

**MINUTES
REGULAR MEETING
DESTIN CITY COUNCIL
AUGUST 2, 2021
CITY HALL ANNEX COUNCIL CHAMBERS
6:00 PM**

The Council of the City of Destin met in regular session with the following members and staff present:

Destin City Council

Mayor Gary Jarvis
Councilmember Dewey Destin
Councilmember Terésa Hebert

Councilmember Kevin Schmidt
Councilmember Jim Bagby
Councilmember Prebble Ramswell

Destin City Staff

City Manager Lance Johnson
City Clerk Rey Bailey
Code Compliance Manager Joey Forgione
Comm. Dev. Director Louis Zunguze
Parks/Recreation Director Lisa Firth
Finance Director Krystal Strickland
Land Use Attorney Kimberly Kopp

Deputy City Manager Webb Warren
Public Information Manager Catherine Card
Public Services Director Michael Burgess
HR Manager Nichole De Vito
Building Official Noelle Bell
City Engineer Donald Smith
City Attorney Kyle Bauman

CALL TO ORDER, INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Gary Jarvis called the meeting to order at 6:00 pm. Pastor David J. Butler of Faith Assembly Christian Church gave the invocation, which was then followed by the recitation of the Pledge of Allegiance.

INAUGURATION OF INCOMING CITY COUNCIL MEMBER JIM BAGBY - JUDGE PATT MANEY TO ADMINISTER THE OATH

State of Florida Representative Patt Maney sworn in newly elected council member Jim Bagby.

AGENDA APPROVAL

Councilmember Hebert moved for approval of the agenda, seconded by Councilmember Destin. Motion passed 5-0 (Council members Schmidt, Hebert, Bagby Destin, and Ramswell voted "yes"; Council members Braden and King were absent from the meeting).

1. APPROVAL OF MINUTES

A. Approval of minutes of July 19, 2021 Regular City Council Meeting

Motion by Councilmember Hebert, seconded by Councilmember Destin, to approve minutes of July 19, 2021 Regular City Council Meeting passed 5-0 (Council members Schmidt, Hebert, Bagby Destin, and Ramswell voted "yes"; Council members Braden and King were absent from the meeting).

B. Approval of minutes of June 7, 2021 Regular City Council Meeting

Motion by Councilmember Hebert, seconded by Councilmember Destin, to approve minutes of June 7, 2021 Regular City Council Meeting passed 5-0 (Council members Schmidt, Hebert, Bagby Destin, and Ramswell voted "yes"; Council members Braden and King were absent from the meeting).

2. PROCLAMATIONS / RECOGNITIONS / SPECIAL PRESENTATIONS / ANNOUNCEMENTS

3. PUBLIC COMMENTS ON AGENDA ITEMS THAT ARE NOT PUBLIC HEARINGS AND ANY OTHER MATTERS NOT ON THE AGENDA

Mr. Phil McKissick, a Destin resident, inquired as to the status of the new training videos being created for pontoon rentals. He stated there has been a lot of accidents happening, and that there is a huge need for some education in this field. He also noted that he previously volunteered his services to help create the videos.

The Deputy City Manager noted there has been a video published by the Okaloosa County Watersports Operators Coalition which is available on the City of Destin website and Facebook page. It is a safety video created in collaboration with Okaloosa County Sheriff's Department, Tourist Development Council, and Okaloosa County. He added there are plans to produce at least two more videos.

Mr. McKissick added it ought to be a requirement for people to view the safety video before they could rent a pontoon boat. A lot of them do not know how to operate the boat and are not aware of the local conditions, which is a serious problem on the harbor.

4. CITY MANAGER REPORTS

A. Building Fund

The Finance Director Krystal Strickland noted that Florida Statutes Section 553.80, known as the "Florida Building Codes Act" outlines enforcement of Florida Building Code, including local government schedules of fees, and the allowable usage of such fees. Most municipalities and counties throughout Florida set up Building Funds in Fiscal Year 2019 to more transparently comply with the Florida Building Codes Act. Staff recommends setting up a

Building Fund as a Special Revenue Fund to meet the requirements of transparency while minimizing the complexities of utilizing different accounting basis for the city's small accounting and finance department. Staff also recommends adoption of Resolution 21-10 to establish a Building Fund.

