

**REGULAR MEETING
DESTIN CITY COUNCIL
MARCH 7, 2022
ANNEX COUNCIL CHAMBERS
6:00 PM**

*****Core Value of the Month - Respect*****

CALL TO ORDER

*** INVOCATION**

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL *(Matters not specifically listed on the agenda may be added and acted upon with a super-majority vote of the Council members present and eligible to vote on the matter)*

1. PROCLAMATIONS / RECOGNITIONS / SPECIAL / **PUBLIC PRESENTATIONS / ANNOUNCEMENTS

A. Destin High School - Ms. Christine Cruickshank, Principal

2. PUBLIC COMMENTS (Section 5 - Public Hearings has separate public comments time for these items) (Note: Individual speakers will be limited to 3 minutes. At the discretion of the mayor, this 3 minute allowance may be adjusted depending on the level of business coming before the City Council)

3. * CONSENT AGENDA**

A. Choctawhatchee Basin Alliance (CBA) FY22 Contract Renewal

B. Milling/Resurfacing/Restriping of a Section of Scenic 98 (Western Loop to Cobia Street)

C. Renewal & Replacement FY22 - Vehicle, Public Works/Emergency Management Department

D. Approval of minutes of February 7, 2022 Regular City Council Meeting

E. Draft Minutes of Board and Committee Meetings

F. FDOT Lighting Agreement, 22 additional crosswalk lights on US98

4. CITY MANAGER REPORTS

A. Choctawhatchee Bay Alliance FY21 Water Quality Presentation

B. FY 2021 Annual Audit and Financial Statements

C. Update on Royal Melvin (Scott Jenkins)

D. Destin Cross Town Connector Retention Areas and Traffic Safety

E. Strategic Plan FY 2023 - Strategic Goals & Council Objectives

F. Compensation Study

G. Utility Undergrounding - Utility Consultants of Florida - Task Order 2

H. Adoption of Resolution 22-05 Investment Policy

I. TDC FY22 and FY23 Expenditure Plan

J. Announcements

5. PUBLIC HEARINGS

- A. First reading of Ordinance 22-03-CN - Lease of certain real property owned by the City of Destin. Providing for City Council approval of a contract for the lease of the property of Dalton Threadgill Park.

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

- A. Councilmember Braden
- B. Councilmember Wagner
- C. Councilmember Destin
- D. Councilmember Bagby
- E. Councilmember Hebert
- F. Councilmember King
- G. Councilmember Schmidt
 - 1. Outside Employment Personnel Policy
 - 2. "Drive Slowly" sign at Main Street and Kelly Street
- H. Mayor Gary Jarvis
 - 1. Imposing tougher enforcement actions against troubled properties in the City of Destin
 - 2. Update on a Destin City Center
- I. Land Use Attorney
- J. City Attorney

7. PUBLIC COMMENTS (Comments from the public on any matters considered at the meeting, or on any matters not on the agenda)

8. ADJOURN

* Any invocation that is offered before the official start of the City Council meeting shall be the voluntary offering of a private person, to and for the benefit of the City Council. The views or beliefs expressed by the invocation speaker have not been previously reviewed or approved by the City Council, or the City staff, and the City is not allowed by law to endorse the religious beliefs or views of this, or any other speaker. Persons in attendance at the City Council meeting are invited to stand during the opening invocation and Pledge of Allegiance. However, such invitation shall not be construed as a demand, order, or any other type of command. No person in attendance at the meeting shall be required to participate in any opening invocation that is offered. A person may exit the City Council Chambers and return upon completion of the opening invocation if a person does not wish to participate in or witness the opening invocation.

** To be placed on the agenda under public presentations, citizens must contact the City Manager or City Clerk's office one (1) week prior to the scheduled City Council Meeting, completing a Speakers Request Form and providing any accompanying documentation as requested in the form's instructions.

*** All items listed under Consent Agenda are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and may be considered separately.

If a person decides to appeal any decision made by the Council with respect to any matter considered at this meeting, he/she may need a record of the proceedings, and for such purpose, he/she may need to ensure that verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. FS 286.0105.

Persons with disabilities who require assistance to participate in City meetings are requested to notify the City Clerk's Office at (850) 837-4242 in advance. Hearing Impaired: TTY: 711. Assistance also available through Human Resources, Title VI Coordinator, at (850) 837-4242. Personas con discapacidades que necesitan asistencia o personas que necesiten ayuda con un idioma para participar en las reuniones de la ciudad, deberán notificar la oficina de la Secretaria Municipal al (850) 837-4242 antes de la reunión. Discapacidad auditiva: TTY: 711 (Solicitar Espanol CA). La ayuda tambien está disponible por Recursos Humanos, Coordinador del Título VI, al (850) 837-4242.

All regularly scheduled city council meetings will be streamed live via the city's YouTube channel, www.youtube.com/CityofDestin. Past council meetings can also be viewed here. Please visit our agenda center on the city website at www.cityofdestin.com/agendas.

SPEAKER'S FORM
City of Destin Council Meeting

In an effort to better serve the community, the City Council requests that items or requests to be presented before Council be provided to the City Clerk by noon Tuesday of the week prior to the meeting. **Any related materials that you wish to distribute to Council in support of your item, including any Power Point presentation, must be submitted at that time as well.** This will give Council adequate time to review your request and make any necessary inquiries. In addition, the staff may need to contact you in response to your topic of concern or in response to action directed by the Council.

As you complete the form below, please note that **certain fields marked by * are required.** Late or incomplete forms, particularly where required information is omitted, will be deferred by Council to a future meeting pending receipt of all information.

Please limit your presentation to five minutes. All comments should be directed to the Mayor.

The City of Destin appreciates your cooperation and adherence to these guidelines.

******* PLEASE PRINT *******

DATE OF REQUEST: February 26, 2022 ***COUNCIL MEETING DATE:** March 7, 2022

***NAME:** Christine Cruickshank & Phil Dorn for Destin High School ***PH#:** (850)204-4044

ADDRESS:4325 Commons Drive W Destin, FL 32541 **EMAIL:** principal@destinhigh.org

***TOPIC/ISSUE** We would like to take the opportunity to update the Council on the first seven months since DHS opened its doors. We feel this is important since the Council originally tasked the DHS Board with the project of opening DHS. We also want to share the vision of the future for DHS and its role in Destin with the Council.

***HAVE YOU SPOKEN WITH CITY STAFF ABOUT THIS ISSUE? If so, who and when?**
No

***DESIRED ACTION BY COUNCIL?** Our presentation is informational but we hope to open discussions with the Council about the vision of DHS and its impact in the community.

PRESENTATION MATERIALS ATTACHED?: YES _____ NO _____ **# OF PAGES** _____

Destin High School – A Vision to a Reality ...

Now Looking to the Future

About five years ago the Destin City Council tasked what became the Founding Board of Destin High School with determining the feasibility of a high school in Destin. This group worked hard to research, plan, and fundraise for the first high school in the history of Destin. Their vision became a reality on August 10, 2021, when Destin High School opened its doors to students in grades 9-11 for the first time. We asked to be on the agenda tonight to update the Council members on what has been happening at DHS since the doors opened.

- DHS is the home to almost 300 students in grades 9-11. We have completed our first application period for the 2022-23 school year and have over 150 applications submitted.
- We have a talented and amazing group of teachers, staff, and coaches that are dedicated to the educational experiences for our students.
- We have a varied curriculum that offers students a wide range of academic classes.
- Currently, we offer four Career Academies – Biomedicine, Cybersecurity, Marketing and Entrepreneurship and the Commercial Fishing curriculum. Students in these academies can earn industry certifications in these fields that help prepare them for careers directly out of high school. Future academies being researched are Culinary, Hospitality and Tourism, Aviation, and Diesel Engine Repair to name a few. We gear these academies for the Destin area and economy in hopes that our students will be productive citizens locally after high school.
- We were honored to be selected as Grand Marshall of the Destin Parade.
- We have the beginnings of an amazing music and theater program.
- We have formed many amazing partnerships with individuals, groups, and organizations in the Destin area.
- Our goal is for the community to be part of the school and our students and school to be part of the community. We are growing our student opportunities to volunteer and make a difference in the Destin community moving forward.

The City of Destin has been very supportive of the school. We would like the city council to consider and approve a task force committee to work with the school to see what cooperative projects together we could come up with. That is how the Destin High School started. With a council member serving on the task force, we would have a member of the council in the know about all the amazing things going on and the needs of the school.

With a thriving 22 sport athletic program and no athletic facilities currently on its campus the Destin High School must look to partner with the Destin Community to continue to grow and have successful programs. Student interest has created 11 Boys and 11 Girls Sports for the 2021-22 school year and there is growing interest in 4 more sports, 2 Boys and 2 Girls Sports for the 2022-23 school year. To provide education-based values and competitive sport programs, compliant facilities that are safe and meet FHSAA Standards are required. Currently this challenge is being pursued through partnerships with the City of Destin, DUMC, Coast Aquatics, Destin Tennis Club, Indian Bayou Golf Club, and the Destin Middle School. While we have welcomed the opportunity to build relationships with these Destin Community Facilities the continued challenge to schedule, maintain, and improve these facilities to meet the growing needs of our Athletic Program have increased. For example, the City of Destin currently does not have a High School Level Baseball Field that meets required NFHS Standards.

We are asking the City Council to consider the possibilities of partnering, planning, building, and maintaining Municipal Facilities that could be scheduled and used by both the Destin High School and the residents of the City of Destin. For example, building a NFHS compliant baseball park at Morgan's Park, building a state-of-the-art Municipal Stadium capable of hosting football, soccer, lacrosse, and track competitions, and the possibility of building a new gymnasium that could host basketball, volleyball, wrestling, and cheer competitions. These shared facilities could provide much needed programming for the City of Destin Parks and Recreation, provide an opportunity to host High School Tournaments bringing teams and people to the hotels and restaurants of Destin, and provide community centered events such as concerts. Through pooling resources, the Destin High School and the City of Destin could bring better opportunities to the residents of Destin than either could on their own. We are limited in Destin on available land, so it makes sense to look at ways to enhance the use of the land we have. We would appreciate your consideration of these thoughts to work together to provide quality experiences for our residents of Destin.

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022

TYPE OF AGENDA ITEM: Consent Agenda

AGENDA OUTLINE NUMBER: 3.A.

TO: City Council

THRU: Lance Johnson, City Manager

FROM: Louis Zunguze, Community Development Director
Kimberly Kopp, Land Use Attorney
Krystal Strickland, Finance Director

DATE: March 2, 2022

SUBJECT: Choctawhatchee Basin Alliance (CBA) FY22 Contract Renewal

I. BACKGROUND: The Choctawhatchee Basin Alliance (CBA) contracts annually with the City and provides services which are required for compliance with our **NPDES Phase II Municipal Separate Sewer System (MS4) Generic Permit** through the FDEP. The CBA organizes volunteers to collect water quality data and educates the public through mailers, special events, and K-12 stormwater education programs.

II. DISCUSSION: The FY2022 Contract renewal is \$32,500. Below outlines the CBA's commitments and deliverables, which are consistent with last year's contract commitments:

1. Public Education and Outreach

- a. Element 1a-01: Assist City staff with at least one educational piece of literature used for mailers/inserts.
 - i. Document and report the completed educational literature.
 - ii. Assist City with the stuffing of one educational mailer/insert to residents.
 - iii. Document and report the number of envelopes stuffed.
- b. Element 1a-03: Conduct at least one educational program targeted at elementary school-age children.
 - i. Document and report the completed educational programs.
 - ii. Document and report the number of students in attendance.
- c. Element 1a-06: Hold at least one presentation targeted to a variety of groups including Volunteer Water Quality groups, Restaurant Owners, Commercial Fishing/Charters, Civic Groups, etc.
 - i. Document and report number of presentations given.
 - ii. Document and report number of people in each meeting.

2. Public Involvement/Participation

- a. Element 2a-02: Hold at least one volunteer-based participation event through the reporting period.
 - i. Document and report number of volunteer events given.
 - ii. Document and report number of people in each meeting.
 - iii. Document and report literature distributed.
- b. Element 2a-03: Develop and coordinate a monthly volunteer water quality monitoring program at a minimum of 5 ambient stations within Destin.
 - i. Document and report number of training events.
 - ii. Document and report number of sampling events.
 - iii. Document and report number of participants in each
- c. Element 2a-04: Present water quality findings to the Destin City Council, Local Planning Agency, Harbor and Waterways Board, and Community Redevelopment Area Advisory Committees (CRA-AC) in September of the contract year.
 - i. Report and present water quality trends to City Council
 - ii. Report and present water quality trends to Harbor and Waterways Board
 - iii. Report and present water quality trends to Local Planning Agency
 - iv. Report and present water quality trends to Town Center & Harbor CRA-AC

3. Pollution Prevention/Good Housekeeping

- a. Element 6b-01: Coordinate OYSTER Shell Recycling Program with local restaurants within Destin.
 - i. Document and report number of restaurants participating.
 - ii. Document and report amount of shell collected.
- b. Element 6b-01: Coordinate volunteer monofilament recycling at a minimum of four locations.
 - i. Document and report amount of fishing line recycled.

A. Link to Strategic Goals / Objectives: A green and sustainable environment

B. Effect on Budget (EOB): This item was budgeted in FY 2022 to be paid from net positive environmental benefit fees (NPEB), which are collected to address water quality.

	TOTAL
31553732-531000-NPDES	
NPEB-Professional Svs-NPDES	\$ 32,500
FY22 Adopted Budget	32,500
Previous Expenses/Encumbrances	-
Available Program Budget	32,500
This Agreement +(-)	\$ (32,500)
FY22 Remaining Program Budget	\$ -

C. Level of Service (LOS): Public Education & improved water quality.

III. CONCLUSION: The renewal of the annual contract will allow the City to fulfill Federal and State NPDES requirements. The agreement constitutes a mutually beneficial arrangement between the City of Destin and the Choctawhatchee Basin Alliance.

IV. RECOMMENDED MOTION: I move that the City Council authorize the City Manager to sign the FY22 Agreement between the Choctawhatchee Basin Alliance of Northwest Florida State College and the City of Destin.

Attachments:

1. Destin Contract FY22 - FINAL

FY 2022 AGREEMENT BETWEEN THE CHOCTAWHATCHEE BASIN ALLIANCE OF NORTHWEST FLORIDA STATE COLLEGE & THE CITY OF DESTIN

This **AGREEMENT** is made this _____ day of _____, 2022 between the City of Destin, a political subdivision of the State of Florida, ("City"), whose address is 4200 Indian Bayou, Destin FL 32541 and the Choctawhatchee Basin Alliance of Northwest Florida State College, a political subdivision of the State of Florida, ("Alliance"), whose address is 100 College Blvd, Niceville, FL 32578.

Whereas, it has been determined that it will be in the health, welfare, and best interests of the citizens of Destin to coordinate with the Alliance in providing compliance assistance for the program objectives outlined through the City's National Pollution Discharge Elimination System (NPDES) Program, and

Whereas the Alliance has agreed to provide and operate services for the City to assist in compliance with the National Pollutant Discharge Elimination System (NPDES) Permit for four years, contingent on funding availability, thereby providing the city programs and services at a cost-efficient price, and

Now, therefore, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree -as follows:

I. SCOPE OF SERVICES. The Alliance shall provide the City services set forth in the scope of services outlined in **Exhibit A** attached and incorporated by reference. If the parties wish to expand the scope of services, they shall do so only by written amendment approved by the City and the Alliance.

II. COMPENSATION. The City will compensate the Alliance for those services as described in the scope of services (exhibit a) that are performed during the period of the term of this agreement. The Alliance will receive a total of **THIRTY-TWO THOUSAND AND FIVE HUNDRED DOLLARS (\$32,500)**. Payments to the Alliance will be made in the following manner:

Payments shall be made twice upon receipt of invoice from the Alliance to the City. Following the execution of this Agreement by both parties, the city will make two payments to the alliance of **SIXTEEN THOUSAND AND TWO HUNDRED AND FIFTY DOLLARS (\$16,250)** to cover expenses for the programs and administrative supplies during the term of this agreement.

Payment schedule to the alliance is as follows:

March 30 (1ST Half)

Sept 30 (2nd Half)

III. REPORTS. The Alliance will provide, with each payment invoice referenced above, reports to the City detailing activities and services provided under the terms of this Agreement. The Alliance will also furnish financial reports and invoices outlining the expenditures referenced within this agreement.

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IV. TERM OF AGREEMENT. The term of this agreement shall be for one year beginning October 1, 2021 and ending September 30, 2022, unless earlier terminated by either party.

V. TERMINATION OF AGREEMENT. This agreement may be terminated by either party, with or without cause, upon **SIXTY (60) days'** written notice. If this agreement is so terminated, the Alliance shall be paid for all work performed, and not yet invoiced, pursuant to the terms and conditions of this agreement, up to the date of termination.

VI. NON-APPROPRIATION OF FUNDS. This agreement is contingent upon annual budgetary appropriations by the City of Destin City Council.

VII. GOVERNING LAW AND VENUE. The parties intend that this agreement and the relationship of the parties shall be governed by the laws of the State of Florida. The venue for any action arising out this Agreement shall be exclusively in Okaloosa County, Florida and nowhere else.

VIII. SOVEREIGN IMMUNITY. Nothing contained herein is intended to, nor shall be construed to waive either party's rights and immunities under the Florida constitution, common law, or Florida Statutes 768.28, as amended from time to time. In Witness Whereof, the parties hereto have executed the Agreement as of the day and year first written above.

City of Destin:

By: _____
Printed Name: Lance Johnson, City Manager

Date: _____

Witness:

By: _____
Printed Name: Rey Bailey, City Clerk

Choctawhatchee Basin Alliance of Northwest Florida State College

By: _____
Printed Name: Dr. Devin Stephenson, President of Northwest Florida State College

Date: _____

Witness:

By: _____

Printed Name: _____

EXHIBIT A

CBA SCOPE OF PROPOSED SERVICES For October 1, 2021 through September 30, 2022

The Choctawhatchee Basin Alliance (CBA) shall provide services to the City of Destin, a local government in the Choctawhatchee Watershed responsible for implementing the National Pollution Discharge Elimination System (NPDES) Phase II Program under the criteria established in the F.A.C. Chapter 62-621.300(7)(a) of the Florida Department of Environmental Protection (FDEP).

CBA's Organizational Resources

The NPDES Program will assist the Alliance in fulfilling its mission of “sustaining and providing optimum utilization of the Choctawhatchee Basin Watershed”. To effectively provide the services outlined in this Agreement, the Alliance shall build upon established programs and devote a majority of its organizational resources to assisting the City in achieving maximum compliance with its NPDES permit.

The NPDES Permit defines a program mandated to the Municipal Separate Storm Sewer System's (MS4) to be built in incremental stages over a five-year period.

The Alliance staffing shall consist of:

Grant Coordinator to ensure the quality of environmental studies and to facilitate grant opportunities that unite community resources,

Director/Environmental Scientist to manage staff and coordinate with MS4's in ensuring successful completion of “minimum control measures” outlined in this agreement,

Coordinator (2) to manage and expand the volunteer resources acquired by the Alliance and provide as much education as possible about the Choctawhatchee Basin and the coastal dune lakes, and

Equipment costs are included in overall budget and compensation provided under this Agreement. Included in the equipment cost are two vehicle (four-wheel drive), three boat/trailer, two gheenoos/trailer, hydro labs, boat storage/fuel/maintenance, office supplies, technical supplies (including but not limited to costs incorporated with maintaining the hydro lab and additional field equipment such as GPS, monitoring wells, and computer programs required to collect scientific data), LAKEWATCH analysis (for analysis of the water quality samples); Chlorophyll lab equipment (including but not limited to filtration devices, storage units, and flasks used to analyze water samples); public education and outreach workshops and events (education materials; classroom materials), and travel budget.

