

The Special Meeting of the City Council of the City of Panama City Beach, Florida, regarding the Consideration of a Fire Assessment Program, held on November 9, 2017.

ROLL

MAYOR MIKE THOMAS

COUNCILORS:  
JOHN REICHARD  
JOSIE STRANGE  
PHIL CHESTER  
HECTOR SOLIS

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

Mayor Thomas called the Special Meeting to order at 4:00 P.M. with all Councilman Reichard, Councilman Chester, and Councilman Solis, City Manager, City Clerk and City Attorney present. Councilwoman Strange arrived a few minutes into the meeting.

Councilman Chester gave the invocation and Mayor Thomas led the Pledge of Allegiance.

Mayor Thomas explained the purpose of today's Workshop was to gather information in order to make a decision on how to fund future projects. He reminded the audience that the City did not have an Ad Valorem Tax. He spoke of the City's growth and plans for another fire station which would normally be funded with Impact Fees. Mayor Thomas said building the station was no problem but funding the employees and equipment for the station was the problem. Councilman Solis said there would be five to six employees per shift for the new station.

Mr. Gisbert said this consultant came highly recommended and had performed similar work for other local cities as well as the City's stormwater. The consultant worked with Staff and the Fire Department to create a report for the Council, and he invited Mr. Mark Lawson to the podium. Mr. Gisbert added that the Council members had met with Mr. Lawson individually over the past few days to discuss the report and a short memo of the conclusions from those meetings was on the dais.

Councilwoman Strange mentioned not being part of the followup conversations with some of the Council members as she had already made her decision. She made comments about the residents being taxed out of their homes.

Mr. Lawson introduced himself and explained the ongoing costs for the level of fire protection service that the City desired. He said the ISO rating 2 was good but expensive because of the 24/7 shifts. He mentioned that the Firefighters must be prepared for any situation when responding to a fire call which was also expensive. Mr. Lawson said new funds would allow previously budgeted money to be used to strengthen the existing fire stations against severe weather. He spoke of a new station centrally located which would be weather resistant, housing personnel with reduced response times. Mr. Lawson said he was directed to prepare the means to underwrite the cost to staff the additional station as well as replacing reliance on funding from the General Fund

Mr. Lawson explained how a Fire Assessment was different from a tax and how it was more fair than an Ad Valorem Tax. He explained how he would show the City an alternative or supplemental method to pay for the Fire Services. Mr. Lawson said that he had validated this approach in other Counties including Bay County. The data used in this Assessment was from the Bay County Property Appraiser and the memo included in the presentation was from Dr. Owen Beitsch and met all legal requirements. Mr. Lawson encouraged the Council to go through the process and make this Assessment as part of the base to fund fire protection services for years to come for two reasons. One to free up money in the General Fund Budget to build the facility and not borrow for the capital expense. The second reason would be having an alternate revenue stream if the Gross Sales tax was attacked. He reminded very few cities in the State had a Gross Sales tax.

Mr. Lawson explained the means to share the cost with the Assessment flat fee analysis and the Property Appraiser's just value of the property, the relative improvement value, not the land. He said the land value had nothing to do with fire protection. Using this method met the standards of the law and more importantly, found a fair way to share costs.

Mr. Lawson explained the process for imposing the Assessment, with provisions for hardship situations and Staff hearing the hardship rather than the owner appearing before Council. He continued that they were prepared to create a webpage with information which would help people read about the Assessment and an interactive website which would allow people to look at their own property. Mr. Lawson said the notice for the Public Hearing would be published and that notices be mailed to the twenty thousand owners which would include the information. He suggested allowing people to send comments for consideration.

Mr. Lawson emphasized that this Assessment was not a tax which could be spent on anything other than fire protection. He said as a matter of law, those funds could only be spent on fire protection. He explained the process which would occur if the Council decided to move forward.

Ms. Myers said this Workshop was the opportunity for the Council to freely discuss the merits whether to move forward or not. She said a Directory Resolution was in the Agenda packet for the Regular Council meeting and blanks would need to be completed related to the levels of Assessment outlined in the report.

Mr. Lawson emphasized that the process was legal and sufficient. As a response to the Mayor's question concerning payments, Mr. Lawson said the Assessment was a year off. Mr. Gisbert dispelled the rumor that the Assessment would double people's taxes which was false, with the reality being a small component of the tax bill since the land was removed.

