MINUTES
SPECIAL MEETING
DESTIN CITY COUNCIL
THURSDAY
SEPTEMBER 9, 2021
DESTIN CITY HALL
ANNEX COUNCIL CHAMBERS
5:30 PM

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

Destin City Council
Mayor Gary Jarvis
Councilmember Johnny King
Councilmember Kevin Schmidt
Councilmember Dewey Destin
Councilmember Terésa Hebert
Councilmember Jim Bagby

Destin City Staff
City Manager Lance Johnson
IT Manager Matthew Pace
Finance Director Krystal Strickland
City Attorney Associate Steve Bauman
HR Manager Nichole DeVito
City Clerk Rey Bailey
IT Specialist James Lauria

CALL TO ORDER

Mayor Gary Jarvis called the meeting to order at 5:30 PM; followed by the recitation of the Pledge of Allegiance.

PUBLIC COMMENTS

NEW BUSINESS

A. First reading of Ordinance 21-17-CN – Adopting the Fiscal Year 2022 Millage Rate

The City Attorney read proposed Ordinance 21-17-CN by title, and then presented it to the City Council on first reading.

> AN ORDINANCE OF THE CITY OF DESTIN OF OKALOOSA COUNTY, FLORIDA, ADOPTING THE FINAL LEVYING OF AD VALOREM TAXES FOR THE CITY OF DESTIN FOR FISCAL YEAR 2022; AND PROVIDING FOR AN EFFECTIVE DATE.

The mayor opened a public hearing to receive comments for or against the proposed ordinance. Having none, the mayor closed the public hearing portion and turned the matter over to the city council for their discussion and consideration.

Councilmember Schmidt moved to adopt Ordinance 21-17-CN on first reading adopting a proposed Fiscal Year 2022 millage rate of 1.6150 mills which is more than the rollback rate of 1.5566 by 3.75%; seconded by Councilmember Hebert. Motion passed 5-0 (Council members Schmidt, King, Hebert, Bagby and Destin voted "yes").

B. First reading of Ordinance 21-18-CN – Adopting the Fiscal Year 2022 Budget

The City Attorney read proposed Ordinance 21-18-CN by title, and then presented it to the City Council on first reading.

> AN ORDINANCE OF THE CITY OF DESTIN MAKING APPROPRIATIONS FOR CERTAIN EXPENDITURES, EXPENSES, CAPITAL IMPROVEMENTS AND CERTAIN INDEBTEDNESS OF THE CITY OF DESTIN, FLORIDA, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021 AND ENDING SEPTEMBER 30, 2022; AND PROVIDING FOR AN EFFECTIVE DATE.

The mayor opened a public hearing to receive comments for or against the proposed ordinance. Having none, the mayor closed the public hearing portion and turned the matter over to the city council for their discussion and consideration.

Councilmember Bagby moved to adopt Ordinance 21-18-CN on first reading to provide for a balanced budget for Fiscal Year 2022 and schedule the second reading for September 20, 2021, at the regular city council meeting scheduled to commence at 6:00 PM. Councilmember Hebert provided a second to the motion.

Councilmember Schmidt noted that a few citizens have reached out to him questioning the city's proposed $34 million budget. He asked the Finance Director to briefly explain how they came up with that total.

Finance Director Krystal Strickland referenced below Budget Summary in describing the details of the budget. She explained that the Budget Summary is currently posted on the city's website. It is tentative pending any changes council will make tonight; and that it will be advertised in the newspaper prior to the second budget hearing.

BUDGET SUMMARY

City of Destin - Fiscal Year 2021-2022

* THE PROPOSED OPERATING BUDGET EXPENDITURES OF THE CITY OF DESTIN ARE
-3.3% Less THAN LAST YEAR'S TOTAL OPERATING EXPENDITURES.