Monies paid to the Alliance from The City of Destin can be used for operation of CBA programs in the City. Expenses may include, but are not limited to, the following:

Operational expenditures in support of CBA activities:

Travel/fuel/transportation to project sites, meetings, and trainings

Freight and postage

Telephone (including cell phone)/fax/communication.

Printing/duplicating

Advertising

Professional fees; contracted services

Other professional fees including registrations for chamber memberships, workshops, conferences, and trainings.

Educational and Office materials/supplies (including community outreach workshops—for example building and constructing rain barrels, rain gardens, and water conservation teaching material)

Equipment

Repairs and maintenance of CBA equipment and vehicles

Data software

Food and Food Products for CBA events and volunteers at CBA projects

CBA shall assist the City by working with the City's Public Services Department and City Manager's Office to provide compliance with the City's Notice of Intent (NOI) by performing the following services:

Level 1: \$32,500

1. Public Education and Outreach

- a. Element 1a-01: Assist City staff with at least one educational piece of literature used for mailers/inserts.
 - i. Document and report the completed educational literature.
 - ii. Assist City with the stuffing of one educational mailer/insert to residents.
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- b. Element 1a-03: Conduct at least one educational program targeted at elementary school-age children.
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- c. Element 1a-06: Hold at least one presentation targeted to a variety of groups including Volunteer Water Quality groups, Restaurant Owners, Commercial Fishing/Charters, Civic Groups, etc.
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CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022

TYPE OF AGENDA ITEM: Consent Agenda

AGENDA OUTLINE NUMBER: 3.B.

TO: City Council

THRU: Lance Johnson, City Manager
Webb Warren, Deputy City Manager
Krystal Strickland, Finance Director

FROM: Michael Burgess, Public Services Director

DATE: 01/31/2022

SUBJECT: Milling/Resurfacing/Restriping of a Section of Scenic 98 (Western Loop to Cobia Street)

I. BACKGROUND: The City's Public Works and Safety Committee has recommended a Section of Scenic 98 (4500'+/-) as a candidate for milling, re-surfacing, and re-striping.

II. DISCUSSION: City Street to be milled/re-surfaced/re-striped includes:

1. Scenic 98 (Loop at its western end to Cobia Street)

H&T and Emerald Coast Striping are currently continuing service providers under contract with the City. Their most recent contract renewals are provided as ATTs 1 & 2 respectively. The quotes for this work are provided as ATT3 (H&T) and ATT4 (Emerald Coast Striping). A map of the project area is included as ATT5.

This project comes at the recommendation of the Public Works/Public Safety Committee from their meeting of February 8, 2022. The draft minutes of this meeting are attached as ATT6. The project area was subsequently enlarged to include that section of Scenic 98 west of Matthew Blvd to include the loop.

The contractor will be instructed to begin work either after Spring Break (early May 2022) or during the second week of September so as to cause a minimal amount of disruption to traffic during the Tourist Season.

A. Link to Strategic Goals / Objectives: from Strategic Goals 2026:

6. Effective, efficient and aesthetically pleasing infrastructure.

B. Effect on Budget (EOB): The estimate from our road and asphalt continuing

services provider, H&T, to mill and resurface is \$364,974.70. The estimate from our road striping continuing services contractor, Emerald Coast Striping is \$25,086. The total of \$390,060.70 is budgeted and we propose to use Gas Tax #1 and some General Fund RR for this project:

	12254500			
	Parking	30054131	30058585	
	Fund	Gas Tax#1	GF for RR	TOTAL
565000-RR054				
CIP-Renew/Replace Roads	\$ 96,000	\$ 440,000	\$ 482,000	\$ 1,018,000
FY22 Adopted Budget	96,000	440,000	482,000	1,018,000
Budget Transfers/Amendments	-	-	(60,273)	(60,273)
Revised Budget	96,000	440,000	421,727	957,727
Previous Expenses/Encumbrances	-	(70,349)	-	(70,349)
Available Program Budget	96,000	369,651	421,727	887,378
This Agreement +(-)	\$ -	\$ (369,651)	\$ (20,410)	\$ (390,061)
FY22 Remaining Program Budget	\$ 96,000	\$ -	\$ 401,317	\$ 497,317

C. Level of Service (LOS): Improved driving surface and nighttime visibility of lane delineation, speed tables, and crosswalks.

III. CONCLUSION: If approved, Public Works will arrange to have this road construction occur after Spring Break but before the end of May.

IV. RECOMMENDED MOTION: I move that the City Manager issue purchase orders to H&T Contractors and Emerald Coast Striping to mill, resurface, and re-stripe that section of Scenic Hwy 98 between Matthew Blvd and Cobia Street for an amount not to exceed \$390,061.

Attachments:

1. ATT1: H&T Contractors, LLC 2021-2022 Misc Asphaltic Services Extension
2. ATT2: Emerald Coast Striping Contract 10.01.21-12.31.22
3. ATT3: Scenic 98, Matthew to Cobia plus western section, asphalt
4. ATT4: Scenic 98, Matthew to Cobia, re-striping
5. ATT5: Scenic 98 Resurfacing Loop to Cobia, map
6. ATT6: Public Works/Public Safety Draft Minutes 020822

CONTRACT EXTENSION AGREEMENT

This agreement dated the First day of October 2021 is between the City of Destin, Florida ("City"), a Florida municipal corporation, of 4200 Indian Bayou Trail, Destin, Florida, 32541 and H&T Contractors, LLC ("Contractor"). The purpose of this agreement is to extend for fifteen months a contract for services dated December 7, 2017 between the City of Destin and H&T Contractors, LLC to provide miscellaneous asphaltic services for the City. Appendix "A" has been revised for this extension and is attached.

This is the **4th of 4** possible contract extensions.

The following provision amends the contract of the parties and is binding upon them. The Parties mutually agree to amend the jury trial waiver, and the public records provision, as follows:

Jury Trial Waiver:

CONTRACTOR AND CITY AGREE TO WAIVE THEIR RIGHTS TO A TRIAL BY JURY REGARDING ANY LAWSUIT INVOLVING THE INTERPRATION, CONSTRUCTION, ENFORCEMENT, OR GOVERNANCE OF THIS CONTRACT, AND FOR ANY LAWSUIT RELATED IN ANY WAY TO THIS CONTRACT OR FOR THE WORK PERFORMED PURSUANT TO THIS CONTRACT.

Public Records:

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THE CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT THE OFFICE OF THE CITY CLERK, (850) 837-4242, 4200 INDIAN BAYOU TRAIL, DESTIN, FLORIDA 32541, rbailey@cityofdestin.com

Contractor shall comply with Florida Public Records Laws, specifically to:

- Keep and maintain public records that ordinarily and necessarily would be required by the City of Destin in order to perform the service.
- Shall immediately provide the City Clerk for the City with any documents requested by the Clerk in response to a public records request.
- Provide the public with access to public records on the same terms and conditions that the City of Destin would provide the records and at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by law.
- Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.

It is understood that final authorization for this Agreement must be made by the Destin City Council, and that either party may cancel this contract extension with 30 days written notice.

- Meet all requirements for retaining public records and transfer, at no cost, to the City of Destin all public records in possession of the Contractor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the City of Destin in a format that is compatible with the information technology systems of the City of Destin.

It is expressly agreed by the parties that this contract is an extension to the Contract dated December 7, 2017 and the original is made a part hereof as though expressly rewritten, incorporated, and included herein.

It is understood that final authorization for this Agreement must be made by the Destin City Council, and that either party may cancel this contract extension with 30 days written notice.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the day and year first above written.

Witnesses:

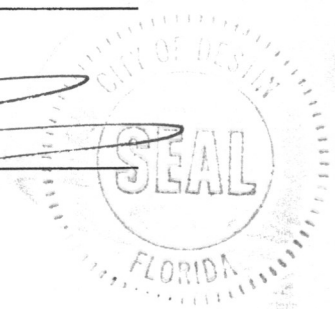
Cheryl Wyran Cheryl Wyran
(Signature)

Heather Bailey Heather Bailey
(Signature)

CITY OF DESTIN

By: Lance A. Johnson
Lance A. Johnson
City Manager

ATTEST: Key Bailey
Key Bailey
City Clerk



Witnesses:

Misty Shaw
(Signature)

H&T Contractors, LLC

By: Heather Bailey
(Signature)

Heather Bailey, MGRM
(Name & Title)

ATTEST:

D. Forehand
(Signature)

John B. Irvin, IV
(Signature)

John B. Irvin, IV, CFO
(Name & Title)

City of Destin, FL			
Department of Public Works			
H&T, proposed price adjustments for FY22, Asphaltic Services			
Item Description	Units	Former Contract \$/Unit	Proposed Contract \$/Unit
2" Type SP, 12.5 Asphalt Concrete Superpave (Course)	SY	\$9.50	\$10.50
1.5" Type SP, 12.5 Asphalt Concrete Superpave (Fine)	SY	\$8.50	\$9.30
1" Type SP, 9.5 Asphalt Concrete Overlay (Fine)	SY	\$7.00	\$8.00
Milling of Existing asphalt (1" depth)	SY	\$3.00	\$4.00
Milling of Existing asphalt (2" depth)	SY	\$4.00	\$5.00
8" Graded Aggregate Base, delivered and compacted	SY	\$9.50	\$10.50
6" Graded Aggregate Base, delivered and compacted	SY	\$8.50	\$9.50
4" Graded Aggregate Base, delivered and compacted	SY	\$7.00	\$8.00
Stabilized Base (12")	SY	\$3.50	\$4.50
Stabilized Base (6")	SY	\$3.00	\$4.00
Prime Coat	SY	\$0.75	\$2.25
Tack Coat	SY	\$0.75	\$2.25
Asphalt Cut with abrasive blade	LF	\$4.00	\$5.00
Concrete Cut with abrasive blade	LF	\$4.00	\$5.00
Silt Fence	LF	\$2.00	\$3.00
Straw Waddle	LF	\$3.00	\$4.00
Manhole Adjust	each	\$400.00	\$600.00
Valve Box Adjust	each	\$150.00	\$300.00
Removal of Concrete, over 6"	SY	\$7.50	\$8.50
Removal of Asphalt up to 4" thick	SY	\$6.00	\$7.00
Removal of Asphalt over 4" thick	SY	\$6.00	\$7.00
Fill Dirt provided, delivered, spread and compacted	CY	\$12.00	\$15.00
Clear & Grub	SY	\$0.22	\$0.55
Debris Hauling	CY	\$12.00	\$15.00
Tree Trimming	/hr	\$150.00	\$200.00
Aluminum Pipe Guiderail (FDOT Index 870)	LF	\$150.00	\$250.00
Guardrail	LF	\$125.00	\$225.00
Mobilization	lump	\$2,500.00	\$3,000.00
12" RCP provided, delivered and installed	LF	\$28.00	\$45.00
15" RCP provided, delivered and installed	LF	\$29.00	\$45.00
18" RCP provided, delivered and installed	LF	\$34.00	\$48.00
24" RCP provided, delivered and installed	LF	\$42.00	\$56.00
30" RCP provided, delivered and installed	LF	\$55.00	\$75.00
36" RCP provided, delivered and installed	LF	\$65.00	\$80.00
42" RCP provided, delivered and installed	LF	\$90.00	\$100.00
48" RCP provided, delivered and installed	LF	\$120.00	\$135.00
12" ADS provided, delivered and installed	LF	\$20.00	\$37.00
15" ADS provided, delivered and installed	LF	\$22.00	\$42.00
18" ADS provided, delivered and installed	LF	\$25.00	\$48.00
24" ADS provided, delivered and installed	LF	\$30.00	\$67.00
30" ADS provided, delivered and installed	LF	\$38.00	\$92.00

City of Destin, FL			
Department of Public Works			
H&T, proposed price adjustments for FY22, Asphaltic Services			
Item Description	Units	Former Contract \$/Unit	Proposed Contract \$/Unit
36" ADS provided, delivered and installed	LF	\$47.00	\$101.00
42" ADS provided, delivered and installed	LF	\$85.00	\$117.00
48" ADS provided, delivered and installed	LF	\$95.00	\$150.00
Concrete Headwall or Drainage Structure	CY	\$600.00	\$900.00
Mitered End Section, medium 12-15"	each	\$800.00	\$1,200.00
Mitered End Section, large 18-24"	each	\$4,000.00	\$4,500.00
Concrete Flume (4" thick)	SY	\$48.00	\$65.00
Inlet Apron (4" thick)	SY	\$48.00	\$65.00
Raise existing inlet (assume 3" adjustment)	each	\$1,000.00	\$1,800.00
Lower existing inlet (assume 3" adjustment)	each	\$800.00	\$1,600.00
6" diameter yard inlet, installed maximum 2" depth	each	\$600.00	\$1,200.00
Excavation and Haul Off	CY	\$8.00	\$10.00
Well Points	/day	\$3,500.00	\$4,000.00
Grout (joint)	each	\$500.00	\$1,000.00
Compaction of subgrade, soil and backfill (up to 6")	SY	\$8.00	\$10.00
Swale Installation (grading)	CY	\$10.00	\$20.00
Concrete Collar (any size)	each	\$400.00	\$1,000.00
Rip Rap Rubble (up to 12" stone, 18" thick)	SY	\$200.00	\$400.00
Rip Rap Rubble (up to 24" stone, 36" thick)	SY	\$400.00	\$600.00
6" drain pipe	LF	\$15.00	\$20.00
Type C inlet installed	each	\$2,500.00	\$3,500.00
Concrete Driveway 6" thick, fiber reinforced	SY	\$48.00	\$60.00
Concrete Sidewalk 4" thick installed	SY	\$43.00	\$56.00
Concrete Flat/Ribbon Curb, fiber reinforced (12" wide x 8" deep)	LF	\$15.00	\$20.00
Concrete Type D Curb, fiber reinforced	LF	\$25.00	\$30.00
Concrete Type E Curb & gutter, fiber reinforced	LF	\$18.00	\$22.00
Concrete Type F Curb & gutter, fiber reinforced	LF	\$18.00	\$24.00
Concrete Modified (18") Type F Curb and gutter, fiber reinforced	LF	\$17.00	\$24.00
ADA truncated dome mat installation	SF	\$40.00	\$65.00
Traffic Control	/day	\$1,500.00	\$1,800.00
Bermuda Sod installed	SY	\$5.40	\$6.50
St Augustine installed	SY	\$6.75	\$7.75
Centipede Sod installed	/hr	\$3.30	\$4.50
Irrigation Repair	each	\$75.00	\$150.00
Type C inlet installed (6-10')	each	\$4,000.00	\$6,000.00
Type C inlet installed (10-14')	each	\$6,000.00	\$8,000.00
Type C inlet installed (<6')	each	\$2,500.00	\$3,500.00
Asphalt Reinforcing Fibers (2")	SY	\$1.20	\$2.20
Asphalt Reinforcing Fibers (1.5")	SY	\$0.90	\$1.90

City of Destin, FL			
Department of Public Works			
H&T, proposed price adjustments for FY22, Asphaltic Services			
Item Description	Units	Former Contract \$/Unit	Proposed Contract \$/Unit
Asphalt Reinforcing Fibers (1")	SY	\$0.55	\$1.55



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/9/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Daniels Commercial Insurance, LLC 248 W. Garden St. Pensacola FL 32502		CONTACT NAME: Daniels Commercial Insurance, LLC PHONE (A/C, No, Ext): 850-308-7710 FAX (A/C, No): 850-308-7716 E-MAIL ADDRESS: service@dciinsllc.com		
INSURED H&T Contractors, LLC P.O. Box 9 Freeport FL 32439-0009		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A: Great American Insurance Company		16691
		INSURER B: Continental Casualty Company		20443
		INSURER C: Valley Forge Insurance Company		20508
		INSURER D: AXIS Surplus Insurance Company		26620
		INSURER E: Transportation Insurance Company		20494
		INSURER F:		

COVERAGES

CERTIFICATE NUMBER: 1724178925

REVISION NUMBER:

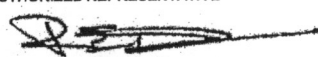
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
D	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PROJECT ☐ LOC OTHER:	Y		P00100046177901	3/10/2021	3/10/2022	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 50,000
							MED EXP (Any one person)	\$ Excluded
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
								\$
E	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY ☒ PIP ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS ONLY	Y		6057608694	3/10/2021	3/10/2022	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
							PIP Limit	\$ 10,000
A	☒ UMBRELLA LIAB ☒ EXCESS LIAB ☐ DED ☐ RETENTION \$			TUE025584709	3/10/2021	3/10/2022	EACH OCCURRENCE	\$ 1,000,000
							AGGREGATE	\$ 1,000,000
								\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	657608727	3/10/2021	3/10/2022	☒ PER STATUTE ☐ OTHER	
							E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
B	Contractor's Equipment Leased/Rented Equipment			6057125674	3/10/2021	3/10/2022	Equipment Floater Max per Item	Schedule on File \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: RFB No. 16-07-PS, Miscellaneous Concrete Continuing Services Contract. Certificate holder is an Additional Insured as respects General Liability & Automobile Liability if required by written contract.

CERTIFICATE HOLDER**CANCELLATION**

City of Destin 4200 Indian Bayou Trail Destin FL 32541	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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CONTRACT EXTENSION AGREEMENT

This agreement dated the First day of October 2021 is between the City of Destin, Florida (“City”), a Florida municipal corporation, of 4200 Indian Bayou Trail, Destin, Florida, 32541 and Emerald Coast Striping, LLC (“Contractor”). The purpose of this agreement is to extend for fifteen months a contract for road striping services effective October 1, 2020 between the City of Destin and Emerald Coast Striping, LLC to provide miscellaneous road striping services for the City.

This represents the **1st of 4** possible contract extensions.

The following provision amends the contract of the parties and is binding upon them. The Parties mutually agree that the jury trial waiver, and a public records provision are amended as follows:

Jury Trial Waiver:

CONTRACTOR AND CITY AGREE TO WAIVE THEIR RIGHTS TO A TRIAL BY JURY REGARDING ANY LAWSUIT INVOLVING THE INTERPRATION, CONSTRUCTION, ENFORCEMENT, OR GOVERNANCE OF THIS CONTRACT, AND FOR ANY LAWSUIT RELATED IN ANY WAY TO THIS CONTRACT OR FOR THE WORK PERFORMED PURSUANT TO THIS CONTRACT.

Public Records:

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR’S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THE CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT THE OFFICE OF THE CITY CLERK, (850) 837-4242, 4200 INDIAN BAYOU TRAIL, DESTIN, FLORIDA 32541, rbailey@cityofdestin.com

Contractor shall comply with Florida Public Records Laws, specifically to:

- Keep and maintain public records that ordinarily and necessarily would be required by the City of Destin in order to perform the service.
- Shall immediately provide the City Clerk for the City with any documents requested by the Clerk in response to a public records request.
- Provide the public with access to public records on the same terms and conditions that the City of Destin would provide the records and at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes or as otherwise provided by law.
- Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law.

It is understood that final authorization for this Agreement must be made by the Destin City Council, and that either party may cancel this contract extension with 30 days written notice.

- Meet all requirements for retaining public records and transfer, at no cost, to the City of Destin all public records in possession of the Contractor upon termination of the contract and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the City of Destin in a format that is compatible with the information technology systems of the City of Destin.

It is expressly agreed by the parties that this contract is an extension to the Contract that became effective on October 1, 2020 and the original is made a part hereof as though expressly rewritten, incorporated, and included herein.

It is understood that final authorization for this Agreement must be made by the Destin City Council, and that either party may cancel this contract extension with 30 days written notice.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the day and year first above written.