Councilmember Hebert moved to adopt Resolution 21-10 to establish a Building Fund as a Special Revenue Fund effective immediately and approve the internal budget transfer included as Exhibit A to Resolution 21-10. Councilmember Ramswell provided a second to the motion.

According to Councilmember Destin, it is clear the intent of this legislative act is to make sure building permits fees do not turn into a revenue tool. He asked if there is a legislative provision that would allow them to increase the fees if they are behind financially as Destin is currently experiencing in order to catch up.

Ms. Strickland explained that the revenues are not supposed to be greater than the expenses, but it does not say they cannot subsidize them. She continued it is a policy decision for the council whether they want to continue subsidizing this with taxpayers' ad valorem funds or from other types of revenues the city receives, or if they feel building permit revenue is more fairly apportioned to contractors who are doing that type of work and receiving the service of having building inspectors and building officials review their work. She added this was not a mandate from the State of Florida that they "shall" raise their fees.

Councilmember Bagby noted that the city is on a 4-year rolling average.

Mr. Strickland replied affirmatively, explaining that the 4-year average rolling rule is that if they have a net profit over a 4-year period, they are to establish a committee to decide what to do with the net profit. One option is to return excess revenues back to the people that paid for the building permit.

Having no further comments from the council members, the mayor called for a vote on the motion, which passes 5-0 (Council members Schmidt, Hebert, Bagby Destin, and Ramswell voted "yes"; Council members Braden and King were absent from the meeting).

B. 1st Quarter Financial/Investment Report

Mr. Brian Haugen and Mr. Steve Cann of Raymond James briefed the City Council on the current status of the city's investment accounts with Raymond James as well as the forecast for the upcoming years based on the current market report provided to the council.

Councilmember Ramswell noted that the city made some investment changes back in 2016 that appeared to have been very beneficial. She asked whether they are recommending any changes at this point.

Mr. Cann explained that the recommendation at the time when interest rates had risen quite a bit and were basically the high point of the last decade was to take advantage of those

rates by locking them in with some FDIC-insured certificates of deposit. However, they cannot make a similar move at this time due to an opposite environment.

Councilmember Hebert inquired as to the city's current asset allocation or investment portfolio spread.

Mr. Cann explained that the city has 4 major accounts – two emergency accounts that are designed for a 6-month liquidity period, a debt of service account designed for one-year extremely conservative short-term bond, and an alternative investment, which is a longer-term fund invested in a strategic or high-quality bond.

C. Post Certificate of Occupancy Building Inspections

The City Manager noted during at the July 6, 2021 meeting, the City Council directed staff to research recommendations for potential processes for periodic follow up inspections of properties after the Certificate of Occupancy has been issued.

The City's Building Official Noell Bell noted there was a statutory language back in 2008 that required condominiums, 4 stories or more, to have an inspection performed and written report provided under seal of a licensed professional or structural engineer. That language was repealed in 2010. In light of the collapse of a Miami-Dade area building structure and the council's direction, staff has put together some proposals for council's consideration.

Councilmember Ramswell noted she has conducted quite a bit of research on this issue and has a prepared motion to offer based on that research.

Councilmember Ramswell moved to direct staff to draft an ordinance requiring inspections be performed every 10 years on any structure identified as a threshold building as defined in Florida Statutes 553.71 Section 12 at the expense of the property owner or the homeowner's association, whichever is applicable. The inspection is required to be performed by a Florida Certified Special Inspector as defined by Florida Statutes 553.71 Section 9; and include inspection of the building's foundation and sub-surfaces. The report must be written under seal of the Special Inspector and attest to the required maintenance, structural integrity, useful life, and replacement costs of the common elements. A copy of the inspection report must be provided to the City of Destin within 90 days of the end of the 10-year period with any necessary repairs required to be completed within 180 days after the inspection. Councilmember Hebert provided a second to the motion.

Councilmember Schmidt recommends that buildings that already surpassed the 10-year period be addressed in the motion as well to include the time frame to complete the inspection.

The Land Use Attorney recommends giving buildings that have surpassed the 10-year mark at least one year to complete their inspection, and every 10 years thereafter.