Mayor Thomas said he had been questioned why the City had taken so long to address this issue. He said when the matter was first discussed, the Council realized that they did not know where the station should be located. He said it had taken a year to determine the best central location with the quickest routes.

Councilman Solis asked Deputy Chief Couch why the new fire station was needed. Deputy Chief Couch reported that since the mid 1990's, the Department had struggled to keep up with the volume of calls, now totaling Five Thousand calls per year. He said with two stations, there were eleven people on duty every day. Panama City projected to run Five Thousand calls this year with five stations and twenty-five people on duty every day. South Walton County, responding to Five Thousand calls, had five stations with thirty-three people on duty every day. Deputy Chief Couch reminded that his eleven Firefighters on duty each day did not include if anyone called in sick or had vacation. He mentioned the Reserve Firefighter Program which gave him another one to two Firefighters to fill vacancies as needed. He reported statistics for the increased number of calls beginning in 1999 with 929 calls, to 2016 at 4,503 calls, and to date 4,244 calls.

Councilwoman Strange asked how many calls were generated by tourists during March to September. Deputy Chief Couch said approximately 70% of the calls during that period. Councilwoman Strange said the tourists should pay the tax, not the residents. Deputy Chief Couch said even if the tourists were not here, the buildings remained and needed the protection. Mayor Thomas questioned how the tourists would pay the Assessment. Councilwoman Strange suggested the Bedtax. Councilman Solis explained that the tourists were already paying 90% of the tax dollars. He said the condos were 30% higher than homes, and reminded that the City was only one of two cities in the State without an Ad Valorem Tax and collected the 1% tax. Panama City had the 1% tax plus an Ad Valorem Tax which paid for their Fire Protection. Comments had been made to him about how well the City's revenue was doing and its increase, and he reminded that the City was hiring new employees for Police, Parks and Street. He said the revenue was not available to staff a new fire station, approximately two Million Dollars per year, not counting the new equipment or building. He spoke at length concerning calls and their effects on the Firefighters.

Councilwoman Strange said since the majority of calls were due to tourists, the cost should be borne by the tourists. Mayor Thomas asked how she thought it could legally be paid by the tourists. Councilman Solis said he had asked how it could be passed onto the tourists but it was not legal. Mayor Thomas spoke of the obligation to maintain current services, and it would be irresponsible to state that no future taxes would be assessed. He continued that this Assessment was fair, charging everyone a fixed rate.

Councilman Solis asked Mr. Lawson in his experience if there was a legal way for tourists to pay for Fire Services. Mr. Lawson responded no. Councilman Solis said outside of City limits, the County already had a Fire Assessment, and used some of his own properties as examples. He said it was not only tourists during the season who

received services and the improved response times would benefit the residents, such as those in Colony Club. Councilman Reichard mentioned that all parcel owners in City limits would share the Assessment.

Councilman Chester said he thought the fee was high. He said he had reviewed the City's Budget to see where the funds could come without placing the burden on the residents, but he could not have any new avenues. He continued that he liked the ideas of the mailers to the residents and receiving comments. He questioned hurting the residents on fixed incomes and encouraged calls with suggestions.

Councilwoman Strange said she had received no calls of support in this matter and suggested placing the question on the ballot for the people to decide. Councilman Chester suggested this decision might be too fast. Councilman Solis said there were no other options. Mayor Thomas questioned about delaying a decision. Councilman Chester asked about the last Fire Study and Mr. Gisbert said this was the first. Councilwoman Strange said the City had the money to build a new City Hall. Councilman Solis said the money was saved for the new fire station but this was for the recurring expenses. Mayor Thomas asked Councilwoman Strange where she would obtain the funds for the employees and equipment and she said the General Fund through Impact Fees. Mayor Thomas said Impact Fees must be used for the structures. Councilwoman Strange said the City was very rich. The Mayor commented that Water and Sewer would be having future large capital improvements, very costly. Impact Fees had not increased for a while and additional funds were needed to keep the City functioning.

Councilman Solis said to move forward. Councilman Reichard concurred. Councilwoman Strange said no. Councilman Reichard said the City needed this Assessment to grow. He mentioned the lives saved with these calls and it cost money. Councilman Chester said to move forward. Mayor Thomas said it was four to one to move forward.

The meeting was adjourned at 5:05 P.M.

READ AND APPROVED this 11th of January, 2018.

**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