Witnesses:

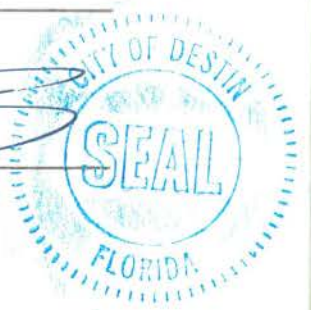
Cheryl Wyren
(Signature)

Zachary Armstrong
(Signature)

City of Destin

By: Lance A. Johnson
Lance A. Johnson
City Manager

ATTEST: Rey Bailey
Rey Bailey
City Clerk



Witnesses:

Stephanie Dodson
(Signature)

Chad Rodgett
(Signature)

Emerald Coast Striping, LLC

By: Eric Bailey
(Signature)

Eric Bailey / OPERATIONS
(Name & Title) **MANAGER**

ATTEST: Faith Cooke
(Signature)

Faith Cooke / office manager
(Name & Title)



EXHIBIT A – BID FORM

PART I Bid submitted by:

Company: Emerald Coast Striping, LLC.

Address: 1901 N. East Avenue

City & State: Panama City, FL Zip Code: 32405

Telephone: (850) 215-4875 Fax: (850) 271-4875

Number of Years in Business: 13 Email: aric@ecstriping.com

PART II Bidding RFB No. 20-10-PS, Miscellaneous Road Striping Continuing Services Contract:

Contractor shall provide proper signs and traffic control measures as per Florida Department of Transportation's Manual on Uniform Traffic Control Devices and the Florida Department of Transportation's Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways (aka Florida Green Book), current edition. All construction, methods of measurement, and basis of payment shall be in accordance with Division II and III of the Florida Department of Transportation Standards Specifications for Road and Bridge Construction (current edition), copies of which are available from the Florida Department of Transportation.

SERVICE DESCRIPTION AND SPECIFICATIONS

Item	Description	Unit Price	Unit
Four-inch (4") solid painted traffic stripe	Traffic Paint – white or yellow	\$ <u>0.15</u>	Linear Foot
Four-inch (4") skip painted traffic stripe	Traffic Paint – white or yellow	\$ <u>0.12</u>	Linear Foot
Six-inch (6") solid painted traffic stripe	Traffic Paint – white or yellow	\$ <u>0.30</u>	Linear Foot
Six-inch (6") skip painted traffic stripe	Traffic Paint – white or yellow	\$ <u>0.18</u>	Linear Foot
Four-inch (4") solid thermoplastic stripe	Thermoplastic plus reflective beads, white or yellow	\$ <u>0.65</u>	Linear Foot
Four-inch (4") skip thermoplastic stripe	Thermoplastic plus reflective beads, white or yellow	\$ <u>0.55</u>	Linear Foot
Six-inch (6") solid thermoplastic stripe	Thermoplastic plus reflective beads, white or yellow	\$ <u>1.00</u>	Linear Foot

Initials of Bidder: AS

Six-inch (6") skip thermoplastic stripe	Thermoplastic plus reflective beads, white or yellow	\$ 0.85	Linear Foot
Stop Bars (24")	Thermoplastic plus reflective beads or equivalent	\$ 4.00	Square Foot
Crosswalks (12")	Thermoplastic plus reflective beads or equivalent	\$ 4.00	Square Foot
Messaging (School, Bike lane graphics, STOP, etc.)	Thermoplastic plus reflective beads or equivalent	\$ 4.00	Square Foot
Raised Pavement Markers	Material plus installation	\$ 5.00	Each

Please list any additional services with their respective costs below.

Item	Description	Unit Price	Unit

SAFETY NOTE

All work associated with this bid must be conducted with safety in mind. It is expected that the contractor will provide all necessary personal protective equipment that will be utilized by their staff while performing work for the City of Destin. In addition, the contractor will ensure that all FDOT, OSHA and other applicable State and Federal workplace safety guidelines are adhered to while working on behalf of the City of Destin.

The contractor will ensure that work vehicles, equipment and trailers are properly outfitted with proper, adequate and working signage, lightbars, arrow boards, etc.

Part III Certifications

In accordance with your request for Bids, instructions and specifications, attached hereto, and subject to all conditions thereof, I (we), the undersigned, hereby propose and agree if this Bid is accepted, to contract with the City of Destin, Florida to construct any items or furnish any service requested herein and deliver

Initials of Bidder: AS

WORK ORDER**MISCELLANEOUS ASPHALTIC CONCRETE CONTINUING SERVICES CONTRACT****CONTRACTOR:** H&T Contractors, LLC.**Date:** 2/28/2022**Work Order Number:****Completion Date:****Calendar Days:****Description of Work:** Scenic 98 From Matthew To Cobia Revised

Item No.	Description	Unit	Unit Price	Quantity	Extension
1	2" Type SP – 12.5 Asphalt Concrete Superpave (Coarse)	SY	\$10.50	16906.00	\$ 177,513.00
2	1 ½" Type SP – 12.5 Asphalt Concrete Superpave (Fine)	SY	\$9.30	0.00	\$ -
3	1" Type SP - 9.5 Asphalt Concrete Overlay (Fine)	SY	\$8.00	0.00	\$ -
4	Milling of existing asphalt (average 1 in depth)	SY	\$4.00	0.00	\$ -
5	Milling of existing asphalt (average 2 in depth)	SY	\$5.00	16906.00	\$ 84,530.00
6	8" Graded Aggregate Base, delivered and compacted (LBR 100 compacted to 98% modified proctor density per AASHTO T-180)	SY	\$10.50	0.00	\$ -
7	6" Graded Aggregate Base, delivered and compacted (LBR 100 compacted to 98% modified proctor density per AASHTO T-180)	SY	\$9.50	0.00	\$ -
8	4" Graded Aggregate Base, delivered and compacted (LBR 100 compacted to 98% modified proctor density per AASHTO T-180)	SY	\$8.00	0.00	\$ -
9	Stabilized Subbase (12") (LBR 40 compacted to 98% modified proctor density per AASHTOT-180)	SY	\$4.50	0.00	\$ -
10	Stabilized Subbase (6") (LBR 40 compacted to 98% modified proctor density per AASHTOT-180)	SY	\$4.00	0.00	\$ -
11	Prime Coat	SY	\$2.25	0.00	\$ -
12	Tack Coat	SY	\$2.25	16906.00	\$ 38,038.50
13	Asphalt Cut with Abrasive Blade	LF	\$5.00	0.00	\$ -
14	Concrete Cut with Abrasive Blade	LF	\$5.00	0.00	\$ -
15	Silt Fence	LF	\$3.00	0.00	\$ -
16	Straw Waddle	LF	\$4.00	0.00	\$ -
17	Manhole Adjustment	EACH	\$600.00	4.00	\$ 2,400.00
18	Valve Box Adjustment	EACH	\$300.00	0.00	\$ -
19	Removal of Concrete over 6 inches	SY	\$8.50	0.00	\$ -
20	Removal of Asphalt up to 4 inches thick	SY	\$7.00	0.00	\$ -
21	Removal of Asphalt over 4 inches	SY	\$7.00	0.00	\$ -
22	Fill Dirt provided, delivered, spread and compacted on grade	CY	\$15.00	0.00	\$ -
23	Clear & Grub	SY	\$0.55	0.00	\$ -
24	Debris Hauling	CY	\$15.00	0.00	\$ -
25	Tree trimming	HR	\$200.00	0.00	\$ -
26	Aluminum Pipe Guiderail (FDOT Index 870)	LF	\$250.00	0.00	\$ -
27	Guardrail (FDOT Index 400)	LF	\$225.00	0.00	\$ -
28	Mobilization	LUMP	\$3,000.00	1.00	\$ 3,000.00
29	12" inch RCP provided, delivered, and installed	LF	\$45.00	0.00	\$ -
30	15" inch RCP provided, delivered, and installed	LF	\$45.00	0.00	\$ -
31	18" inch RCP provided, delivered, and installed	LF	\$48.00	0.00	\$ -
32	24" inch RCP provided, delivered, and installed	LF	\$56.00	0.00	\$ -
33	30" inch RCP provided, delivered, and installed	LF	\$75.00	0.00	\$ -
34	36" inch RCP provided, delivered, and installed	LF	\$80.00	0.00	\$ -
35	42" inch RCP provided, delivered, and installed	LF	\$100.00	0.00	\$ -
36	48" inch RCP provided, delivered, and installed	LF	\$135.00	0.00	\$ -

*Payment shall be made on actual work performed, as measured in field.

WORK ORDER

MISCELLANEOUS ASPHALTIC CONCRETE CONTINUING SERVICES CONTRACT

37	12" inch ADS Culvert Pipe provided, delivered, and installed	LF	\$37.00	0.00	\$ -
38	15" inch ADS Culvert Pipe provided, delivered, and installed	LF	\$42.00	0.00	\$ -
39	18" inch ADS Culvert Pipe provided, delivered, and installed	LF	\$48.00	0.00	\$ -
40	24" inch ADS Culvert Pipe provided, delivered, and installed	LF	\$67.00	0.00	\$ -
41	30" inch ADS Culvert Pipe provided, delivered, and installed	LF	\$92.00	0.00	\$ -
42	36" inch ADS Culvert Pipe provided, delivered, and installed	LF	\$101.00	0.00	\$ -
43	42" inch ADS Culvert Pipe provided, delivered, and installed	LF	\$117.00	0.00	\$ -
44	48" inch ADS Culvert Pipe provided, delivered, and installed	LF	\$150.00	0.00	\$ -
45	Concrete Headwall or Drainage Structure	CY	\$900.00	0.00	\$ -
46	Mitered end section – medium 12 inches to 15 inches	EACH	\$1,200.00	0.00	\$ -
47	Mitered end section – large 18 inches to 24 inches	EACH	\$4,500.00	0.00	\$ -
48	Concrete flume (4 in thick)	SY	\$65.00	0.00	\$ -
49	Inlet Apron (4 in thick)	SY	\$65.00	0.00	\$ -
50	Raise existing inlet (assume 3 in adjustment)	EACH	\$1,800.00	0.00	\$ -
51	Lower existing inlet (assume 3 in adjustment)	EACH	\$1,600.00	0.00	\$ -
52	6 in Diameter Yard Inlet, installed, maximum 2 in depth	EACH	\$1,200.00	0.00	\$ -
53	Excavation and Haul Off	CY	\$10.00	0.00	\$ -
54	Well Points	DAY	\$4,000.00	0.00	\$ -
55	Grout (joint)	EACH	\$1,000.00	0.00	\$ -
56	Compaction of Subgrade, Soil, and Backfill (Up to 6" Thick)	SY	\$10.00	0.00	\$ -
57	Swale Installation (grading)	CY	\$20.00	0.00	\$ -
58	Concrete Collar (any size)	EACH	\$1,000.00	0.00	\$ -
59	Rip Rap Rubble (up to 12" stone, 18" thick)	SY	\$400.00	0.00	\$ -
60	Rip Rap Rubble (up to 24" stone, 36" thick)	SY	\$600.00	0.00	\$ -
61	6 inch Drain pipe	LF	\$20.00	0.00	\$ -
62	Type "C" inlet installed (maximum depth 6 ft)	EACH	\$3,500.00	0.00	\$ -
63	Concrete Driveway 6 inches thick-fiber reinforced	SY	\$60.00	0.00	\$ -
64	Concrete Sidewalk – 4 inches thick installed	SY	\$56.00	0.00	\$ -
65	Concrete Flat/Ribbon Curb fiber reinforced (12" wide by 8" deep)	LF	\$20.00	0.00	\$ -
66	Concrete Type "D" Curb fiber reinforced	LF	\$30.00	0.00	\$ -
67	Concrete Type "E" Curb & Gutter fiber reinforced	LF	\$22.00	0.00	\$ -
68	Concrete Type "F" Curb & Gutter fiber reinforced	LF	\$24.00	0.00	\$ -
69	Concrete Modified (18") Type "F" Curb & Gutter fiber reinforced	LF	\$24.00	0.00	\$ -
70	ADA truncated dome mat installation	SF	\$65.00	0.00	\$ -
71	Traffic Control (MOT) cost	DAY	\$1,800.00	6.00	\$ 10,800.00
72	Bermuda Sod installed	SY	\$6.50	0.00	\$ -
73	St Augustine Sod installed	SY	\$7.75	0.00	\$ -
74	Centipede Sod installed	SY	\$4.50	0.00	\$ -
75	Irrigation Repair	HR	\$150.00	0.00	\$ -
76	Type "C" inlet installed (depth 6-10 ft)	EACH	\$6,000.00	0.00	\$ -
77	Type "C" inlet installed (depth 10 -14 ft)	EACH	\$8,000.00	0.00	\$ -
78	Type "C" inlet installed (maximum depth 6 ft)	EACH	\$3,500.00	0.00	\$ -
				Total	\$ 316,281.50

Additional Contract Items					
Item No.	Description	Unit	Unit Price	Quantity	Extension
79	Asph Reinforcing Fibers for 2" Thick Pvmt Contractor Provided	SY	\$ 2.20	16,906	\$ 37,193.20
81	Asph Reinforcing Fibers for 1.5" Thick Pvmt Contractor Provided	SY	\$ 1.90	-	\$ -
83	Asph Reinforcing Fibers for 1" Thick Pvmt Contractor Provided	SY	\$ 1.55	-	\$ -
				Total	\$ 353,474.70
Contingent Items from Price Sheet		LS	Total	\$ 11,500.00	
				Grand Total	\$ 364,974.70

CONTRACTOR REPRESENTATIVE: _____

DATE _____

*Payment shall be made on actual work performed, as measured in field.

CONTRACTOR: H&T Contractors, LLC.
Work Order Number: Contingent Item Pricing Sheet

Date: 2/28/2022
Completion Date:
Calendar Days:

Description of Work: Scenic 98 From Matthew To Cobia Revised

Item No.	Description	Unit	Unit Price	Quantity	Extension
901	Replace Speed Bumps		\$4,500.00	2.00	\$ 9,000.00
902	Remove and Put Back Down Rubber Speed Bumps		\$2,500.00	1.00	\$ 2,500.00
903				0.00	\$ -
904				0.00	\$ -
905				0.00	\$ -
906				0.00	\$ -
907				0.00	\$ -
908				0.00	\$ -
909				0.00	\$ -
910				0.00	\$ -
911				0.00	\$ -
912				0.00	\$ -
913				0.00	\$ -
914				0.00	\$ -
915				0.00	\$ -
916				0.00	\$ -
917				0.00	\$ -
918				0.00	\$ -
919				0.00	\$ -
920				0.00	\$ -
				Total	\$ 11,500.00

CONTRACTOR REPRESENTATIVE: _____

DATE _____

DIRECTOR OF PUBLIC SERVICES: _____

DATE _____

* Pricing for items on this list are specific to this work order.

**EMERALD COAST
STRIPING, L.L.C.**

1901 East Ave.
Panama City, FL 32405
Phone (850) 215-4875 Fax (850) 271-4875

Proposal

DATE October 21, 2021
Quotation # Scenic Hwy 98

Proposal To:
City of Destin

Matthew to Cobia

Comments or special instructions:

Please allow two weeks advance notice for scheduling of crews

DESCRIPTION	UNIT	QUANTITY	PRICE	AMOUNT
6" Solid Yellow Thermoplastic with Beads	LF	7597	\$1.00	\$7,597.00
6" Solid White Thermoplastic with Beads	LF	6800	\$1.00	\$6,800.00
12" Solid White Thermoplastic with Beads	SF	1296	\$4.00	\$5,184.00
18" Solid Yellow Thermoplastic with Beads	SF	116	\$4.00	\$464.00
18" Solid White Thermoplastic with Beads	SF	304	\$4.00	\$1,216.00
24" Solid White Thermoplastic with Beads	SF	128	\$4.00	\$512.00
Thermoplastic Yield Bar with Beads	SF	6	\$4.00	\$24.00
Thermoplastic Arrow with Beads	SF	340	\$4.00	\$1,360.00
Thermoplastic Message with Beads	SF	176	\$4.00	\$704.00
Raised Pavement Markers	EA	245	\$5.00	\$1,225.00
			TOTAL	\$25,086.00

If you have any questions concerning this quotation, contact Aric Bailey at (850)867-3750 or by email at aric@ecstriping.com

THANK YOU FOR YOUR BUSINESS!

Scenic 98 Resurfacing Project - Loop to Cobia (~4500')



**PUBLIC WORKS/PUBLIC SAFETY COMMITTEE
MEETING MINUTES
TUESDAY, FEBRUARY 8, 2022 - 5:30 PM
DESTIN CITY HALL BOARDROOM**

1. CALL TO ORDER & PLEDGE OF ALLEGIANCE:

Chairman Wood called the Public Works/Public Safety Committee to order on Tuesday, February 8, 2022, at 5:30 p.m. With the Pledge of Allegiance immediately following.

2. ROLL CALL:

Members Present

James T. Wood, Jr.
Tom Weidenhamer
Sam Perman
John Stephens
Marcie Bell
John Green

Members Absent

Mark Brown

Staff

Kim Montgomery Deputy City Clerk
Michael Burgess PW Director
JT Hart PW Deputy Director

3. APPROVAL OF MINUTES: January 11, 2022

Committee member Weidenhamer moved to approve the January 11, 2022 minutes as written, with Committee member Stephens providing the second. A roll call vote of 6-0 was taken and the motion passed.

4. NEW BUSINESS:

- **Beach Safety Program – Joe D’Agostino**

Mr. D’Agostino spoke of how the program is going into its 19th season and described how was created because of the 25 drowning deaths that occurred in 2003 between Panama City and Pensacola. He explained their beach service is now the largest in the Panhandle because starting this year, they will now be providing lifeguard services to the Henderson Beach State Park for the first time. The program will start the on the first Saturday in March and run through the last Sunday in October. He provided the members with the shift plans and lifeguard beach coverage they will have during spring break, peak summer, and the end of the season.

Committee member Perman asked about the flag system and how that works.

Mr. D’Agostino explained that the only park that has a flag system on the west side of Henderson State Park is June White Decker Park therefore, they use virtual flags to push the information out about the surf conditions to the public through Facebook because most of the beaches are private property. There was a brief discussion about the beach accesses at Norriego Point.

- **Lt. Jason Fulghum – OCSO**

Explained that Spring Break starts early this year on February 26th and runs through April 24th and spoke of how the Sheriff’s Office estimates this year will be just as busy if not busier than last year. He described the coverage they will have and how they will continue to write Notice to Appear tickets

instead of arresting and taking the individuals to jail, because of the ongoing Covid Pandemic. Adding unless they are more serious offenses than underage drinking.

Lt. Fulghum also spoke of how most of the problems they encounter are from High School aged teens and how the Sheriff's Office will obtain a blanket trespass warrants and issue trespassing to the teens that congregate on the beach behind private properties. Noting they seem to have the most problems behind the Back Porch Restaurant. He also discussed the marine units they have, where they patrol and how their jurisdiction goes 9-miles out into the Gulf.

Mr. Burgess spoke of the Aqua Alert that is being put together similar to the Amber Alerts but for water related emergencies, and how it came about from the missing kayaker who was never found.

5. CONTINUING BUSINESS:

➤ Variable Message Board Signs

Mr. Burgess explained that staff is asking for the Committee to consider using some of the surtax funds to purchase 4-units. He explained they're solar powered and can be used to provide power for emergency situations for power is loss and many other situations where they may be needed. He explained the funds for the purchase are in a revenue account would need to be transferred to a budgeted line item. And, to do so, a budget amendment adopted through an ordinance is necessary. Adding the Finance Director, Krystal Strickland will attend their meeting in March and will explain the process.

Motion by Committee member Bell, seconded by Committee member Weidenhamer to support the purchase of the three Variable Message Board Signs. The motion passed 6-0.

➤ Resurfacing, Milling and Restriping Scenic Hwy. 98 Matthew Blvd. to Cobia Street

Mr. Burgess described the condition of this roadway to the members and how after receiving a quote for the repair, the decision was made to resurface the area based on cost effectiveness.

Motion by Committee member Perman, seconded by Committee member Bell to support the resurfacing of Scenic Hwy. 98 from Matthew Blvd. to Cobia Street. The motion passed 6-0.

