Front Beach Road

❖ Front Beach Road Segment 2

100% Plans Complete
Acquired All Right-of-Way and Pond Sites
Project Bid Pending Final Permits and
Transfer Agreement

2 lane road w/ median & shared tram/bike lane
on both sides of the road.

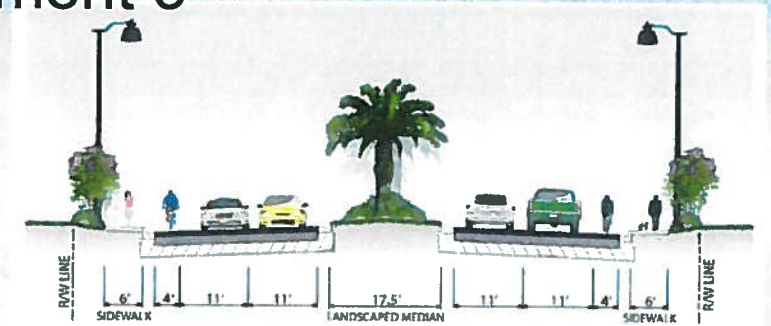


Project Status – Front Beach Road

❖ Hwy 79/ Front Beach Road Segment 3

100% Plans Complete
Obtain Right-of-Way and Final Permits

4 lane road w/ median & 4' bike lane
on both sides of the road.



TYPICAL NO. 1
STATE ROAD 79

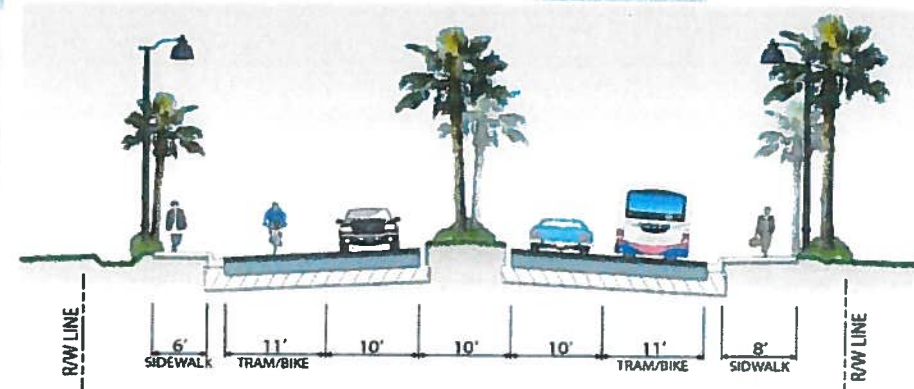


Project Status – Front Beach Road

❖ Hwy 79/ Front Beach Road Segment 3 cont.



2 lane road w/ median & shared tram/bike lane on both sides of the road.



**TYPICAL NO. 2
FRONT BEACH ROAD**

Project Status – Front Beach Road

❖ Front Beach Road Segment 4.1

(Lullwater Outfall to Hill Road)

PD&E complete

\$1,506,000 for construction plans (50%/50% match grant)

FDOT \$753,000, City \$753,000 (FY17/18)

Identify all right-of-way and easement needs

❖ Front Beach Road Segment 4.2

(Hill Road to Middle Beach Road)

PD&E complete

Continue Efforts with Grant Funding

❖ Front Beach Road Segment 4.3

(Middle Beach Road to Richard Jackson Blvd.)

PD&E complete

Continue Efforts with Grant Funding

❖ Front Beach Road Segment 5

(Highway 79 West to De Luna St.)

Preliminary Plans complete.

FDOT starting sidewalk construction in Late 2017 (Portside to Hwy 79)

FDOT starting sidewalk construction in Late 2018 (E. Lakeshore Dr. to Portside)

Project Status – Connector Roads

❖ Powell Adams Segment 2

100% Plans complete

All right-of-way acquired

❖ N. Thomas Drive

90% Plans

Obtain right-of-way

Sidewalk was constructed from S. Thomas to Joan Ave.

❖ Alf Coleman Road

60 % Design plans

Partial right-of-way purchased

❖ Hill Road

30% plans

Majority of right-of-way needs have been determined

❖ Clara Avenue

30% plans

❖ Nautilus Street and Cobb Road

No work completed

Projected Costs for Near Term Future CRA Projects

FBR Segment 2 Future Costs	
Construction Estimate	\$14,000,000
Gulf Power Fees	\$ 2,220,955
Construction Engineering Inspection (7%)	\$ 980,000
Post Design Services (1%)	\$140,000
Total to complete	\$17,340,955

FBR Segment 3/Highway 79 Future Costs	
Construction Estimate (5% increase)	\$14,700,000
Gulf Power Fees (5% increase)	\$2,332,000
Plan update and permits	\$50,000
Right-of-Way acquisition efforts *	\$7,600,000
Construction Engineering Inspection (7%)	\$ 1,029,000
Post Design Services (1%)	\$147,000
Total to complete	\$25,858,000

Staff is working on advertising RFQ for the financial modeling of Front Beach Road CRA with Operations and Maintenance Costs to include all CRA projects.

*Right-of-way based on the average cost per mile for prior acquisitions

TIF Money Collected by the City

❖ Collected \$8.6 Million this year

Year	Amount	% change	Year	Amount	% change
2001/2002	----		2010	\$8,246,840	-18%
2003	\$923,154		2011	\$7,263,322	-12%
2004	\$1,848,987	100%	2012	\$6,396,058	-12%
2005	\$2,494,974	35%	2013	\$5,719,481	-11%
2006	\$6,940,002	178%	2014	\$5,710,445	0%
2007	\$9,234,243	33%	2015	\$7,829,110	37%
2008	\$8,522,456	-8%	2016	\$8,633,238	10%
2009	\$10,019,940	18%	Projected 2017	\$9,423,400	9%

❖ Average increase per year = 26%

❖ Refinanced with a 2.73% interest rate, ~ \$54.8 million of principal and interest remaining

DRAFT CRA Near Term Work Plan

- 1. Bid and manage Front Beach Road Segment 2 project;**
- 2. Provide Right-of-Way needs assessment on Front Beach Road Segment 3 and Highway 79 project and provide efforts to obtain right-of-way;**
- 3. Coordinate with future developments for CRA Right-of-Way partnerships;**
- 4. Manage CRA landscape maintenance contract;**
- 5. Advertising RFQ for the financial modeling of Front Beach Road CRA with Operations and Maintenance Costs including:**
 - Future Capital Costs**
 - Future Maintenance Costs**
 - Future Funding;**

DRAFT CRA Near Term Work Plan

- 6. Continue support of removal of blighted properties within CRA;**
- 7. Continue identification of beach parking opportunities to compliment beach access points to include public-private parking partnerships;**
- 8. Continue exploring alternate roadway and transit funding through government grants, loan programs, and public/private partnerships, and**
- 9. Continue effort to evaluate local economic trends and available tax increment revenues to develop financing options and plans, including leveraging tax increment funds to procure additional bond financing.**