General Fund 1.6150		01, 122, 125, 129 300, 305, 315, 700	102	110	111	2xx	
ESTIMATED REVENUES:		General Fund	Town Center CRA	Harbor CRA	Florida Building Code	Debt Service	Total All Funds
Taxes:	Millage Per $1000:						
Ad Valorem Taxes	1.6150	$8,231,657	$402,452	$356,309	$0		$8,990,418
Tax Increment Financing (TIF) / County			954,620	356,309	0		1,310,929
Delinquent Ad Valorem Taxes		$5,000					5,000
Sales and Use Taxes		3,230,855					3,230,855
Licenses & Permits		2,826,871			636,608		3,463,479
Intergovernmental Revenue		11,483,372					11,483,372
Charges For Services		749,897					749,897
Fines & Forfeitures		59,957					59,957
Miscellaneous Revenue		142,960	1,301	300	60	$200	144,822
Special Assessment/Impact Fees		116,000					116,000
TOTAL SOURCES		26,846,570	1,358,373	712,918	636,668	200	29,554,729
Transfers In		13,098,159	0	0	328,507	2,588,740	16,015,406
Beginning Fund Balances/Reserves/Net Assets		33,005,215	(2,226,891)	273,244	250,397	340,790	31,642,754
TOTAL REVENUES, TRANSFERS & BALANCES		$72,949,944	($868,518)	$986,162	$1,215,572	$2,929,730	$77,212,890
EXPENDITURES							
General Government		$3,911,828					3,911,828
Public Safety		3,374,901			1,152,362		4,527,263
Physical Environment		196,421					196,421
Transportation		2,061,212					2,061,212
Economic Environment		14,200	151,257	157,979			323,436
Health and Human Services		101,254					101,254
Culture & Recreation		3,708,739					3,708,739
Debt Services		80,916				2,588,740	2,669,656
Capital Outlay		16,536,376					16,536,376
TOTAL USES		29,985,848	151,257	157,979	1,152,362	2,588,740	34,036,186
Transfers Out		14,739,720	731,418	481,057	63,210	0	16,015,406
Ending Fund Balances/Reserves/Net Assets		28,224,375	(1,751,193)	347,125	(0)	340,990	27,161,297
TOTAL APPROPRIATED EXPENDITURES, TRANSFERS, RESERVES & BALANCES		$72,949,944	($868,518)	$986,162	$1,215,572	$2,929,730	$77,212,890

THE TENTATIVE, ADOPTED, AND / OR FINAL BUDGETS ARE ON FILE IN THE OFFICE OF THE CITY CLERK AS A PUBLIC RECORD.

Motion passed 5-0 (Council members Schmidt, King, Hebert, Bagby and Destin voted "yes").

Councilmember Destin noted they are reducing their reserved fund balance by approximately $5 million. He asked how they intend to spend the money.

Ms. Strickland explained that most of that money is either restricted or committed by motions of prior council, or by the grantors. Approximately $2 million is Okaloosa Half-Cent Sales Tax revenue, a new revenue that started in January 2019, will be spent purchasing another beach parcel. She continued there is approximately one million dollars' worth of unexpended renewal and replacement funds which have not been formalized with a resolution.

Ms. Strickland also pointed out there is approximately $1 million worth of impact fees, which are considered restricted fund balance, that they plan to use this coming year. These are Road Impact Fees and Park Impact Fees that have come in over the past years that would be spent on certain projects related to growth in the city. She added there is a time limit on impact fees. They either use the impact fees collected or give them back; and that it seemed they have not been using much of the impact fees over the past 10 years.

Councilmember Destin stated that he would support the motion on the floor, but he would also like to see more analysis done before the next budget hearing to show exactly which funds have to be spent soon.

PUBLIC COMMENTS

ADJOURNMENT

Having no further business at this time, the meeting was adjourned at 5:55 PM

Gary Jarvis, Mayor

CITY OF DESTIN SEAL FLORIDA

ATTEST:

Rey Bailey, City Clerk