➤ Restriping of Azalea Street

Mr. Burgess explained this is a walk-on item stemmed from receiving a complaint from a citizen who said they almost got in a traffic accident because the lanes could not be differentiated. Additionally, he has not received a quote for the cost yet but just wanted to let them know of the situation and he will take this to City Council for their consideration, once the quote is received.

➤ Stormwater Concerns

The Chairman announced that there is not anyone in the public present to discuss this item.

➤ Public Works/Emergency Management Update

▪ **Draft Road Striping Policy** – Mr. Burgess explained that he is being more selective in this process than how it was handled in the past. Essentially, when a collector road is milled and resurfaced, the entire area will get the full treatment, and anything not on the list will just get the basic striping treatments on a as needed basis.

▪ **Departmental Update:**

Currently, the Maintenance Technician/Mechanic is still open with no qualified applicants to date and the base salary is \$15.50/hr. And if the members know of anyone to please ask them to come apply.

▪ **Operational Update:**

- Median Maintenance Contract Renewal - ZIIC. Explained that last year this contract was only renewed for 6-months, and Council approved the remaining 6-months at their meeting last month.
- Lowering Speed Limits from 35 mph to 30 mph on Airport Road, Azalea and Palms Blvd Ordinance was approved at the 1st reading.
- Facilities Needs Assessment Bid explained the process of how the city buildings will get assessed for their condition and what will need to be done in the future.
- Harbor Pump is operational and is currently running on its winter schedule. There currently is an electrical issue and the contractor is scheduled to address the problem.
- Sidewalks repairs are underway.
- LED Streetlight Conversion – Phase I is underway.
- Legion Street Sinkhole is on schedule for repair.
- Debris Management Contracts have been renewed.
- Median Improvement Project on Hwy 98 from the Marler Bridge to Airport Road is scheduled to begin the second week of February with the first phase being the installation on new conduit for the irrigation pumps, then they'll start removing the existing ground cover bushes and replace them with Oaks, Ilex trees and other plantings.

7. MEMBER COMMENTS:

- **Chairman Wood** – Spoke of the importance being cognizant and the need to make eye contact with the drivers at the pedestrian crosswalks located at both Beach and Benning when crossing. Because of the drivers who may run the red light.
- **Committee member Bell** – Asked for conformation that the replacement of the lights on Gulf Shore Drive will not be the bright LED lights. According to Mr. Burgess, those will be replaced with turtle rated lights. She also spoke of the need to have the pedestrian crossings at Moreno and Norriego on Gulf Shore Drive with some sort of warning lighting installed to alert drivers at night that there are pedestrians present and wanting to cross because of blind spots or simply they blend in with the surroundings, when barely clothed.
- **Committee member Stephens** – Mentioned there is a pothole on Zerbe St./Sibert Ave. in need of repair.
- **Committee member Perman** – Reported that there a 3-way stop should be considered at Calhoun Ave. and Kelly Street because of the curve. She also asked if there is a law that people on paddleboards have to be tethered to their boards.

There was a brief discussion regarding speed humps, speed tables, the associated cost, and how they are installed and several locations in the city where they should be considered. As well as the process involved for approval.

Having no further business at this time, the meeting adjourned at 7:10 p.m.

DRAFT

Adopted and approved this _____ day of _____ 2022.

James T. Wood, Jr., Chairman

Kim Montgomery, Deputy City Clerk

DRAFT

FORD CRESTVIEW

FT WALTON BCH CDJR



PROPOSAL

STEP ONE AUTOMOTIVE GROUP
4060 FERDON BLVD
CRESTVIEW, FL 32536
ERIC JORE
GOVERNMENT SALES
CELL 407-234-5116
OFFICE 850-292-4580
E-MAIL
EJORE@STEPONEAUTO.COM

NAME CITY OF DESTIN

EMAIL

ATTN

DATE 1-4-22

2022 FORD F150 SUPERCAB XL 4WD 145" WB 6.5 BOX	26,365.00
3.3 V-6 ENGINE 10 SPEED AUTO TRANS, LIMITED SLIP REAR AXLE	
VINYL SEATS AND FLOORS	
265/70R -17 TIRES	
POWER WINDOW AND LOCK PKG 101A (INC CRUISE CONTROL	1795.00
BACK UP SENSORS, BACK UP CAMERA)	
RUNNING BOARDS	250.00
XL CHROME PKG BUMPERS, GRILL, WHEELS, FOG LAMPS	775.00
SPRAY BED LINER	595.00
PER STATE CONTRACT 25-00000-21-STC	
UNIT PRICE	29,790.00
IN ORDER BANK	
DELIVERY 120-150 DAYS ARO	

PURCHASER ACKNOWLEDGES:

STEP ONE AUTOMOTIVE IS UNABLE TO GUARANTEE DELIVERY DATES DUE TO MANY FACTORS, NOT LIMITED TO BUT INCLUDING: PRODUCTION SCHEDULES, WEATHER, AVAILABILITY OF RAIL CARS, ETC.

ALL PAYMENTS ARE DUE ON A NET 30 DAY BASIS UPON RECEIPT OF EACH VEHICLE AS INVOICED REGARDLESS OF THE NUMBER OF VEHICLES ON THE PURCHASE ORDER.

We thank you for the opportunity to make this proposal and will appreciate your acceptance. Acceptance of this proposal will not be binding until this proposal is approved here in writing by an official of Step One Automotive. **Return of one copy of this proposal and your purchase order number constitutes your official acceptance.**

Respectfully submitted,
Eric Jore
Government Sales

**MINUTES
REGULAR MEETING
DESTIN CITY COUNCIL
FEBRUARY 7, 2022
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 Kevin Schmidt (arrived 6:10 pm)	Councilmember Jim Bagby
Councilmember Bobby Wagner	Councilmember Rodney Braden
Councilmember Johnny King	Councilmember Terésa Hebert

Destin City Staff

City Manager Lance Johnson	Deputy City Manager Webb Warren
City Clerk Rey Bailey	Code Compliance Director Joey Forgione
Public Info Manager Catherine Card	Finance Director Krystal Strickland (virtual)
Community Dev. Director Louis Zunguze	Senior Planner Daniel Butler
Parks & Recreation Director Lisa Firth (virtual)	Engineering Assistant II Joe Bodi
Grants/Project Manager Jeffrey Cozadd	Building Official Noelle Bell
Public Works Director Michael Burgess	Principal Planner Steve O'Connor
Land Use Attorney Kim Kopp	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 Steve Farris of First Baptist Church of Destin gave the invocation, followed by the recitation of the Pledge of Allegiance.

AGENDA APPROVAL

The mayor requests agenda item 6H(1) – *Aqua Alert*, be moved up to item #1 on the agenda.

Motion by Councilmember Destin, seconded by Councilmember Braden, to approve the agenda, as amended, passed 6-0 (Council members King, Hebert, Bagby, Destin, Wagner and Braden voted “yes”; Councilmember Schmidt was not present during the voting).

1. PROCLAMATIONS / RECOGNITIONS / SPECIAL / PUBLIC PRESENTATIONS/ ANNOUNCEMENTS

A. Aqua Alert Program

Mayor Jarvis asked Ms. Judy Schink to come forward and share her experience and vision regarding the Aqua Alert Program.

Ms. Judy Schink, resident of Aurora, Minnesota, spoke of her husband, David Schink, who went missing in the Gulf of Mexico in February 2021. He was kayaking in waters near Norriego Point in Destin when he disappeared. After three days and more than 9,000 square nautical miles search by the US Coast Guard, Florida Fish and Wildlife Conservation Commission (FWCC), and the Sheriff's Department, Mr. Schink was never found. She stated that after grieving and mourning their loss, her family wanted to make sure it never happened to anyone else. They tried to figure ways to improve the situation and get more "eyes" on the water during this time of emergency. This was the first thought to develop the Aqua Alert Program. It is similar to Amber Alert except it would involve boaters volunteering to go out to the sites when the authorities deems that it is needed. This is an idea which has gain support from the U.S. Coast Guard, FWCC, the Sheriff's Department, and the Mayor of Destin. She stated they have been laying the groundwork to make it into a reality. To develop it here in Destin so that registered boat owners would be able to sign up through Everbridge Notification Company who would perform the installation and set up free of charge. She added that the program would be county-wide to start. Once a 911 call is deemed to be a search and rescue, law enforcement agencies would be able to issue an Aqua Alert to cell phones in the area telling boaters they need more eyes on the water.

Senior Chief Corey Palmer with the US Coast Guard Station in Destin and Captain Keith Clark of FWCC for Northwest Florida, shared their perceptions from their agencies and expressed their support of the City of Destin's Aqua Alert Program.

2. PUBLIC COMMENTS

Ms. Lisa Rockwell, a Destin resident, stated that she, along with many other citizens, are concerned about the residential development currently planned around the Destin Airport property. The Noise Exposure Map identifies several homes at the northeast corner of the airport that are located in the noise zones which have been recommended to be bought back by the local government. Noise zones C or B are considered incompatible for residential development even with the noise mitigation that must be installed.

At this time, the mayor announced there is a quasi-judicial hearing scheduled on this subject at the next council meeting on February 22, 2022, and that it may not be appropriate to have discussions on it now.

The Land Use Attorney advises that comments on this subject be reserved for the quasi-judicial proceeding on February 22nd council meeting when the applicant is present; adding that it is part of a due process for the applicant. The public can also submit anything they want in writing to the council.

The City Attorney added that the quasi-judicial hearing involves a particular piece of property. The public may make a generalized comment on the issue if they wish but not about the specific piece of property involved in the quasi-judicial hearing as there could be potential property rights issue depending on the nature of the comments.

Councilmember Bagby stated that the speaker should be able to address general airport encroachment, the noise zones in the airport, and what steps she feels this council ought to take to alleviate the noise issue.

Councilmember Destin stated he would prefer to err on the side of caution and asked if the speaker could come back at the next meeting and speak on the subject.

According to Ms. Rockwell, she was already planning to talk specifically about the proposed development on February 22nd council meeting. Tonight, she only intends to provide generic information about airport encroachment to the council.

There was a general consensus of the council to allow the speaker to resume her comments as long as it does not pertain to the specific piece of property involved in the quasi-judicial hearing.

Ms. Rockwell continued there are several issues involved in this case. There are aviation easements are allowed for development around airports. However, aviation easement only addresses physical issues such as building heights and antennas. Aviation easement does not address the noise issue whatsoever. The instrument that deals with airport noise is the airport disclosure statement, which warns potential homeowners of aircraft activity in the area and their proximity to an airport. The reality of airport disclosure statements can be summed up by the following statement from the senior executive at the aviation administration when he states that, *"I can testify that the best way to cripple an airport is to allow residential development to encroach. When that happens, noise disclosure documents are a flimsy attempt to rectify an obvious mistake and they fail the test of time. Sooner or later, the affected residents grow weary of the noise and pressure the airport to do something, and airport restriction are put into effect. This cycle has been proven time and time again for decades round our nation, specifically since it was addressed by our federal government in 1979. Yet, in Naples, Florida, currently residential development is as close as 1,000 feet to the active runway. Residents are dealing with immense noise issues and severely restricted operations. Torrence, California is as close as 700 feet and they are dealing with the same thing. The most egregious right now is Santa Monica, California which is 400 feet from the active runway for residential development. Due to decade of problems with noise, the airport is scheduled for official closure this decade. Even closer than the development at Santa Monica is the edge of the Destin Airport boundary which is 300 feet from the runway. There is currently planned residential development in that area. The Destin Airport brings in over \$144 million annually to the Destin economy. It is not a resource they would want to threaten or potentially lose."* She further stated that statistics show there were over 11,000 aircraft operations in July 2021 alone, which equates to 370 aircraft operations per day. Most of the homeowners who want to buy homes near the airport are not prepared to deal with what they are actually getting into no matter how much warning they are given. Federal, state, and county governments warn against it dramatically, but they cannot stop it since they do not own the land. This council is the only authority in this matter.

Councilmember Braden asked why someone other than a representative from the airport is addressing this issue with the council.

According to Ms. Rockwell, she has copies of emails from the airport director at the beginning stating that they strongly oppose the development; and then a few days later, there was

another email stating they fully support it. She is not sure of the reason for a change in sentiment toward this situation.

Ms. Maya Shulders, a Destin resident and livery operator, stated that she watched the video recording of the previous council meeting and that the tone at that meeting was not very positive with regards to the livery vessel industry. She stated that the council sets the livery vessel registration deadlines, and that livery operators are given until February 28th to register. However, the city started sending letters that contain a negative tone to their landlord on January 20th, several weeks prior to the deadline. She stated that the letter was unnecessary. The city had imposed a deadline for registration which is the date they are following. She added they want the city to treat them the way they treat the other businesses in the city.

According to Councilmember Braden, there are livery operators dealing with big issues such as parking, and they wait until the last minute to submit their applications. They know it is not going to be approved and yet they expect the city to work with them to remedy the situation.

Ms. Shulders reasoned that city staff has supposedly streamlined the application process and so it should be a lot simpler this time and the city already has most of the information in the system. If they were approved last year, they should be approved this year because of the Affidavit of No Change.

Mr. John Stephens, a Destin resident and business owner, addressed the proposed Aqua Alert Program. He recommends adding the option for business owners with vessels in the water to receive the warning during the COMPASS registration process; adding it would be a way to target more people.

Ms. Joy Sadler, a Destin resident, expressed her gratitude to the city for placing stop signs on Main and Kelly Streets, as well as on Sibert and Forrest Streets. They have helped a lot in slowing down traffic. She also recommends placing stop signs going both north and south on Calhoun Avenue at the corner of Kelly Street to make it easier for someone on Kelly Street to turn south on Calhoun Avenue.

3. CONSENT AGENDA

- A. Destin Fire District-Beach Safety Contract 2022
- B. Approval of minutes of January 18, 2022 Regular City Council Meeting
- C. Committee and Board meeting Draft Minutes

Councilmember Hebert moved for approval of Consent Agenda items 3A thru 3C, as printed above, seconded by Councilmember Braden. Motion passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Wagner and Braden voted “yes”).

4. CITY MANAGER REPORTS

- A. Quarterly Investment Report

Mr. Brian Haugen and Mr. Steve Cann of Raymond James approached the podium and informed the council they are ready to respond to questions regarding the Quarterly Investment Report provided to the council.

Councilmember Wagner inquired as to the ultimate goal for this investment or how the money will be spent.

Mr. Haugen stated that the money is earmarked for different things; but a large portion of it is for emergency reserves. There is money earmarked for the different projects in the city's strategic plan for the next several years, and that they are making sure funds are available.

Finance Director Krystal Strickland noted that the overall goal of the city's investment policy is to ensure the cash they have on hand keeps up with inflation.

B. Median Maintenance Contract, contract renewal, seeking Council direction

The City Manager noted that during the Fiscal Year 2022 continuing services contract renewal period, Council approved a motion that the median maintenance contract with ZIIC be extended for six months. That six-month period will expire at the end of March 2022. He requests authorization to execute a contract extension with ZIIC from April 1, 2022 to September 30, 2022.

Councilmember Bagby moved to authorize the City Manager to execute a contract extension with ZIIC from April 1, 2022, to September 30, 2022; seconded by Councilmember Hebert.

Councilmember Bagby noted there was an alternate motion to advertise a Request for Proposals for Median Maintenance and bring back a recommendation to council. He asked why they could not do both at this time, and whether it is staff's intention to request for another extension after September 30, 2022.

Public Works Director Michael Burgess explained that the initial 6-month extension provided to the vendor was the first of four possible extensions. If the staff and council are pleased with the level of service that they are receiving from ZIIC, the council will have the option to continue to use their services. He also stated they are in constant communications with ZIIC and are pleased with the level of service they receive as noted in the staff report and are recommending a 6-month extension at this time.

Councilmember Wagner asked whether FDOT is changing the median landscaping.

According to Mr. Burgess, FDOT's median beautification project is scheduled to begin next week. The contractor Executive Landscaping will control the median in the project area from the Marler Bridge to Airport Road, and so ZIIC will not be performing that service in that area while the project is underway.

Councilmember Schmidt asked whether the city will be charged during the period ZIIC is not performing the services.

Mr. Burgess stated that the city will not be charged for any service they did not receive.

Councilmember Schmidt stated he always had problems with landscaping companies in general. A lot of times the level of service they provide starts out great and then it goes down after a short period of time. For instance, if they drive down Main Street, the first thing they will notice is the median that looks very unattractive even though the contractor is out there every single week. He recommends having a proactive approach with their median maintenance services and not allow the level of service to fall by the wayside.

Mr. Burgess noted that the contractor performs general landscaping services – i.e., mowing, edging, weed control, tree trimming, etc. Under the new contract they will also provide irrigation inspection on a monthly basis. They are in constant contact with staff concerning any kind of deficiencies they find out in the field.

Motion passed 6-1 (Council members King, Hebert, Bagby, Destin, Wagner and Braden voted “yes”; Councilmember Schmidt voted “no”).

C. Livery Vessel Update

Code Compliance Director Joey Forgione provided the following update on livery vessel registration status:

19 livery companies

- 6 livery companies approved
- 4 livery companies uploaded documents and are in review
- 7 livery companies have not uploaded all of the required documentation
- 1 livery company cannot operate until completion of development order and is approved
- Approximate number of vessels – 480
 - 297 vessels have been registered

Councilmember Hebert commented that sending notification letters to landlords before the due date for the application are prompting property owners to think they have derelict tenants.

Mr. Forgione explained that by Florida Statutes, property owners are served with any notice of violations, which is why notification letters are being sent to property owners.

The Land Use Attorney clarified that Code Compliance staff is not sending out notices of violation at this time. They are merely sending out courtesy reminder letters to the livery vessel community that the registration deadline is approaching. The letters are intended to be helpful. The reason for the notification letter is that if they do get to the stage of the violation when somebody is not in compliance after the deadline date, the property owners are the ones that will be served with the notice of violation.

The mayor stated that these notices are just general reminders that the deadline is approaching, and that the letter contains the word “please” several times. City staff is just trying to be nice and informative.

Councilmember Bagby suggests the subject line, or the body of the letter clearly indicates it is a courtesy letter.

Councilmember Schmidt stated there is nothing wrong with city staff sending the letters out. Renewal reminders are merely common courtesies across a lot of businesses and industries. City staff is taking a proactive approach by explaining what is going to happen if a business fails to comply by the established deadline to avoid any confusion. Businesses have every right to wait until the very last day to register.

Councilmember Schmidt moved to direct the City Manager to direct staff to follow the Code Compliance 2022 Livery Vessel Registration Enforcement Plan as written, seconded by Councilmember Hebert. Motion passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Wagner and Braden voted “yes”).