Councilmember Ramswell offered an amended motion to direct staff to draft an ordinance requiring inspections be performed every 10 years on any structure identified as

a threshold building as defined in Florida Statutes 553.71 Section 12 at the expense of the property owner or the homeowner's association, whichever is applicable. The inspection is required to be performed by a Florida Certified Special Inspector as defined by Florida Statutes 553.71 Section 9; and include inspection of the building's foundation and sub-surfaces. The report must be written under seal of the Special Inspector and attest to the required maintenance, structural integrity, useful life, and replacement costs of the common elements. A copy of the inspection report must be provided to the City of Destin within 90 days of the end of the 10-year period with any necessary repairs required to be completed within 180 days after the inspection. Buildings already surpassed the 10-year mark will be allowed one year to complete their inspection. Councilmember Hebert provided a second to the amended motion.

Councilmember Destin stated he would support going this route at this time; however, they may need to address the enforcement mechanism of the ordinance in the event property owners opt to pay the fines instead of abiding by it.

According to Councilmember Bagby, what happened in Miami-Dade was tragic; however, from everything he read, signs were there for quite some time and that tragedy could have been avoided had it not been for the manager, the Board of Directors and owners of the condominium all failing to fulfill their responsibility. It was not the city or the county's fault. He continued that he would support this motion tonight, but he may not support the enactment of such an ordinance that is setting such a high bar. It is the responsibility of the property managers and owners, not the city, to conduct these inspections. This will only provide some exposures for the city. He also expressed concern that city staff will spend an enormous amount of time and energy on something that would ultimately be preempted by the legislature.

The Land Use Attorney noted that one of the options was to revisit the ordinance after the 2022 Legislative Session, in the event local governments are required to modify ordinances based on new State Statutory Law. They believe insurance companies are involved with lobbying efforts given the political repercussions of what happened in South Florida.

Councilmember Ramswell stated there is no way to predict the action the Legislature is going to take or what elements will be incorporated. It is incumbent upon the city to be forward thinking and proactive and ensure the safety of the citizens as much as possible.

Motion passed 5-0 (Council members Schmidt, Hebert, Bagby Destin, and Ramswell voted "yes"; Council members Braden and King were absent from the meeting).

D. Cross Town Connector Update

The City Manager noted that at the July 9, 2021 meeting, the City Council directed the City Manager to implement Option No. 1 and to bring forth a contract amendment to amend the Atkins contract scope and fee not to exceed the option selected.

Councilmember Hebert moved to accept Contract Amendment No. 2 for Atkins North America, Inc to implement the multimodal elements and right-of-way options

selected by the council for an additional amount not to exceed \$147,000; seconded by Councilmember Schmidt.

Councilmember Destin stated they need to know the full amount of the contract to perform the entire project so they could determine if this is a fair amount for the contract amendment.

Ms. Strickland stated she would need to research it to determine what year the initial contract was executed.

City Engineer Donald Smith noted that the proposal was based on the work that was previously awarded, and that he feels the contract offer was reasonable. It is based on man-hours. They take what the city asked them to do and determine how long it would take to perform each function and assign a new price. It is not based on a percentage of the cost of the entire project.

Motion passed 5-0 (Council members Schmidt, Hebert, Bagby Destin, and Ramswell voted "yes"; Council members Braden and King were absent from the meeting).

E. FY22 Health Insurance Renewal/Upgrade

The Human Resources Manager noted that after receiving initial renewal rates in excess of 10 percent higher than Fiscal Year 2021 from the city's current carrier, Florida Blue, the city's broker, Acentria, reached out to other carriers for rate quotes. After careful analysis and discussions with staff, Acentria advised that moving to United Healthcare would provide the best package at the lowest cost. Not only are there premium savings, but also significant savings to the employee in nearly all categories including co-pays, maximum out of pocket expenses, and so forth.

Councilmember Schmidt moved to direct the City Manager to execute a contract for health insurance effective September 1, 2021, as proposed by Acentria; seconded by Councilmember Ramswell. Motion passed 5-0 (Council members Schmidt, Hebert, Bagby Destin, and Ramswell voted "yes"; Council members Braden and King were absent from the meeting).