D. Cross Town Connector 60% Plan Update

The City’s Engineering Assistant II Joe Bodi provided the following historical timeline and milestones on the Destin Cross Town Connector project:

- October 2014: Signed original contract with Atkins
- August 2015: 30% set of plans – several workshops on alternate Intersection designs
- March 2016: 60% set of plans – starting land acquisition process
- May 2017: 90% set of plans – working on TRIP grant and land acquisition
- July 2019: PD&E ready for city signature, original contract with Atkins stopped. City Council voted to redesign two-lane Roadway and revised PD&E Study
- May 2020: Re-engage Atkins for quote to redesign two-lane roadway and revised PD&E Study
- August 2020: Current contract with Atkins
- November 2020: 30% of plans
- January 2021: 60% set of plans city council directed redesign to reduce Right-of-way by removing bike lanes and add multi-use trails outside of roadway right-of-way

- January 2022: 60% set of plans redesigned to meet city council directive

Next, Mr. James Park of Atkins Engineering gave the following presentation:

Current Project Status:

- 60% plans submitted on December 2022
 - ❖ Plans currently under city review
- NFWFMD permit application ongoing
- At the June 7th and July 19th meeting, council directed the City Manager to utilize the following design elements to modify the typical section:
 - ❖ 12' median
 - ❖ 40' right-of-way
 - ❖ Relocating the 5' bike lanes
 - ❖ Center median may only have small trees or shrubs similar in nature to Crape Myrtles
 - ❖ The multi-use path and bike lanes will not be part of the street right-of-way but will meander through the park

Design Progression and Notable Changes:

- Removed bike lanes from the Destin Cross Town Connector roadway
 - ❖ Typical section updates
 - ❖ Roadway geometry updates
- Meandering shared use path added along DCTC and pond 2
 - ❖ Drainage and landscaping updates
- Landscaping within median and throughout corridor
 - ❖ Small shrubs/trees within median area
 - ❖ Screening trees and canopy trees along shared use path and around pond
- 3D model and proposed cross sections developed
- Grading plan updated to accommodate shared use path along pond 2
- Maintenance of traffic plans developed
- Turnaround added at the end of Sandalwood Drive

Upcoming Tasks and Milestones:

- Progress to 90% design documents
 - ❖ Update plans based on city comments
 - ❖ Finalize design elements from 60% plans
 - ❖ Develop quantities and construction cost estimate
 - ❖ Upcoming Project Milestones
 - Public Hearing February 2022
 - Reevaluation submittal April 1, 2022
 - 90% Plans Submittal April 12, 2022
 - Permit to NFWFMD June 10, 2022
 - 100% Plans Submittal July 22, 2022

Councilmember Destin inquired as to the size of the pond at the Old Campground parcel, which has been designated to be a public park area, and whether the pond is suitable as a fishing pond.

Mr. Park stated that he does not know the exact size of the pond, but the ponds are designed as dry retention ponds based on ground and roadway elevation; adding that the water table is significantly low. To have any water features or fishing ponds, the logistics to dig deep enough to get standing water is not feasible.

Councilmember Destin stated this is one feature he may not be able to support as it looks like it is taking up a large portion of the property; adding there should be other ways to store the stormwater runoff.

Councilmember Destin also noted there have been several discussions about the round-a-bout on Beach and Legion Drives and how it would affect traffic flow. Absence of some solid ways they could calm and slow down traffic, he would not be in support of a round-a-bout at that location. He would like to see some other recommendations for traffic calming measures at that location and throughout the entire corridor to avoid creating a raceway through town.

Councilmember Schmidt asked how the milestone timeline with Atkins correlate with the funding for property acquisitions.

According to Grants/Project Manager Jeff Cozadd, they currently have funding set aside this state fiscal year for property acquisition, but because of the way property values are increasing, they may need next state fiscal year's funding as well to be able to acquire all the properties.

Councilmember Wagner commented that digging deeper and reducing the left side of pond 2 could allow them to get more volume and more green space on that side.

Councilmember Bagby noted that the plan did not show the far western end of the pond. He does not believe they own the townhomes on Anna Street, and if that is the case, then the big open space on the north side is not nearly as big as they expect.

Councilmember Schmidt moved to direct the City Manager to continue the design of the Destin Cross Town Connector as presented, and to proceed with property acquisitions as much as possible. Councilmember Hebert provided a second to the motion.

The City Manager stated that a lot of recreation areas serve a dual purpose; adding that having a recreation area that doubles as retention areas when high water comes is not that unusual in parks.

Councilmember Destin requests the project engineer brings back a more detailed architectural rendering that gives a 3-dimensional vision of the Old Campground parcel so the council can evaluate the retention pond issue and its effect on the property and determine how to facilitate the recreational use of that property; and to bring back some recommendations for traffic calming features for the entire corridor. He added he would either offer a substitute motion, or he would support the motion on the floor if the motion maker would add this portion.

Councilmember Schmidt offered an amended motion to direct the City Manager to continue the design of the Destin Cross Town Connector as presented; to proceed with property acquisitions as much as possible; for the project engineer to bring back a more detailed architectural rendering that gives a 3 dimensional vision of the Old Campground parcel so the council can evaluate the retention pond issue and its effect on the property, and determine how to facilitate the recreational use of that property; and to bring back some recommendations for traffic calming features for the entire corridor. Councilmember Hebert provided a second to the amended motion. Motion passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Wagner and Braden voted “yes”).

E. Resolution for State Oversight of Condo Maintenance

The City Manager noted that the council previously directed staff to bring back a resolution addressed to the State Legislature requesting they strengthen the state’s oversight of condominium maintenance by raising the threshold for owners to waive raising the necessary money to protect their investment.

Councilmember Bagby moved to approve Resolution 22-03 and direct the City Clerk to forward copies of the resolution to Governor DeSantis, the State Legislature including Representative Maney and Senator Gainer, and Casey Cook at the Florida League of Cities. Councilmember Braden provided a second to the motion, which passes 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Wagner and Braden voted “yes”).

F. Announcements:

- City of Destin Craft Show to be held on Friday, February 11th, and Saturday, February 12th, from 9:00 AM to 3:00 PM, at the Destin Community Center
- City facilities will be closed on Monday, February 21st for the President’s Day Holiday. The next City Council meeting and the Mayor’s State of the City will be held on Tuesday, February 22nd.
- The PD&E for US Hwy 98, between Airport Road and Calhoun Avenue is underway. The city has posted a flyer provided by FDOT on the website. The flyer gives the timeline and mission objectives of the project. The FDOT will be asking the city for ideas on how to improve the intersections, especially the Stahlman Avenue/US Hwy 98 intersection.

5. PUBLIC HEARINGS

A. First reading of Ordinance 22-01-CN - Temporary Moratorium on Construction of Docking Facilities

The City Attorney read Ordinance 22-01-CN by title, and then presented it to the council on first reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA RELATING TO CONSTRUCTION OF DOCKING FACILITIES; ESTABLISHING A TEMPORARY MORATORIUM ON

CONSTRUCTION OF NEW DOCKING FACILITIES THAT WERE NOT APPROVED AS OF THE TIME OF ENACTMENT OF SUCH TEMPORARY MORATORIUM; EXEMPTING EXISTING AND PREVIOUSLY APPROVED DOCKING FACILITIES; PROVIDING FOR FINDINGS OF FACT; DIRECTING STAFF TO DEVELOP RECOMMENDATIONS FOR REGULATION OF NEW DOCKING FACILITIES; PROVIDING FOR SEVERABILITY; PROVIDING FOR EXPIRATION OF MORATORIUM; AND PROVIDING FOR AN EFFECTIVE DATE.

The mayor opened a public hearing to receive comments for or against the proposed ordinance.

Having no further comments from the public, the mayor closed the public hearing.

Councilmember Schmidt moved for approval of proposed Ordinance 22-01-CN on first reading, seconded by Councilmember King.

Councilmember Hebert asked why this temporary moratorium on construction of docking facilities is necessary.

Councilmember Schmidt noted he made the motion to direct staff to prepare this ordinance during the meeting when they were discussing the marina development. He felt no one should be constructing any new docking facilities until after completion of the Harbor Capacity Study.

Motion failed 3-4 (Council members Schmidt, King and Braden voted “yes”; Council members Hebert, Bagby, Destin, and Wagner voted “no”).

B. First reading of Ordinance 22-04-CN - Reduction of Speed Limit on Airport Road, 98 Palms Blvd, and Azalea Drive

The City Attorney read Ordinance 22-04-CN by title, and then presented it to the council on first reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA; PROVIDING FOR THE REDUCTION OF THE SPEED LIMIT ON THE ENTIRETY OF AIRPORT ROAD FROM ITS INTERSECTION WITH US HIGHWAY 98 TO ITS INTERSECTION WITH MAIN STREET, A DISTANCE OF 8500+/- FEET; PROVIDING FOR THE REDUCTION OF THE SPEED LIMIT ON THE ENTIRETY OF 98 PALMS BOULEVARD FROM ITS INTERSECTION WITH MAIN STREET TO ITS TERMINATION AT A PRIVATE ROAD SERVICING A SHOPPING COMPLEX, A DISTANCE OF 1200+/- FEET; PROVIDING FOR THE REDUCTION OF THE SPEED LIMIT ON THE ENTIRETY OF AZALEA DRIVE FROM ITS INTERSECTION WITH STAHLMAN AVENUE TO ITS INTERSECTION WITH BENNING DRIVE, A DISTANCE OF 3700+/- FEET; PROVIDING FOR AUTHORITY; PROVIDING FOR PENALTIES; 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 and turned the matter over to the city council for their discussion and consideration.

Councilmember Braden stated that he does not see the logic behind reducing the speed on Airport Road to 30 mph.

The mayor stated that the rationale behind it was safety. Most drivers usually go 10 miles above the speed limit thinking they will not receive a citation for doing so. They have approved low speed vehicles, that could only go about 27 mph, to be driven on Airport Road.

Councilmember Hebert moved for approval of proposed Ordinance 22-04-CN on first reading; seconded by Councilmember Bagby. Motion passed 5-2 (Council members Schmidt, King, Hebert, Bagby, and Destin voted “yes”; Council members Wagner and Braden voted “no”).

- C. Proposed Conditional Use 21-33-CU – Legacy Townhomes at 98 Palms. The Applicant is requesting consideration of Conditional Use 21-33-CU, for a Major Development Order and a Major Subdivision (City of Destin project number 21-25-SP and 21-26-MS). This project includes the subdivision and the construction of a ±66-unit Town-home complex, along with the required site infrastructure to be located at Parcel ID(s) 00-2S-22-0098-0000-001A, 00-2S-22-6401-0000-0040, and 00-2S-22-0000-0013-0000.

The City Attorney sworn in the following individual for testimony:

- Louis Zunguze – Community Development Director
- Joe Bodi – Engineering Assistant II
- Steve O’Connor – Principal Planner
- Daniel Butler – Senior Planner

The City Attorney asked whether the mayor and any members of the council have had any ex-parte communications on this matter.

- Mayor Jarvis – none
- Councilmember Schmidt – none
- Councilmember King – none
- Councilmember Hebert – none
- Councilmember Bagby – none
- Councilmember Wagner – none
- Councilmember Braden – none
- Councilmember Destin – Has had a conversation with a citizen complaining about having too many townhomes in the City of Destin. He stated this will not affect his ability to look at this issue in a fair manner.

The Land Use Attorney requested that the entire staff report as well as all the exhibits for this item be admitted into the record as the City’s Composite Exhibit A.

The City Attorney asked the attorney representing the applicant if he has any objections to the entire staff report and all the exhibits being admitted into the record. No objections.

Senior Planner Daniel Butler presented the item. He stated that the applicant is requesting a Conditional Use approval for a 66-unit townhome complex to be located along Palm Street and 98 Palms Boulevard. The existing site is 5.59 acres. The proposed site is in the Town Center Mixed Use (TCMU) Zoning District. The proposed use of multi-family is in line with the intent

of the TCMU zoning district. The proposed use has been reviewed and analyzed based on the Future Land Use Element of the Comprehensive Plan and criteria for conditional uses outlined in the Land Development Code. As proposed, the project meets the land development standards and regulations outlined in the Land Development Code and the policies and objectives of the Comprehensive Plan.

Councilmember Hebert asked whether there will be a traffic study to be conducted to determine how this 66-unit townhomes will impact the already congested roads.

The Land Use Attorney clarified this is only for Conditional Use approval. Assuming the council approves the Conditional Use tonight, there will be a Major Development Order which would include much more detailed information about the proposed project that will come back before the council for approval. She also stated the applicant will be required to do a traffic study.

Mr. Butler stated that there is a city ordinance that requires a traffic study be conducted, and that they are analyzed based on peak hour trips.

Councilmember Schmidt indicates that section 1 of the staff report states, “there are no anticipated off-site impacts.” He asked for clarifications regarding that statement.

Mr. Butler explained that “off-site impacts” relate to such things as noise, lighting, and pollution. For instance, a car repair shop may give up noise and pollution from exhaust fumes.

Councilmember Braden noted that FDOT has given US Hwy 98 an “F” rating, and that if they 4-lane Airport Road, Legion Drive and Azalea Drive, they would also receive an “F” rating. He stated they need to start worrying about traffic and road infrastructure and start limiting new developments.

Mr. Zunguze explained that from the overall development standpoint, they have certain areas in the city designated for certain development intensities. This area being in the Town Center requires a certain level of density. If they look through the policies in the Comprehensive Plan, this is the area with the highest densities in the city. There is a requirement among these policies to provide as much support and services to that area to minimize the amount of trouble people have to go through to do such things as grocery shopping and the like. The city is only 7 square miles long, and they must try to manage the density and development that they have the best they can. Part of what they will be discussing will be the new code and the planning areas. They will try to have a robust discussion as to which direction they are headed and re-calibrate their land use regulation accordingly.

Councilmember Destin asked for the exact definition of mixed-use.

Mr. Butler explained that in land use and transit planning generally refer to different compatible land uses located within a single structure or in proximity to each other.

Councilmember Destin stated that since this is a conditional use, the condition should be for the applicant to be able to address how this project would impact traffic and the infrastructure needs in the city.

Councilmember Bagby would like staff to conduct a thorough review of the landscaping and drainage plans before this project comes back as a development order. He stated that when they put the Live Oaks and Pine Trees on the two drainage retention ponds, it would only take two seasons for them to fill up and stop serving as retention ponds. He added there ought to be some agreement they would maintain those at the depth constructed and approved in the plan.

The Land Use Attorney announced that prior to tonight's meeting, she met with the applicant's attorney, Stephen Tatum, from Matthews & Jones, about traffic concern, and that he had agreed to put in a condition on the conditional use that traffic concerns will be addressed in the development order application when it goes before this council. She then asked whether Mr. Tatum would agree to Councilmember Bagby's request regarding the stormwater drainage issue.

Mr. Tatum stated they have no problem with Councilmember Bagby's request with regards to the retention ponds. They would welcome any kind of conditions that states they must abide by the city's stormwater standards. There should be conditions in the Covenants, Conditions and Restrictions (CC&R) that maintenance of the pond will be the responsibility of the homeowner's association; adding that this issue should be addressed by the time they come back to the council with the development order.

Mr. Tatum also pointed out that the proposed site plan for the 66 town home units is 12 dwelling units per acre, and the allowed density at TCMU is 24, and so they are a lot less than the maximum allowable density. He continued that a traffic study has already been performed and submitted. The PM peak hour time frame shows there will be 41 trips. The traffic engineer who performed the study believes most people would travel through the shopping center by the MacDonald Restaurant instead of the intersection. The trip generation showed 7 trips east bound from the Marler Bridge that would turn left onto Palm Drive, and 3 trips that would be trying to turn left out of Palm Drive, heading back east of US Hwy 98 during the PM peak hours.

Mr. Tatum also explained the thought process behind the changes that happened several years ago making apartments conditional uses. He stated that apartments become a conditional use so they could try to regulate and control them. The mixed-use townhome development provides the ability for individual home ownership. Individual townhome lot would be plotted, sold, and owned fee simple by individuals. The price would be lower than an average single-family home on a quarter acre of land in the city because the cost for construction would be lower.

The mayor opened a public hearing to receive comments for or against the proposed development.

Ms. Jeannie Hopkins, a Destin resident, asked whether the town homes will be permanent residence only or if they will be allowed to be used as short-term rental properties.

According to the Land Use Attorney, that option is currently not being pursued and so short-term rental is not allowed at this time. If something changes before the development order is written, the development order that will be presented to council for approval will address whether short-term rental will be allowed.

Mr. Todd Buhr, a Destin resident, noted that short-term rental is a conditional use in the TCMU zoning area, and that the applicant would have to apply for another conditional use. He urged the council to state it clearly as a condition for development approval that these town homes are strictly for single-family residential use and will not be used as short-term rental properties; and that it be memorialized in the ordinance to make it harder to change. This will also be in line with the city's prioritized customer groups of year-round residents as number one, Destin-based businesses as number two, and visitors as number three.

Having no further comments from the public, the mayor closed the public hearing portion of the proceeding and turned the matter over to the city council for their discussion and consideration.

Councilmember Bagby moved for approval of proposed Conditional Use 21-33-CU, which approval will be subject to additional applications for a Major Development Order, Major Subdivision, and all applicable city and state permits. Development Order conditions will include no short-term rentals will be allowed on the property, and that traffic issues will be addressed. Councilmember King provided a second to the motion. Motion passed 6-1 (Council members Schmidt, King, Hebert, Bagby, Destin, and Wagner voted "yes"; Councilmember Braden voted "no").

- D. First reading of Ordinance 22-02-PC - Amending Comprehensive Plan: 2020; Amending Chapter 1 - Future Land Use Element; establishing the following Planning Areas within the City of Destin: Airport, Crystal Beach, Gulf Resort, Harbor, Henderson Beach, Holiday Isle, Town Center Commons, and Objectives relating to such Planning Areas.

The city attorney read Ordinance 22-02-PC by title, and then presented it to the city council on first reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING ITS COMPREHENSIVE PLAN: 2020; PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR TITLE; PROVIDING FOR JURISDICTION; PROVIDING FOR INTENT; AMENDING CHAPTER 1 - FUTURE LAND USE ELEMENT; ESTABLISHING THE FOLLOWING PLANNING AREAS WITHIN THE CITY OF DESTIN: AIRPORT, CRYSTAL BEACH, GULF RESORT, HARBOR, HENDERSON BEACH, HOLIDAY ISLE, TOWN CENTER COMMONS, AND VILLAGE PLANNING AREAS, AS GENERALLY DEPICTED ON THE MAP ATTACHED HERETO AS EXHIBIT A; PROVIDING FOR GOALS, POLICIES AND OBJECTIVES RELATING TO SUCH PLANNING AREAS; PROVIDING FOR TRANSMITTAL TO THE FLORIDA DEPARTMENT OF ECONOMIC OPPORTUNITY; PROVIDING FOR INCORPORATION INTO THE COMPREHENSIVE PLAN; PROVIDING FOR SEVERABILITY; AND PROVIDING 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 of the proceeding and turned the matter over to the city council for their discussion and consideration.

Councilmember Hebert moved to approve, with modifications, the proposed Planning Areas for incorporation into the Comprehensive Plan and Future Land Use Map; seconded by Councilmember Destin.

Modifications to Ordinance 22-02-PC:

Page 4: The Crystal Beach Planning Area: Change the first sentence to read, *“The Crystal Beach Planning Area, as the Eastern gateway to the city, is intended to highlight all that Destin has to offer, from the quality commercial corridor along Hwy 98, through the family-friendly vacation destination and single-family neighborhoods, to the White Sand Beaches of Crystal Beach..”*

Page 4: The Crystal Beach Planning Area: Change second sentence to read, *“In recent years, the increase in investor-owned short-term rentals within Crystal Beach has presented new challenges for the City of Destin to manage.”*

Page 4: The Harbor Planning Area: Remove the term “festive” from this planning area as recommended by both Local Planning Agency and Parks and Recreation Committee.

Motion passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Wagner, and Braden voted “yes” _).

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

A. Councilmember Braden

B. Councilmember Wagner

1. Environmental Committee

Councilmember Wagner moved for the council to authorize him to schedule a workshop with staff and other pertinent entities to discuss the revitalization of the Environmental Committee to include changing its name and its mission/charter into something along the line of future proofing their ecosystem, and to include the possibility of incorporating this committee with an existing committee, and then bringing back a recommendation to council passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Wagner, and Braden voting “yes”).

C. Councilmember Destin

Motion by Councilmember Destin, seconded by Councilmember Bagby, to direct the mayor to work with city staff in moving forward with the Aqua Alert program and bringing it into fruition passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Wagner, and Braden voting “yes”).

D. Councilmember Bagby

E. Councilmember Hebert

F. Councilmember King

G. Councilmember Schmidt

1. Livery Vessel Application Process

Item discussed earlier in the meeting.

2. Eastbound Legion/Main Intersection

Councilmember Schmidt requests city staff reevaluates the turning movements from east bound travel lanes on Legion Drive to Main Street and Airport Road and present some options for improving that intersection to council in preparation for the Destin crosstown connector project.

H. Mayor Jarvis

1. Aqua Alert Program

Item discussed earlier in the meeting.

I. Land Use Attorney

J. City Attorney

7. PUBLIC COMMENTS

Having no further business at this time, the meeting was adjourned at 10:00 PM.

Gary Jarvis, Mayor

ATTEST:

Rey Bailey, City Clerk

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022
TYPE OF AGENDA ITEM: Consent Agenda
AGENDA OUTLINE NUMBER: 3.E.

TO: City Council

THRU:

FROM:

DATE:

SUBJECT: Draft Minutes of Board and Committee Meetings

I. BACKGROUND:

II. DISCUSSION:

- A. Link to Strategic Goals / Objectives:**
- B. Effect on Budget (EOB):**
- C. Level of Service (LOS):**

III. CONCLUSION:

IV. RECOMMENDED MOTION:

Attachments:

1. 2-8-22pwps

**PUBLIC WORKS/PUBLIC SAFETY COMMITTEE
MEETING MINUTES
TUESDAY, FEBRUARY 8, 2022 - 5:30 PM
DESTIN CITY HALL BOARDROOM**

1. CALL TO ORDER & PLEDGE OF ALLEGIANCE:

Chairman Wood called the Public Works/Public Safety Committee to order on Tuesday, February 8, 2022, at 5:30 p.m. With the Pledge of Allegiance immediately following.

2. ROLL CALL:

Members Present

James T. Wood, Jr.
Tom Weidenhamer
Sam Perman
John Stephens
Marcie Bell
John Green

Members Absent

Mark Brown

Staff

Kim Montgomery Deputy City Clerk
Michael Burgess PW Director
JT Hart PW Deputy Director

3. APPROVAL OF MINUTES: January 11, 2022

Committee member Weidenhamer moved to approve the January 11, 2022 minutes as written, with Committee member Stephens providing the second. A roll call vote of 6-0 was taken and the motion passed.

4. NEW BUSINESS:

- **Beach Safety Program – Joe D’Agostino**

Mr. D’Agostino spoke of how the program is going into its 19th season and described how was created because of the 25 drowning deaths that occurred in 2003 between Panama City and Pensacola. He explained their beach service is now the largest in the Panhandle because starting this year, they will now be providing lifeguard services to the Henderson Beach State Park for the first time. The program will start the on the first Saturday in March and run through the last Sunday in October. He provided the members with the shift plans and lifeguard beach coverage they will have during spring break, peak summer, and the end of the season.

Committee member Perman asked about the flag system and how that works.

Mr. D’Agostino explained that the only park that has a flag system on the west side of Henderson State Park is June White Decker Park therefore, they use virtual flags to push the information out about the surf conditions to the public through Facebook because most of the beaches are private property. There was a brief discussion about the beach accesses at Norriego Point.

- **Lt. Jason Fulghum – OCSO**

Explained that Spring Break starts early this year on February 26th and runs through April 24th and spoke of how the Sheriff’s Office estimates this year will be just as busy if not busier than last year. He described the coverage they will have and how they will continue to write Notice to Appear tickets

instead of arresting and taking the individuals to jail, because of the ongoing Covid Pandemic. Adding unless they are more serious offenses than underage drinking.

Lt. Fulghum also spoke of how most of the problems they encounter are from High School aged teens and how the Sheriff's Office will obtain a blanket trespass warrants and issue trespassing to the teens that congregate on the beach behind private properties. Noting they seem to have the most problems behind the Back Porch Restaurant. He also discussed the marine units they have, where they patrol and how their jurisdiction goes 9-miles out into the Gulf.

Mr. Burgess spoke of the Aqua Alert that is being put together similar to the Amber Alerts but for water related emergencies, and how it came about from the missing kayaker who was never found.

5. CONTINUING BUSINESS:

➤ Variable Message Board Signs

Mr. Burgess explained that staff is asking for the Committee to consider using some of the surtax funds to purchase 4-units. He explained they're solar powered and can be used to provide power for emergency situations for power is loss and many other situations where they may be needed. He explained the funds for the purchase are in a revenue account would need to be transferred to a budgeted line item. And, to do so, a budget amendment adopted through an ordinance is necessary. Adding the Finance Director, Krystal Strickland will attend their meeting in March and will explain the process.

Motion by Committee member Bell, seconded by Committee member Weidenhamer to support the purchase of the three Variable Message Board Signs. The motion passed 6-0.

➤ Resurfacing, Milling and Restriping Scenic Hwy. 98 Matthew Blvd. to Cobia Street

Mr. Burgess described the condition of this roadway to the members and how after receiving a quote for the repair, the decision was made to resurface the area based on cost effectiveness.

Motion by Committee member Perman, seconded by Committee member Bell to support the resurfacing of Scenic Hwy. 98 from Matthew Blvd. to Cobia Street. The motion passed 6-0.

➤ Restriping of Azalea Street

Mr. Burgess explained this is a walk-on item stemmed from receiving a complaint from a citizen who said they almost got in a traffic accident because the lanes could not be differentiated. Additionally, he has not received a quote for the cost yet but just wanted to let them know of the situation and he will take this to City Council for their consideration, once the quote is received.

➤ Stormwater Concerns

The Chairman announced that there is not anyone in the public present to discuss this item.

➤ Public Works/Emergency Management Update

▪ **Draft Road Striping Policy** – Mr. Burgess explained that he is being more selective in this process than how it was handled in the past. Essentially, when a collector road is milled and resurfaced, the entire area will get the full treatment, and anything not on the list will just get the basic striping treatments on a as needed basis.

▪ **Departmental Update:**

Currently, the Maintenance Technician/Mechanic is still open with no qualified applicants to date and the base salary is \$15.50/hr. And if the members know of anyone to please ask them to come apply.

▪ **Operational Update:**

- Median Maintenance Contract Renewal - ZIIC. Explained that last year this contract was only renewed for 6-months, and Council approved the remaining 6-months at their meeting last month.
- Lowering Speed Limits from 35 mph to 30 mph on Airport Road, Azalea and Palms Blvd Ordinance was approved at the 1st reading.
- Facilities Needs Assessment Bid explained the process of how the city buildings will get assessed for their condition and what will need to be done in the future.
- Harbor Pump is operational and is currently running on its winter schedule. There currently is an electrical issue and the contractor is scheduled to address the problem.
- Sidewalks repairs are underway.
- LED Streetlight Conversion – Phase I is underway.
- Legion Street Sinkhole is on schedule for repair.
- Debris Management Contracts have been renewed.
- Median Improvement Project on Hwy 98 from the Marler Bridge to Airport Road is scheduled to begin the second week of February with the first phase being the installation on new conduit for the irrigation pumps, then they'll start removing the existing ground cover bushes and replace them with Oaks, Ilex trees and other plantings.

7. MEMBER COMMENTS:

- **Chairman Wood** – Spoke of the importance being cognizant and the need to make eye contact with the drivers at the pedestrian crosswalks located at both Beach and Benning when crossing. Because of the drivers who may run the red light.
- **Committee member Bell** – Asked for conformation that the replacement of the lights on Gulf Shore Drive will not be the bright LED lights. According to Mr. Burgess, those will be replaced with turtle rated lights. She also spoke of the need to have the pedestrian crossings at Moreno and Norriego on Gulf Shore Drive with some sort of warning lighting installed to alert drivers at night that there are pedestrians present and wanting to cross because of blind spots or simply they blend in with the surroundings, when barely clothed.
- **Committee member Stephens** – Mentioned there is a pothole on Zerbe St./Sibert Ave. in need of repair.
- **Committee member Perman** – Reported that there a 3-way stop should be considered at Calhoun Ave. and Kelly Street because of the curve. She also asked if there is a law that people on paddleboards have to be tethered to their boards.

There was a brief discussion regarding speed humps, speed tables, the associated cost, and how they are installed and several locations in the city where they should be considered. As well as the process involved for approval.

Having no further business at this time, the meeting adjourned at 7:10 p.m.

Adopted and approved this _____ day of _____ 2022.

James T. Wood, Jr., Chairman

Kim Montgomery, Deputy City Clerk

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022

TYPE OF AGENDA ITEM: Consent Agenda

AGENDA OUTLINE NUMBER: 3.F.

TO: City Council

THRU: Lance Johnson, City Manager
Kyle Bauman, City Attorney

FROM: Michael Burgess, Public Services Director

DATE: 03/02/2022

SUBJECT: FDOT Lighting Agreement, 22 additional crosswalk lights on US98

I. BACKGROUND: The Florida Department of Transportation has submitted, for the City Manager's signature, an agreement for the City to assume payment of the power costs associated with 22 additional crosswalk streetlights.

II. DISCUSSION: The FDOT has requested the City to sign and return Form 23, Assignment of Lighting Service Contract Rate Schedule OS (Part I/II), associated with the recent installation of 22 crosswalk lighting fixtures on US98. The agreement is included as ATT1. The City's current State Highway Lighting, Maintenance, and Compensation Agreement with FDOT is included as ATT2.

A. Link to Strategic Goals / Objectives: from Strategic Goals 2026:

- 4. Enhanced quality of life and safety for families
- 6. Effective, efficient, and aesthetically pleasing infrastructure

B. Effect on Budget (EOB): The maximum back billing for these lighting services is October 2021, the date the project construction was completed. Compensation for this assumption of these lights is discussed within the City's current agreement with FDOT included as ATT2. The City will receive \$50,074.20 from FDOT under the current agreement for FY22 (per page 2 of ATT2), a sum that will increase by approximately 3% for FY23.

C. Level of Service (LOS): Improved streetlighting at crosswalks along the Hwy98 corridor.

III. CONCLUSION: By approving this item, the City will assume the billing responsibility for 22 crosswalk streetlights associated with a recent FDOT lighting project.

IV. RECOMMENDED MOTION: I move that the City Manager be authorized to execute Form 23, Assignment of Lighting Service Contract, for 22 crosswalk streetlighting fixtures.

Attachments:

1. ATT1: Gulf Power "Form 23" for 22 crosswalk lights
2. ATT2: Destin-FDOT Highway Lighting Maintenance and Compensation Agreement 2021

Section VII
Third Revised Sheet No. 7.54
Canceling Second Revised Sheet No. 7.54

**GULF POWER COMPANY
ASSIGNMENT OF LIGHTING SERVICE CONTRACT
RATE SCHEDULE OS (PART VII)
Form 23**

Contract No. 18-3915

This agreement made this 24 day of August, 2018, by and between
The Florida Department of Transportation, the

check one

- ☒ Applicant named in the CONTRACT FOR STREET AND GENERAL AREA LIGHTING SERVICE (Gulf Power Form 5) dated 8/24/2018, said agreement being attached hereto and incorporated herein by reference (and hereafter called "the Contract"),
- ☐ Applicant named in the RELAMPING SERVICE AGREEMENT CUSTOMER-OWNED STREET AND GENERAL AREA LIGHTING (Gulf Power Form 19) dated _____, said agreement being attached hereto and incorporated herein by reference (and hereafter called "the Contract"),
- ☐ Applicant named in the CUSTOMER-OWNED LIGHTING AGREEMENT (WITHOUT RELAMPING SERVICE PROVISIONS (Gulf Power Form 24) dated _____, said agreement being attached hereto and incorporated herein by reference (and hereafter called "the Contract"),

(said party hereinafter called "the Assigning Party"), and City of Destin (22 Fixtures)

_____, the assignee (said party hereinafter called "the Customer"), is for the purpose of transferring and assigning all future rights and obligations the Assigning Party has with regard to the lighting service provided by Gulf Power Company ("Gulf Power" or "the Company") pursuant to the Contract at the location(s) specified therein. Subject to the consent and acceptance of this agreement by Gulf Power, effective on the date of this agreement the assignee agrees to assume all obligations of the Contract. This assignment does not release the Assigning Party from any liabilities and obligations incurred prior to the effective date of this agreement.

DocuSigned by:

Jared Perdue, P.E.

862D6B01F4FF447...

Assigning Party

12/21/2018 | 4:28 PM EST

Assignee/Customer

DocuSigned by:

[Signature]

33EBF73DC4FC496...

12/21/2018 | 8:54 AM EST

CONSENT TO ASSIGNMENT

Gulf Power Company hereby grants in writing its consent to the assignment of the attached Contract from the Assigning Party to the Assignee/Customer each named above. Nothing contained herein, however, shall serve to discharge the Assigning Party or its sureties, from any liability previously accrued under the Contract.

GULF POWER COMPANY

By

[Signature]
Authorized Company Representative

Date

12-18-18

W.E. Smith
VP

ISSUED BY:

Susan Story

EFFECTIVE: February 23, 2006

Attest:

Tracy G. Clark
Tracy G. Clark, Assistant Secretary

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION
**STATE HIGHWAY LIGHTING, MAINTENANCE, AND
 COMPENSATION AGREEMENT**

375-020-52
 MAINTENANCE
 OGC – 02/21
 Page 1 of 8

CONTRACT NO. ASN01
 FINANCIAL PROJECT NO. 40549917842
 F.E.I.D. NO. 592480854007

THIS AGREEMENT, entered into this July day of 1, year of 2021, by and between the **STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION**, hereinafter referred to as "**FDOT**", and City of Destin, hereinafter referred to as the "**MAINTAINING AGENCY**";

WITNESSETH:

WHEREAS, **FDOT** is authorized under Sections 334.044 and 335.055, Florida Statutes, to enter into this Agreement, and the **MAINTAINING AGENCY** has the authority to enter into this Agreement and to undertake the maintenance and operation of lighting on the State Highway System; and

WHEREAS, the **MAINTAINING AGENCY** has authorized its undersigned officers to enter into and execute this Agreement;

WHEREAS, **FDOT** has identified sites where lighting and/or lighting systems, hereinafter referred to as "Facilities", are located on the State Highway System within the jurisdictional boundaries of the **MAINTAINING AGENCY**. A list of the Facilities is included as Exhibit A, attached hereto and incorporated herein.

WHEREAS, the **MAINTAINING AGENCY** agrees to maintain the Facilities as further set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, **FDOT** and the **MAINTAINING AGENCY** hereby agree as follows:

1. Maintenance of Facilities

- a. The **MAINTAINING AGENCY** shall maintain the Facilities listed in Exhibit A. The Facilities may include lighting for roadways, as well as park and ride, pedestrian overpasses, and recreational areas owned by or located on the property of **FDOT**. The Facilities shall not include lighting located in weigh stations, rest areas, or on Interstate highways.

The location and type of lighting to be maintained pursuant to this Agreement is set forth in Exhibit A. Any changes or modifications to Exhibit A must be in writing and signed by both **FDOT** and the **MAINTAINING AGENCY**. Any Facilities added to Exhibit A during the **FDOT's** fiscal year shall be maintained and operated by the **MAINTAINING AGENCY** upon the **FDOT's** final acceptance of installation of any new lighting and/or lighting systems. Prior to the start of each new fiscal year, the **MAINTAINING AGENCY** and **FDOT** shall amend Exhibit A to reflect any changes to the Facilities, including addition, removal, or change in lighting type maintained pursuant to this Agreement.

The **MAINTAINING AGENCY** will be compensated for Facilities added to Exhibit A by amendment of this Agreement in the **FDOT's** fiscal year occurring after the lighting and/or lighting systems are installed and final acceptance of such installation is given by **FDOT**. In the event that no change is made to the previous year's Exhibit A, a certification from the **MAINTAINING AGENCY** shall be provided to **FDOT** certifying that no change has been made to Exhibit A during **FDOT's** previous fiscal year. Unless stated otherwise, all references to fiscal years within this agreement refer to **FDOT's** fiscal year, beginning July 1st and ending June 30th.

- b. In maintaining the Facilities, the **MAINTAINING AGENCY** shall perform all activities necessary to keep the Facilities fully operating, properly functioning, with a minimum of 90% of the lights burning for any lighting type (e.g., high mast, standard, underdeck, and sign) or roadway system at all times in accordance with the original design thereof, whether necessitated by normal wear and tear, accidental or intentional damage, or acts of nature. Required maintenance includes, but is not limited to, providing electrical power and paying all charges associated therewith, routine inspection and testing, preventative maintenance, emergency maintenance, replacement of any component parts of the Facilities (including the poles and any and all other component parts installed as part of the Facilities), and locating (both vertically and horizontally) the Facilities. All repairs or replacement will be in kind unless a variance is approved in writing by **FDOT**.

- c. All maintenance must be in accordance with the provisions of the following:
- (1) Manual of Uniform Traffic Control Devices; and
 - (2) All other applicable local, state, or federal laws, rules, resolutions, or ordinances, and **FDOT** procedures.
- d. For lighting installed as part of a **FDOT** project, the **MAINTAINING AGENCY's** obligation to maintain the Facility commences upon the **MAINTAINING AGENCY's** receipt of notification from **FDOT** that **FDOT** has formally accepted the project, except for the obligation to provide for electrical power, which obligation to provide for electrical power commences at such time as the lighting system is ready to be energized; provided, however, that the **MAINTAINING AGENCY** is not required to perform any activities which are the responsibilities of **FDOT's** contractor.
- Prior to acceptance by **FDOT**, the **MAINTAINING AGENCY** shall have the opportunity to inspect and request modifications/corrections to the installation(s). **FDOT** agrees to make modifications/corrections prior to acceptance so long as the modifications/corrections comply with the installation contract documents and specifications.
- e. The term for this Agreement is seven (7) years. Either party may terminate this Agreement by a notice of termination. The notice of termination must be in writing. Should the **MAINTAINING AGENCY** choose to terminate the Agreement, the **MAINTAINING AGENCY** shall provide a minimum notice period of two (2) fiscal years prior to the effective date of termination and the notice shall be endorsed by the elected body (County Commission, City Council, or local agency governing body) under which the Agency operates. The effective date of the termination will coincide with the end of the **FDOT's** fiscal year of June 30th following the two-year notice.

The termination of this Agreement will not terminate maintenance responsibilities for lighting owned by the **MAINTAINING AGENCY**. Maintenance obligations for lights owned by the **MAINTAINING AGENCY** will remain the responsibility of the **MAINTAINING AGENCY**. Nor does termination of this Agreement operate to relieve the **MAINTAINING AGENCY** of any maintenance obligations contained in other agreements. Maintenance of lights governed by a separate maintenance agreement will continue per the terms of that separate maintenance agreement.

2. Compensation and Payment

FDOT shall pay to the **MAINTAINING AGENCY** a sum of \$ 50,074.20 for the fiscal year in which this Agreement is signed. Payments will be calculated and made in accordance with Exhibit A.

Prior to the beginning of each fiscal year, the **MAINTAINING AGENCY** shall submit an amended Exhibit A or a certification of no change to Exhibit A and **FDOT** and the **MAINTAINING AGENCY** shall agree on the amount and percentage of lighting to be paid for the coming fiscal year. **FDOT** will issue a work order confirming the amount and authorizing the performance of maintenance for each new fiscal year. The work order must be an **FDOT**-signed letter of authorization to the **MAINTAINING AGENCY** with a subject line containing the terms "State Highway Lighting, Maintenance, and Compensation Agreement work order". The work order must reflect the contract number, financial project number, FEID No. of the **MAINTAINING AGENCY**, the fiscal year, the percentage of lighting funded and the lump sum amount to be paid for the fiscal year indicated. The work order must be signed by the **MAINTAINING AGENCY** and returned to **FDOT**. Failure by the **MAINTAINING AGENCY** to take any of the actions required by this paragraph may result in nonpayment by **FDOT**.

FDOT expressly assigns its rights, interests and privileges pertaining to damage to Facilities caused by third parties to the **MAINTAINING AGENCY**, so they may pursue all claims and causes of actions against the third parties responsible for the damage. **FDOT** will assist the **MAINTAINING AGENCY** and will confirm the **MAINTAINING AGENCY's** authorization to pursue recovery. The **MAINTAINING AGENCY** will be responsible for all attorneys' fees and litigation costs incurred in its recovery activities.