F. Business Performance Consulting Services

The Deputy City Manager Webb Warren informed the council that in May 2021, the City Manager and Finance Director participated in an informational meeting with Optimally, a business performance consultant. During this meeting, staff was advised how business performance consultants can examine operating expenses and potentially negotiate lower rates with certain vendors to save money for an organization. The price for this service is 50 percent of the cost savings for three years, which is estimated to be above the City Manager's purchasing threshold. The council adopted Resolution 19-07 in June 2019, which establishes the administrative procedures by which the City of Destin will purchase materials, supplies, equipment, and secure various contractual services and provide greater cost effectiveness and

public accountability in the procurement process. This resolution requires the City Manager to bring before the City Council anything that is above \$15,000. The resolution also mandates competitive bidding unless there is prior City Council approval. Staff is seeking guidance from the council on how to proceed with this item.

Councilmember Schmidt moved to direct the City Manager to design and release a Request for Proposal (RFP) for business performance services and bring back recommended vendors to the City Council for approval in accordance with the city's procurement manual; seconded by Councilmember Ramswell.

Councilmember Schmidt pointed out that the vendor's offer in this case will not cost the city any money. They only have to pay when they realize the savings. He added he will support hiring any company that can provide a similar service.

Councilmember Bagby noted there is a cost for pursuing this type of service, such as staff time and energy, and bandwidth. The council has been discussing creating a better environment for their staff, including providing higher pay and benefits. Part of that effort in creating a better environment is prioritizing staff's efforts. The council establishes the critical projects, important projects and miscellaneous projects. He is not opposed to this effort, but they need to make sure they have enough staff focusing on the critical and important projects first.

Councilmember Destin wants to know if this particular company specializes in governmental entities. He stated he is very much aware of this type of service being offered to private sectors, but it is quite different dealing with governmental business.

The Finance Director noted that the company provided references; one was a church and another a medical office. She added that Optimally is a young company and did not have any experience dealing with local governments.

Councilmember Ramswell stated she is interested in pursuing this effort, but she would like to see some sort of comparisons in terms of benefits.

Councilmember Schmidt noted that this company identified at least two or three cost saving opportunities for the city. They are a young company, but this is 2021 and things are rapidly changing in terms of opportunities. One of this council's most critical goals is increasing benefits and wages for staff and retaining high caliber and qualified staff. This particular company and others like them will create less workload for city staff when it comes time to renegotiate continuing services contracts.

Councilmember Destin offered a substitute motion to direct the City Manager to contact other municipalities or governmental entities in the state, particularly in North Florida, to find out if they are utilizing a business performance consulting services and obtain the result, and report information back to council. Councilmember Bagby provided a second to the motion, which passes 5-0 (Council members Schmidt, Hebert, Bagby Destin, and Ramswell voted "yes"; Council members Braden and King were absent from the meeting).

G. Appointment of representative to the Tourist Development Council (TDC)

The City Manager stated that the City Council needs to designate a new representative on the Tourist Development Council (TDC) due to Councilmember Hebert's resignation from the TDC.

Motion by Councilmember Hebert, seconded by Councilmember Bagby, to appoint Councilmember Dewey Destin as the city's representative to the TDC passed 5-0 (Council members Schmidt, Hebert, Bagby Destin, and Ramswell voted "yes"; Council members Braden and King were absent from the meeting).

H. Announcements

The City Manager made the following announcements:

- Public meeting – Timberview Helicopter Agreement – in the Annex Chambers on Tuesday, August 3rd at 5:30 PM.
- Annual Big Truck Day event scheduled for Friday, August 6th, 9-11 a.m., in the Destin Community Center parking lot.
- 2021 school year starts on August 10th.
- Grand opening of the Destin High School scheduled for Thursday, August 5th, at 6:00 PM.
- The city is monitoring CDC guideline and the health department directive relative to the resurgence of COVID. No further action being contemplated at this time.
- **A third budget workshop is tentatively scheduled for Monday, August 9th.

** It was the consensus of the council to wait until after the individual budget meeting with staff before they decide whether another workshop session is necessary.