3. Record Keeping

The **MAINTAINING AGENCY** shall keep records of all activities and report all maintenance performed and replacement components and parts installed pursuant to this Agreement. The records shall be kept in an electronic format approved by **FDOT**.

Records shall be maintained and made available upon request to **FDOT** during the period of this Agreement and for three (3) years after final payment for the work pursuant to this Agreement is made. Copies of these documents and records will be furnished to **FDOT** upon request.

4. Invoicing

The **MAINTAINING AGENCY** shall invoice **FDOT** annually in a format acceptable to the **FDOT**. Invoices must be submitted no earlier than May 1 and no later than June 15 of the fiscal year in which the services were provided in order to be processed for payment by June 30.

Upon receipt, **FDOT** has five (5) working days to inspect and approve the goods and services. **FDOT** has twenty (20) days to deliver a request for payment (voucher) to the Department of Financial Services. The twenty (20) days are measured from the latter of the date the invoice is received or the goods or services are received, inspected, and approved.

If a payment is not available within forty (40) days, a separate interest penalty at a rate as established pursuant to Section 215.422, Florida Statutes, will be due and payable, in addition to the invoice amount, to the **MAINTAINING AGENCY**. Interest penalties of less than one (1) dollar will not be enforced unless the **MAINTAINING AGENCY** requests payment. Invoices returned to a **MAINTAINING AGENCY** because of **MAINTAINING AGENCY** preparation errors will result in a delay in the payment. The invoice payment requirements do not start until a properly completed invoice is provided to **FDOT**.

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this individual include acting as an advocate for contractors/vendors who may be experiencing problems in obtaining timely payment(s) from a state agency. The Vendor Ombudsman may be contacted at (850) 410-9724 or by calling the Chief Financial Officer's Hotline, 1-800-848-3792.

The State of Florida's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. In the event this Agreement is in excess of \$25,000 and has a term for a period of more than one (1) year, the provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated:

FDOT, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection shall be null and void, and no money may be paid on such contract. **FDOT** shall require a statement from the Comptroller of **FDOT** that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of **FDOT** which are for an amount in excess of \$25,000 and which have a term for a period of more than 1 year.

5. Default

In the event that the **MAINTAINING AGENCY** breaches any provision of this Agreement, then in addition to any other remedies which are otherwise provided for in this Agreement, **FDOT** may exercise one or more of the following options, provided that at no time may **FDOT** be entitled to receive double recovery of damages:

- a. Pursue a claim for damages suffered by **FDOT** or the public.
- b. Pursue any other remedies legally available.
- c. As to any work not performed by the **MAINTAINING AGENCY**, perform such work with its own forces or through contractors and seek reimbursement for the cost thereof from the **MAINTAINING AGENCY** if the **MAINTAINING AGENCY** fails to cure the non-performance within fourteen (14) days after written notice from **FDOT** of the non-performance; provided, however, that advance notice and cure will not be preconditions in the event of an emergency.

6. Force Majeure

Neither the **MAINTAINING AGENCY** nor **FDOT** will be liable to the other for any failure to perform under this Agreement to the extent such performance is prevented by an act of God, war, riots, natural catastrophe, or other event beyond the control of the non-performing party and which could not have been avoided or overcome by the exercise of due diligence; provided that the party claiming the excuse from performance has (a) promptly notified the other party of the occurrence and its estimated duration, (b) promptly remedied or mitigated the effect of the occurrence to the extent possible, and (c) resumed performance as soon as possible.

7. Miscellaneous

- a. **FDOT** shall consider the employment by any contractor of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act. If the contractor knowingly employs unauthorized aliens, such violation will be cause for unilateral cancellation of this Agreement.
- b. The **MAINTAINING AGENCY** shall allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119, Florida Statutes, and made or received by the **MAINTAINING AGENCY** in conjunction with this Agreement. Failure by the **MAINTAINING AGENCY** to grant such public access will be grounds for immediate unilateral cancellation of this Agreement by **FDOT**.
- c. This Agreement constitutes the complete and final expression of the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, or negotiations with respect thereto. Without limiting the generality of the foregoing, this Agreement shall replace and supersede all prior agreements between **FDOT** and the **MAINTAINING AGENCY** with respect to maintenance of the lighting and/or lighting systems for the Facilities identified in Exhibit A.
- d. This Agreement is governed by the laws of the State of Florida. Any provision hereof found to be unlawful or unenforceable are severable and will not affect the validity of the remaining provisions hereof.
- e. All notices required pursuant to the terms hereof may be sent by first class United States Mail, facsimile transmission, hand delivery, electronic mail, or express mail and will be deemed to have been received by the end of five (5) business days from the proper sending thereof unless proof of prior actual receipt is provided. The **MAINTAINING AGENCY** must notify the local District of **FDOT** of the appropriate persons for notices to be sent pursuant to this Agreement. Unless otherwise notified in writing, notices must be sent to the following addresses:

MAINTAINING AGENCY:

City of Destin
4200 Indian Bayou Trail
Destin, Florida 32541

FDOT:

Florida Department of Transportation
1074 Highway 90
Chipley, Florida 32428
Attn: Utilities Section

- f. **PUBLIC ENTITY CRIME INFORMATION STATEMENT:** A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for **CATEGORY TWO** for a period of thirty six (36) months from the date of being placed on the convicted vendor list.
- g. An entity or affiliate who has been placed on the discriminatory vendor list may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity.

- h. By signing this agreement the Maintaining Agency certifies that it is not: (1) listed on the Scrutinized Companies that Boycott Israel List, created pursuant to Section 215.4725, F.S., (2) engaged in a boycott of Israel, (3) or listed on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to Section 215.473, Florida Statutes. For contracts involving \$1,000,000 or more, if the Department determines the Maintaining Agency submitted a false certification under Section 287.135(5) of the Florida Statutes regarding the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to Section 215.473, Florida Statutes, or for contracts involving any amount, if the Maintaining Agency has been placed on the Scrutinized Companies that Boycott Israel List, or is engaged in a boycott of Israel, the Department shall either terminate the Contract after it has given the Maintaining Agency notice and an opportunity to demonstrate the Department's determination of false certification was in error pursuant to Section 287.135(5)(a) of the Florida Statutes, or maintain the Contract if the conditions of Section 287.135(4) of the Florida Statutes are met.
- i. Nothing herein shall be construed as a waiver of either party's sovereign immunity.
- j. **MAINTAINING AGENCY:**
1. shall utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the **MAINTAINING AGENCY** during the term of the contract; and
 2. shall expressly require any subcontractors performing work or providing services pursuant to the state contract to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the contract term.
 3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Agreement term and following completion of the Agreement if the **Maintaining Agency** does not transfer the records to **FDOT**
 4. Upon completion of the Agreement, transfer, at no cost, to **FDOT**, all public records in possession of the Consultant or keep and maintain public records required by **FDOT** to perform the service. If the Consultant transfers all public records to **FDOT** upon completion of the Agreement, the Consultant shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Consultant keeps and maintains public records upon completion of the Agreement, the Consultant shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to **FDOT**, upon request from **FDOT's** custodian of public records, in a format that is compatible with the information technology systems of **FDOT**
 5. Failure by the **Maintaining Agency** to comply with Chapter 119, Florida Statutes, shall be grounds for immediate unilateral cancellation of this Agreement by **FDOT**

IF THE MAINTAINING AGENCY HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE MAINTAINING AGENCY'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:

District 1

863-519-2623

D1prcustodian@dot.state.fl.us

**Florida Department of Transportation
District 1 – Office of General Counsel
801 N. Broadway
Bartow, FL 33830**

District 2

386-758-3727

D2prcustodian@dot.state.fl.us

**Florida Department of Transportation
District 2 - Office of General Counsel
1109 South Marion Avenue, MS 2009
Lake City, FL 32025**

District 3

850-330-1391

D3prcustodian@dot.state.fl.us

**Florida Department of Transportation
District 3 - Office of General Counsel
1074 Highway 90 East
Chipley, FL 32428**

District 4

954-777-4529

D4prcustodian@dot.state.fl.us

**Florida Department of Transportation
District 4 – Office of General Counsel
3400 West Commercial Blvd.
Fort Lauderdale, FL 33309**

District 5

386-943-5000

D5prcustodian@dot.state.fl.us

**Florida Department of Transportation
District 5 – Office of General Counsel
719 South Woodland Boulevard
Deland, FL 32720**

District 6

305-470-5453

D6prcustodian@dot.state.fl.us

**Florida Department of Transportation
District 6 – Office of General Counsel
1000 NW 111 Avenue
Miami, FL 33172-5800**

District 7

813-975-6491

D7prcustodian@dot.state.fl.us

**Florida Department of Transportation
District 7 - Office of General Counsel
11201 N. McKinley Drive, MS 7-120
Tampa, FL 33612**

Florida's Turnpike Enterprise

407-264-3170

TPprcustodian@dot.state.fl.us

**Turnpike Enterprise Chief Counsel
Florida Turnpike – Office of General
Counsel
Turnpike Mile Post 263, Bldg. 5315
Ocoee, FL 34761**

Central Office

850-414-5355

COprcustodian@dot.state.fl.us

**Office of the General Counsel
Florida Department of Transportation
605 Suwannee Street, MS 58
Tallahassee, Florida 32399-0458**

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION
**STATE HIGHWAY LIGHTING, MAINTENANCE, AND
COMPENSATION AGREEMENT**375-020-52
MAINTENANCE
OGC - 02/21
Page 7 of 8**8. Certification**

This document is a printout of an **FDOT** form maintained in an electronic format and all revisions thereto by the **MAINTAINING AGENCY** in the form of additions, deletions, or substitutions are reflected only in an Appendix entitled "Changes to Form Document" and no change is made in the text of the document itself. Hand notations on affected portions of this document may refer to changes reflected in the above-named Appendix but are for reference purposes only and do not change the terms of the document. By signing this document, the **MAINTAINING AGENCY** hereby represents that no change has been made to the text of this document except through the terms of the Appendix entitled "Changes to Form Document."

You **MUST** signify by selecting one of the applicable options:

- ☒ No changes have been made to this Forms Document and no Appendix entitled "Changes to Form Document" is attached.
- ☐ No changes have been made to this Form Document, but changes are included on the attached Appendix entitled "Changes to Form Document."

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective the day and year first written.

MAINTAINING AGENCY

BY: (Signature) *L. Johnson*
(Printed Name: LANCE JOHNSON)
(Printed Title: CITY MANAGER)

Date: 6-8-2021**STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION**

DocuSigned by:
BY: (Signature) *Jonathan Harris*
486536A7FF14422...
(Printed Name: Jonathan Harris)
(Printed Title: District Utility Administrator)

Date: 7/1/2021**FDOT Legal Review**

DocuSigned by:
BY: (Signature) *Shad Redmon*
481EE5074C804F5...
Counsel
(Printed Name: Shad Redmon)

Date: 7/1/2021

Exhibit A
STATE HIGHWAY LIGHTING, MAINTENANCE, AND COMPENSATION AGREEMENT
For Fiscal Year 21/22

1.0 PURPOSE

This exhibit defines the method and limits of compensation to be made to the **MAINTAINING AGENCY** for the services described in this Agreement and method by which payments will be made.

2.0 FACILITIES

The lighting or lighting systems listed below, or in an attached spreadsheet, or other electronic form are included with this Agreement and represent the Facilities to be maintained by the **MAINTAINING AGENCY**:

1. See Attached
2. _____
3. _____
4. _____
5. _____
6. _____

3.0 COMPENSATION

For the satisfactory completion of all services detailed in this Agreement, **FDOT** will pay the **MAINTAINING AGENCY** the Total Sum as provided in Section 2 of the Agreement. The **MAINTAINING AGENCY** will receive one single payment at the end of each fiscal year for satisfactory completion of service.

The per-light unit rate shall increase by 3% each fiscal year. E.g., the per-light unit rate of \$309.10 in fiscal year 21/22 shall increase to \$318.37 in fiscal year 22/23.

Total Payment Amount for each fiscal year is calculated by inputting the actual number of qualifying types of lights into the table below and multiplying by the unit rate and ____%. Example: 330 (lights) x \$_____ (unit rate) x 0.90 (90% requirement) = \$ 0.00

Type of Light	# of lights	LED or HPS	Unit rate	0%	Total
High Mast		HPS		0	0.00
Standard		HPS		0	0.00
Underdeck		HPS		0	0.00
Sign		HPS		0	0.00
High Mast		LED		0	0.00
Standard		LED		0	0.00
Underdeck		LED		0	0.00
Sign		LED		0	0.00



Florida Department of Transportation

RON DESANTIS
GOVERNOR

1074 Highway 90
Chipley, FL 32428

KEVIN J. THIBAUT, P.E.
SECRETARY

STATE HIGHWAY SYSTEM LIGHTING, MAINTENANCE AND COMPENSATION PROGRAM

FY 21/22 Light Detail Form

Name of Maintaining Agency City of Destin
County Okaloosa
Contact Person Tim Pietenpol

STATE ROAD OR MILE MARKER	FROM	TO	NUMBER OF LIGHTS
30	Marler Bridge	Walton County	150
30	Airport Road	Walton County Line	30
TOTAL # OF LIGHTS			180

**** Please provide all documentation that supports this cost.**
The Department of Transportation is NOT responsible for errors provided on this form**

To: Kim.Hatcher@dot.state.fl.us

FLORIDA DEPARTMENT OF TRANSPORTATION FUNDS APPROVAL

ASN01

4/21/2021

CONTRACT INFORMATION

Contract:	ASN01
Contract Type:	AK - PROJ PARTICIPATION (PROJ PART)
Method of Procurement:	G - GOVERNMENTAL AGENCY (287.057,F.S.)
Vendor Name:	CITY OF DESTIN
Vendor ID:	F592480854007
Beginning Date of This Agreement:	07/01/2021
Ending Date of This Agreement:	06/30/2028
Contract Total/Budgetary Ceiling:	ct = \$50,074.20
Description:	Highway Lighting and Maintenance - Destin

FUNDS APPROVAL INFORMATION

FUNDS APPROVED/REVIEWED FOR ROBIN M. NAITOVE, CPA, COMPTROLLER ON 4/21/2021

Action:	Future Year
Reviewed or Approved:	*REVIEWED
Organization Code:	55034040312
Expansion Option:	A2
Object Code:	242059
Amount:	\$50,074.20
Financial Project:	40549917842
Work Activity (FCT):	787
CFDA:	
Fiscal Year:	2022
Budget Entity:	55150200
Category/Category Year:	088712/22
Amendment ID:	A001
Sequence:	00
User Assigned ID:	
Enc Line (6s)/Status:	/04

Total Amount: \$50,074.20

*Reviewed Funds Approval and encumbrance processing is contingent upon Annual Legislative appropriation.

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022
TYPE OF AGENDA ITEM: Presentation
AGENDA OUTLINE NUMBER: 4.A.

TO: City Council

THRU: Lance Johnson, City Manager

FROM: Louis Zunguze, Community Development Director
Kimberly Kopp, Land Use Attorney

DATE: March 3, 2022

SUBJECT: Choctawhatchee Bay Alliance FY21 Water Quality Presentation

I. BACKGROUND:

The Choctawhatchee Basin Alliance (CBA) contracts annually with the City and provides services which are required for compliance with our **NPDES Phase II Municipal Separate Sewer System (MS4) Generic Permit** through the FDEP.

II. DISCUSSION:

The CBA organizes volunteers to collect water quality data and educates the public through mailers, special events, and K-12 stormwater education programs. As part of the FY 2021 contract (BMP 2a-04), the CBA agreed to present water quality findings to the Destin City Council and the respective Advisory Committees.

A. Link to Strategic Goals / Objectives:

World class beaches, fishing, and harbor: High quality of life and safety for residents

B. Effect on Budget (EOB): None

C. Level of Service (LOS): Public education and improved water quality.

III. CONCLUSION: The CBA presentation will report activities conducted for FY 2021.

IV. RECOMMENDED MOTION: This is an informational item

Attachments:

1. CBA Presentation

Destin NPDES Presentation

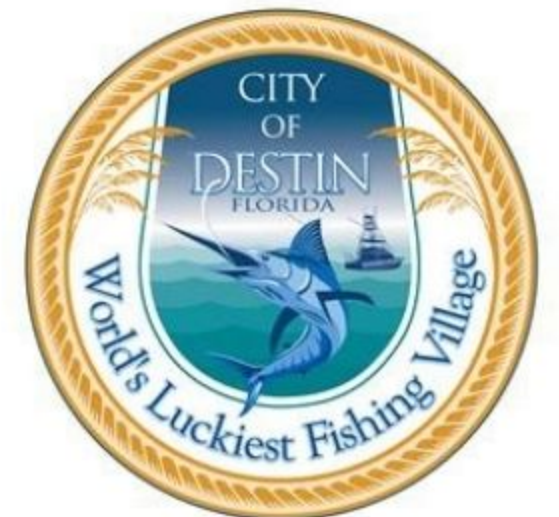


C
B
A



CHOCTAWHATCHEE
BASIN ALLIANCE
Northwest Florida State College

Jenna T. Kilpatrick
Program Manager- Monitoring





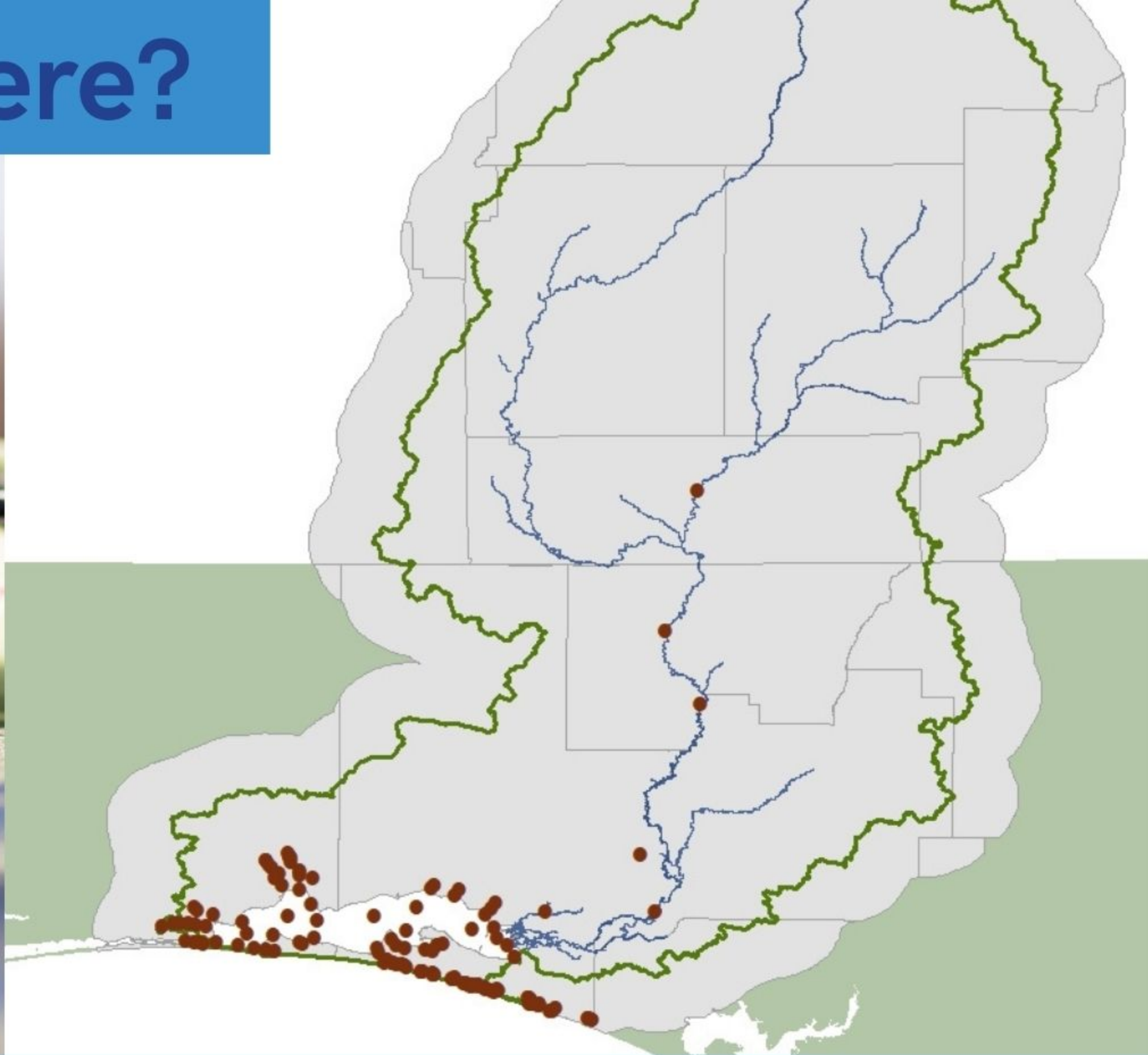
Who & What?