5. PUBLIC HEARINGS

6. CONSENT AGENDA

- A. Repairs and Maintenance of Boardwalk
- B. Expenses incurred by Councilmember Ramswell while attending the Florida League of Cities legislative policy committee meeting from July 15 - 16, 2021 in Orlando, Florida
- C. Milling & Resurfacing of the Community Center and Sheriff's Substation Parking Lots
- D. Stormwater System Repairs on Airport Road (2) and Legion Drive (1). Repair of asphalt, curb/gutter and sidewalk on Legion Drive
- E. Draft minutes of volunteer committee/board meetings

Motion by Councilmember Hebert, seconded by Councilmember Destin, to approve Consent Agenda items 6A thru 6E, as printed above, passed 5-0 (Council members Schmidt, Hebert, Bagby Destin, and Ramswell voted "yes"; Council members Braden and King were absent from the meeting).

7. COMMENTS/PRESENTATIONS FROM MAYOR, COUNCIL, LAND USE ATTORNEY AND CITY ATTORNEY

- A. Councilmember Braden
- B. Councilmember Ramswell

1) Old Pier Piling Issue

Councilmember Ramswell noted there had been some old piling from the Crystal Beach pier that washed away in 1974, and that a lot of the wood structure had rotted away over time resulting in exposed rebar. Many people are concern this could result in serious injury to the public. She asked staff to determine whether there is an existing submerged land lease, and the entity that has the authority to take the appropriate action to rectify the situation.

According to the City Attorney, he has communicated this issue with the general counsel for FDEP as well as the Okaloosa County attorney, and that both individuals are looking into it. He will inform the council of their findings.

Councilmember Ramswell asked for livery vessel update to include the number of permits that have been issued. The City Manager will obtain information from the Code Compliance Manager and provide it to council via email.

- C. Councilmember Destin
- D. Councilmember Bagby

Councilmember Bagby requests the topic, "*Discussion on staff attendance at council meetings and workshops*" be placed under his name on the next council meeting's agenda; and "*Staff Reporting Matrix*" on the September 20th council meetings agenda.

Councilmember Bagby asked staff to find out the last time the County TDC conducted a survey of the Crystal Beach Erosion Control Line.

- E. Councilmember Hebert

Councilmember Hebert asked when the next City Manager evaluation is due.

The HR Manager noted that the City Manager evaluation will be conducted in October 2021.

- F. Councilmember King
- G. Councilmember Schmidt

Councilmember Schmidt requests the topic "*Discussion on Capt. Royal Melvin Heritage Park*" be placed on the next agenda and invite the general contractor to the meeting to provide status of the project, address the list of issues, as well as discussion of the city's expectations moving forward.

H. Mayor Gary Jarvis

Mayor Jarvis requests a motion from the council to lower speed limit on all city owned streets and roadways to 30 mph with the exception of those with lower speed limit already in place.

After a brief discussion, Councilmember Destin agreed to place this item under his name on the next meeting agenda.

1) Traffic stoppage at Whataburger, Krispy Kreme and Chick-fil-A

Mayor Jarvis noted there have been many complaints from citizens about the traffic situation at the parking lots of Whataburger, Krispy Kreme and Chick-fil-A, which is creating an unsafe condition on U.S. Hwy 98; and that he has addressed this issue with the Deputy City Manager.

According to Mr. Warren, it has been a collaborative effort from different staff members to reach out to different entities and work with them to find a solution to this problem.

Public Works Director Michael Burgess stated that according to FDOT Safety Engineer, the Chic-fil-A issue in particular happens just about everywhere this restaurant exists, and that they do not have an easy remedy for it. However, they are consulting with their legal department to find any statute provision that is enforceable for this type of situation.

Councilmember Ramswell noted that Chic-fil-A has purchased the building two doors down from the restaurant which should afford them the opportunity to create a longer drive-thru lane and perhaps create a two-lane drive-thru which could help alleviate the problem.

According to Community Development Director Louis Zunguze, they are currently discussing this issue with Chic-fil-A in terms of the design of their new site to try to mitigate the situations on their current site and they seem to be willing to do certain things. He also stated that the City Engineer has some ideas they could consider to get ready for the beginning of next season. He further stated that some of these businesses share an entrance to their lot and so there are opportunities for staff to recommend some innovative ways that could help loosen the impact on US Hwy 98.

Councilmember Ramswell noted that Krispy Kreme and Whataburger have a side lane motorists use to pass the drive-thru lane or exit the parking lot. If their interior area is closed and no customers are parking to get inside the restaurant to eat, they could probably discuss with the businesses the possibility of opening a second lane of drive-thru traffic.

Councilmember Hebert requests discussion of the drive-thru lanes at the above businesses be placed under her name on the September 7th council meeting agenda.

2) Goals/Objectives

The mayor noted that the city already passed a resolution to enter into negotiations with the county over the creation of a second bed tax district. Since the county's draft ordinance was created, the county has made a lot of concessions to alleviate a lot of their concerns. The county made provisions for the city to get an extra \$1.5 million for 9 years. They have decided to protect the city's capital improvement over the next 5 years. In his opinion, these are good concessions, and he is happy with it. He wants to make sure this council feels the same way. Though there are still some legal concerns the city's legal team is currently working on, this council needs to decide whether to accept the concessions the county has already made or take it a bit further. To set their goals and objectives and decide what is going to be acceptable to them as they enter into the negotiation process.

The city's special counsel Jeff Burns noted that the initial meeting with the county is scheduled for August 18th, and each entity involved has already agreed on that date. This is a good time to establish the negotiating points and discuss any broad ideas.

The Land Use Attorney suggests if they are going to discuss the details of the proposed ordinance, it would be best for the city's legal team to prepare a staff report to give the council some analysis and bring it back at the next meeting for the council to deliberate.

Councilmember Destin stated he does not believe the county has made any concessions at this time. The city as the county for a 60-day delay on the vote to work out some issues and they refused. There are several things in the proposed ordinance the city believes are not lawful. The ordinance is currently in the drafting stage, and which has already changed 2 or 3 times within the last 2 or 3 weeks, but the city's original concerns have not been addressed. He also stated that the county can pass any ordinance, but they could always amend it anytime they want. They have a process with other municipalities that has not taken place, and so he believes it is premature to have this discussion at this time.

The Land Use Attorney stated they definitely want to make sure for the TDD process and the proposal to be legal. At this time, the city's legal team does not believe the proposed expansion is being conducted in a legal manner.

Councilmember Bagby stated that the first thing he wants the county to do is to follow the law. When the county starts following the law, a lot of the things the city wants will fall into place. He feels the city's special counsel has laid out clearly the problems this council had with the county's proposal. He stated that every one of the alleged concessions made by the county can be wiped out at the next BOCC meeting. He continued that he wants to see something that is legal, concrete, and enforceable. He wants a separate taxing district similar to what the Bay County, Walton County and several other counties have done. He wants the initial taxing district to be two pennies as the law provides. And finally, he wants the largest bed tax collecting

incorporated area to have a permanent seat on the TDC similar to what Bay County has done for Panama City Beach.

I. Land Use Attorney

The Land Use Attorney noted that Councilmember Braden has conveyed to her that his absence from this meeting tonight was due to personal reasons and requested that the council excuses his absence.

Motion by Councilmember Hebert, seconded by Councilmember Destin, to excuse the absence of Councilmember Braden at tonight's meeting passed 5-0 (Council members Schmidt, Hebert, Bagby Destin, and Ramswell voted "yes"; Council members Braden and King were absent from the meeting).

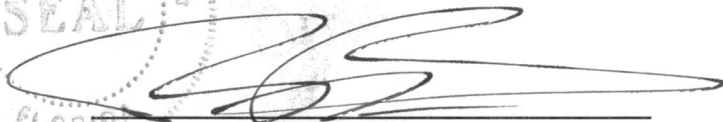
J. City Attorney

8. PUBLIC COMMENTS

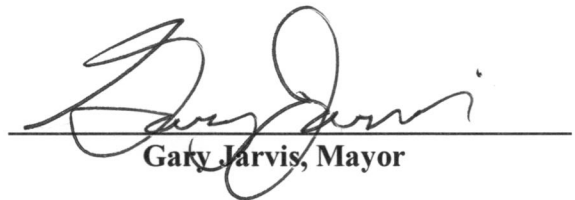
ADJOURNMENT

Having no further business at this time, the meeting was adjourned at 8:28 PM.

ATTEST:

A stylized, handwritten signature in black ink, appearing to be 'Rey Bailey', written over a horizontal line.

Rey Bailey, City Clerk

A stylized, handwritten signature in black ink, appearing to be 'Gary Jarvis', written over a horizontal line.

Gary Jarvis, Mayor