Mission: Choctawhatchee Basin Alliance is a non-profit organization responsible for promoting swimmable, fishable waterways in our community through monitoring, education, restoration, and research.



Where?



We serve all around our watershed, across the Choctawhatchee Bay, the Destin harbor, up the Choctawhatchee River to Geneva, Alabama, coastal dune lakes of Walton County. We are expanding efforts north east to encompass the freshwater areas of the Choctawhatchee Basin.



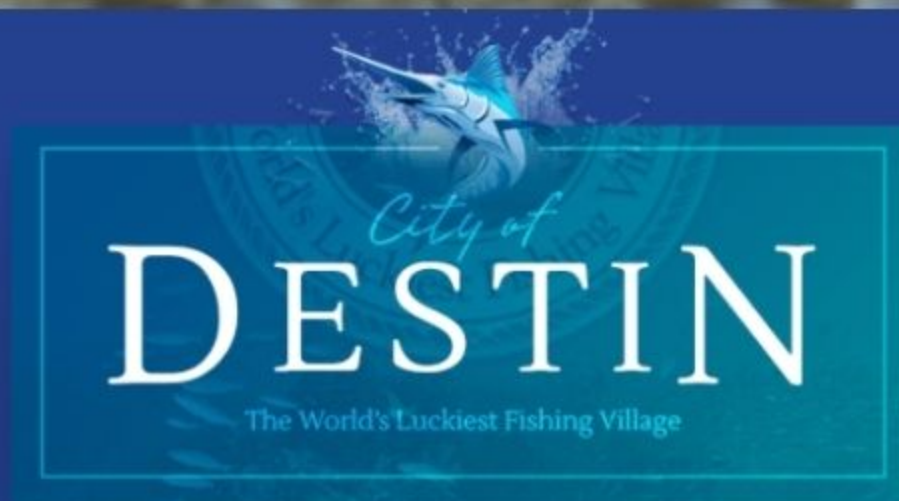
Destin NPDES & CBA

The perfect partnership!

In 2003, the City of Destin was mandated to comply with state regulations regarding water quality. The NPDES permit was designed in two phases:

- The City of Destin must regulate stormwater runoff using best management practices (BMPs).
- The municipal separate storm sewer systems (MS4) program is comprised of **six** elements that, when implemented in concert, are expected to result in significant reductions of pollutants discharged into receiving water bodies.

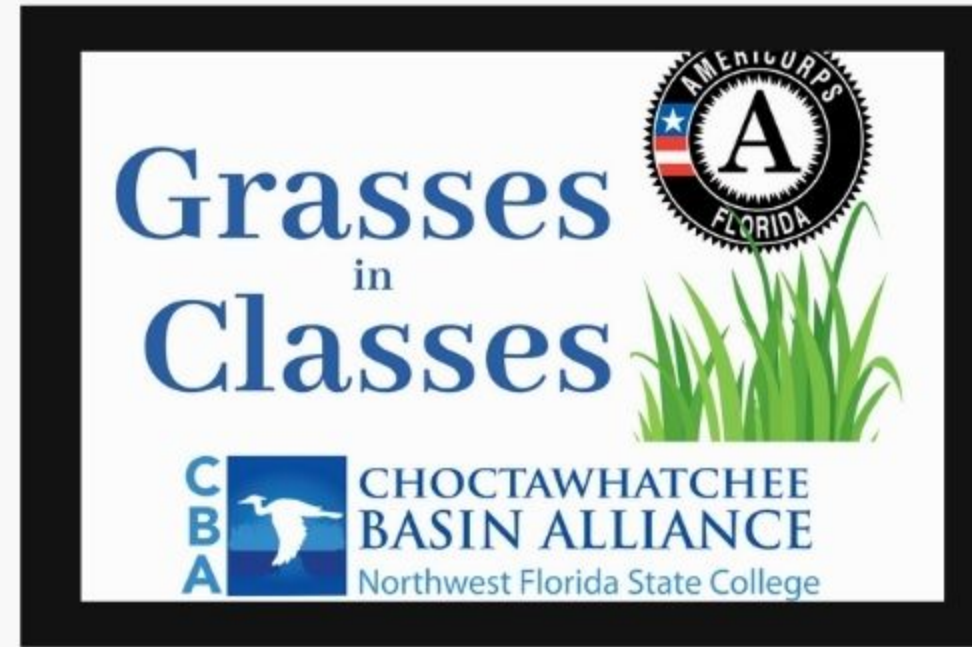
CBA partners with City of Destin to fulfill these NPDES requirements.



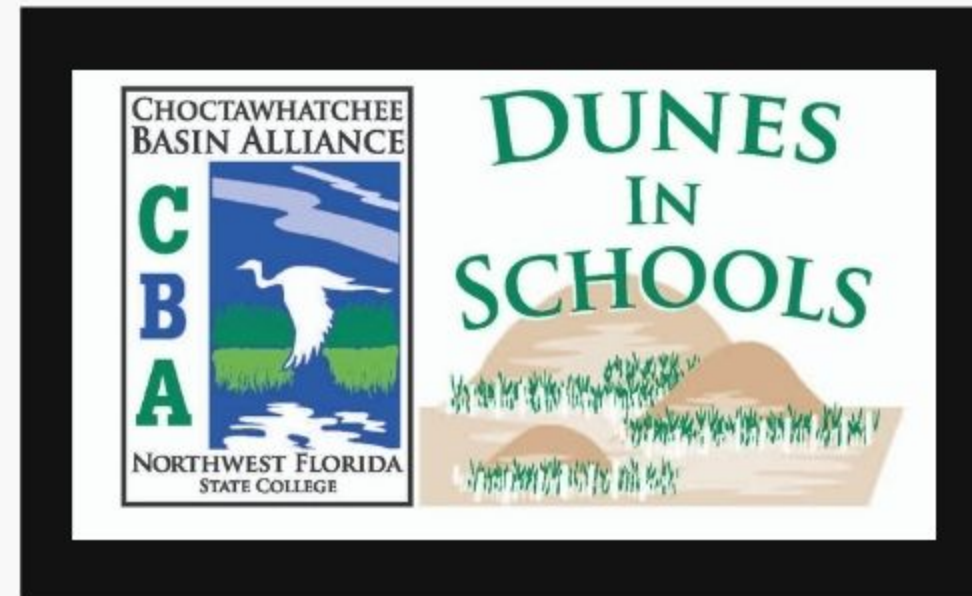
Public Education and Outreach

CBA Presentations to School-age Children

- **3rd and 5th grade** students grow **salt marsh grasses** at school
- CBA Education staff and AmeriCorps teach stormwater & environmental education with hands-on lessons in schools
- End-of-year field trip



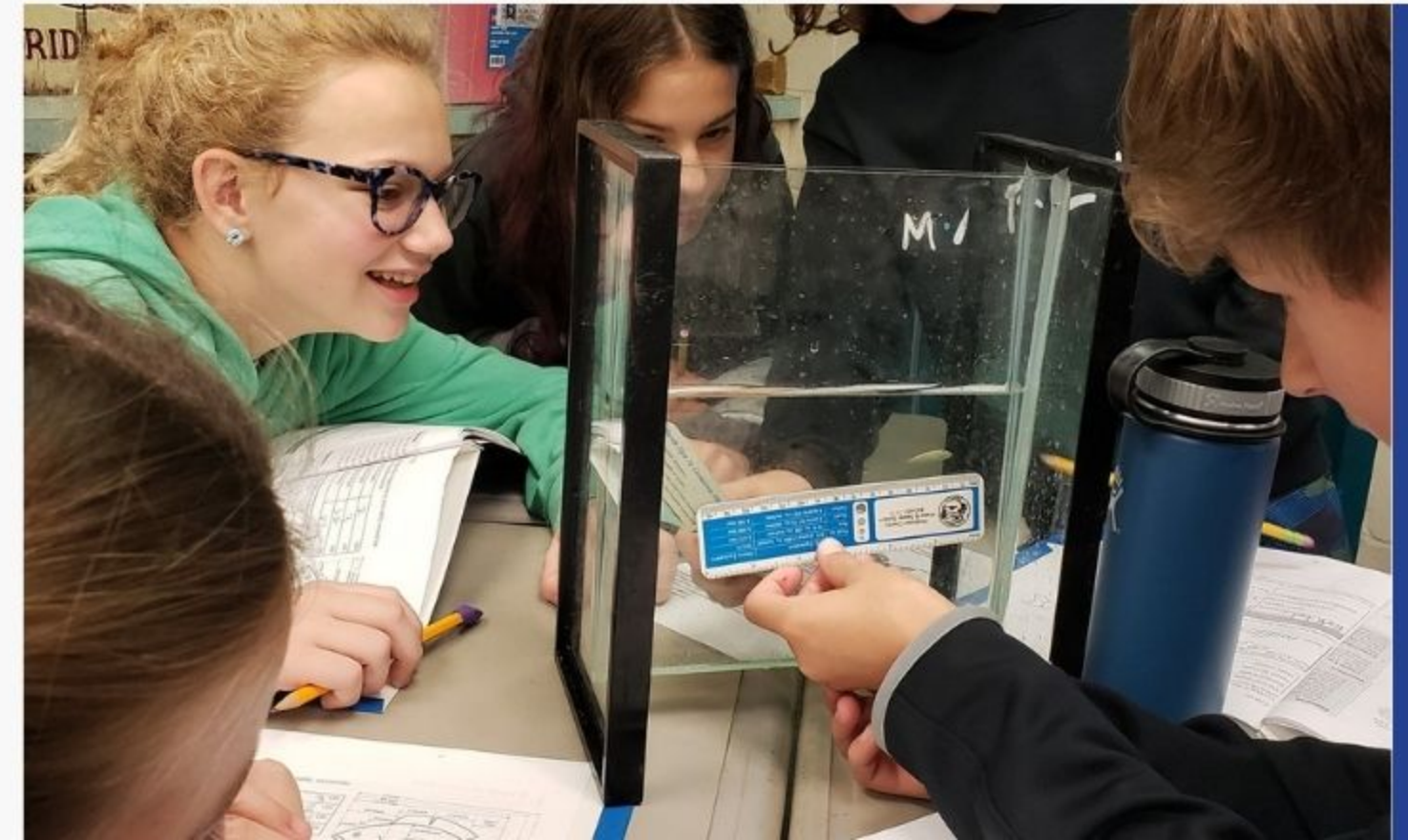
- **Middle school** students grow **sea oats** in school
- CBA Education staff and AmeriCorps teach stormwater & environmental education with hands-on lessons in schools
- End-of-year field trip



Public Education and Outreach

CBA Presentations to School-age Children

- 161 Destin students taught in 2021 at Destin Middle School; hybrid option due to COVID with 2 field trip days
- Annual average: 1,400 students taught in Okaloosa County (90+% academic gains)
- Personal testimony: *"The Choctawhatchee Basin Alliance came to my elementary school and I got to participate in "Grasses in Classes." I still remember and loved that experience."* -Emma, **Marine Biology Undergraduate student, UWF**



Public Education and Outreach

Homeschool field trips
Volunteer events
Partner Team Building
Alternate Spring Breaks



Summer Destin Library
Program: From Shelves
to the Shores

Public Education and Outreach

2 Annual Regional Cleanups: Earth Day, International Coastal Cleanup



Introduced the DIY Cleanup to our community, log your finds in CleanSwell

Public Education and Outreach

iNaturalist App- CBA Watershed Biodiversity



Flatsedges
Genus *Cyperus*

1 6 21 days ago



Common Bottlenose Dolphin
Tursiops truncatus

1 21 days ago



Pineland Milkweed
Asclepias obovata

1 a month ago



Orange-fringed Orchid
Platanthera ciliaris

2 a month ago



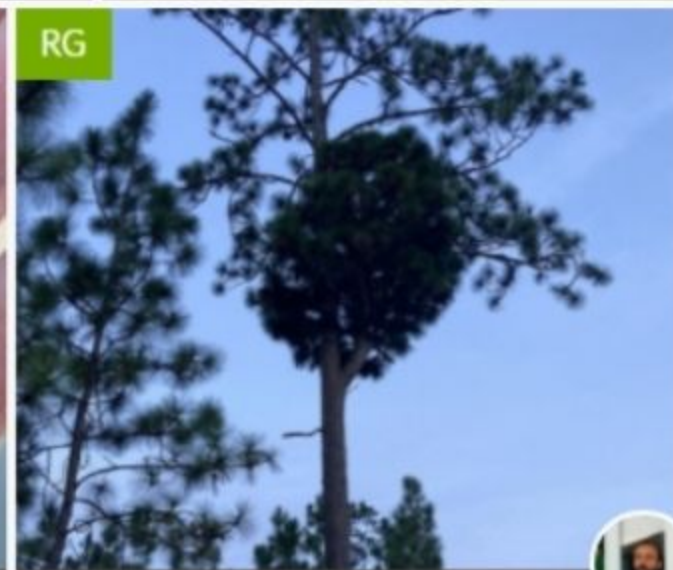
Eastern Coachwhip
Masticophis flagellum

3 3 a month ago



Decorator Worms
Genus *Diopatra*

a month ago



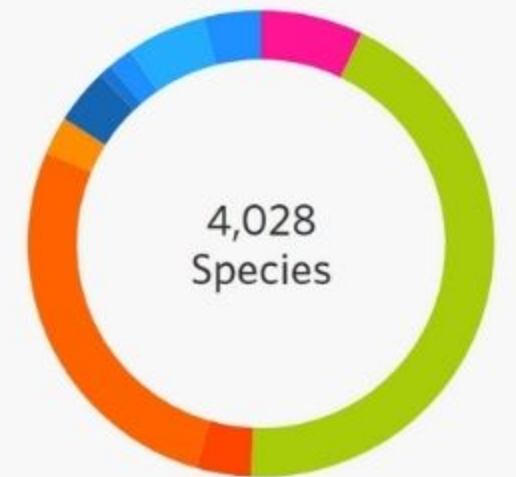
Longleaf Pine
Pinus palustris

1 a month ago



38,043
Observations

- Research Grade
- Needs ID
- Casual



4,028
Species

- Unknown
- Protozoans
- Fungi
- Plants
- Chromista
- Mollusks
- Arachnids
- Ray-Finned F...
- Amphibians
- Reptiles
- Birds
- Mammals

CBA Presentations for Public

CBA presents current research and focused information in monitoring, restoration, and research for community groups and events:

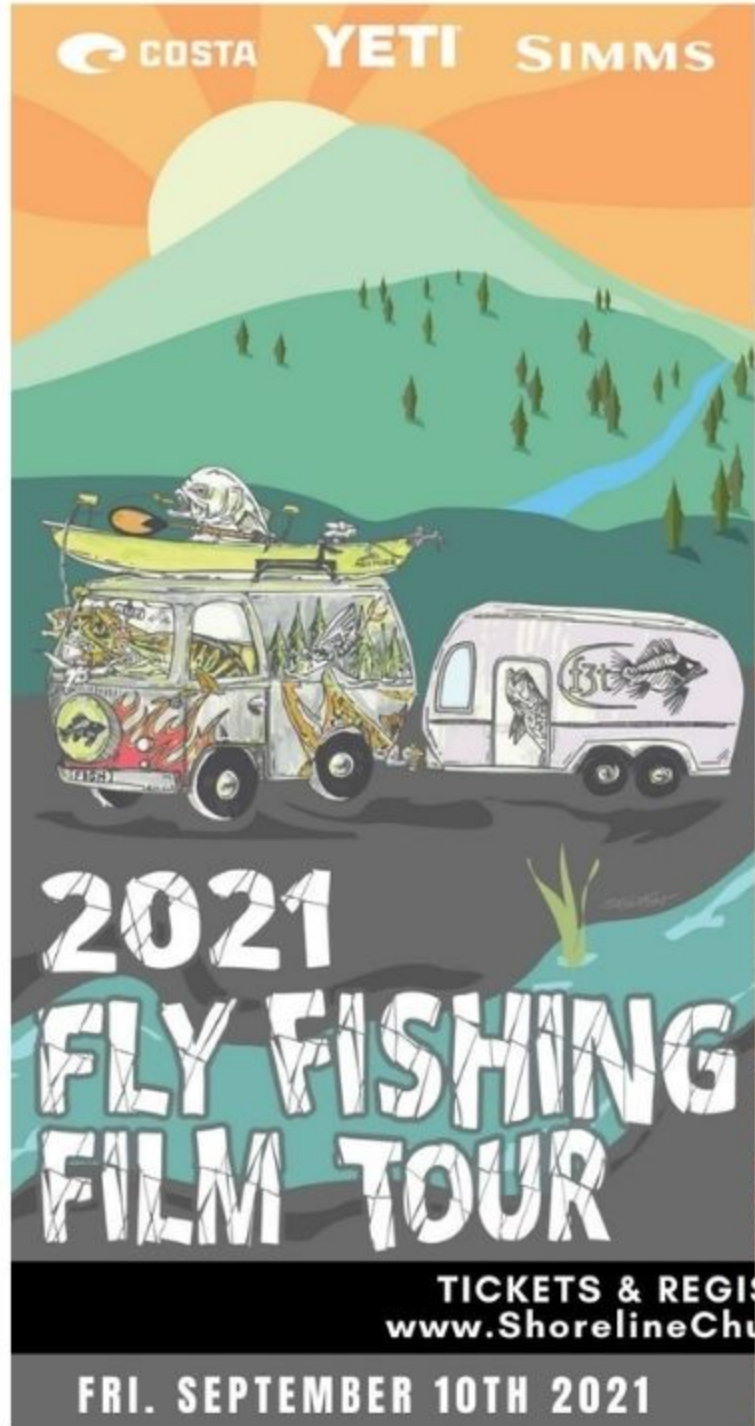


Destin Forward
Rotary Clubs
Garden Clubs
Fishing Clubs
Henderson Beach Bash
Harbor events
Scouts



CBA Presentations for Public

2021 Fly Fishing Film Festival



Half Shells on The Harbor



Public Involvement/Participation

Volunteer Water Quality Monitoring

- 6 water quality stations
- Two volunteers
- Monthly sampling and data collection
- *new harbor volunteer-
Panhandle Flyfishers



CBA Destin Water Quality Stations



CBA Destin Water Quality

Numeric Nutrient Criteria (Florida DEP standards)

Middle Bay

Phosphorus: 0.020 mg/L as AGM

Nitrogen: 0.36 mg/L as AGM

Chlorophyll: 3.1 µg/L as AGM

West Bay

Phosphorus: 0.049 mg/L as AGM

Nitrogen: 0.54 mg/L as AGM

Chlorophyll: 4.1 µg/L as AGM



Numeric Nutrient Criteria Development | Florida Department of Environmental Protection

Numeric Nutrient Standards for Florida WatersBackgroundFor many decades Florida has had a narrative nutrient water quality criterion in...

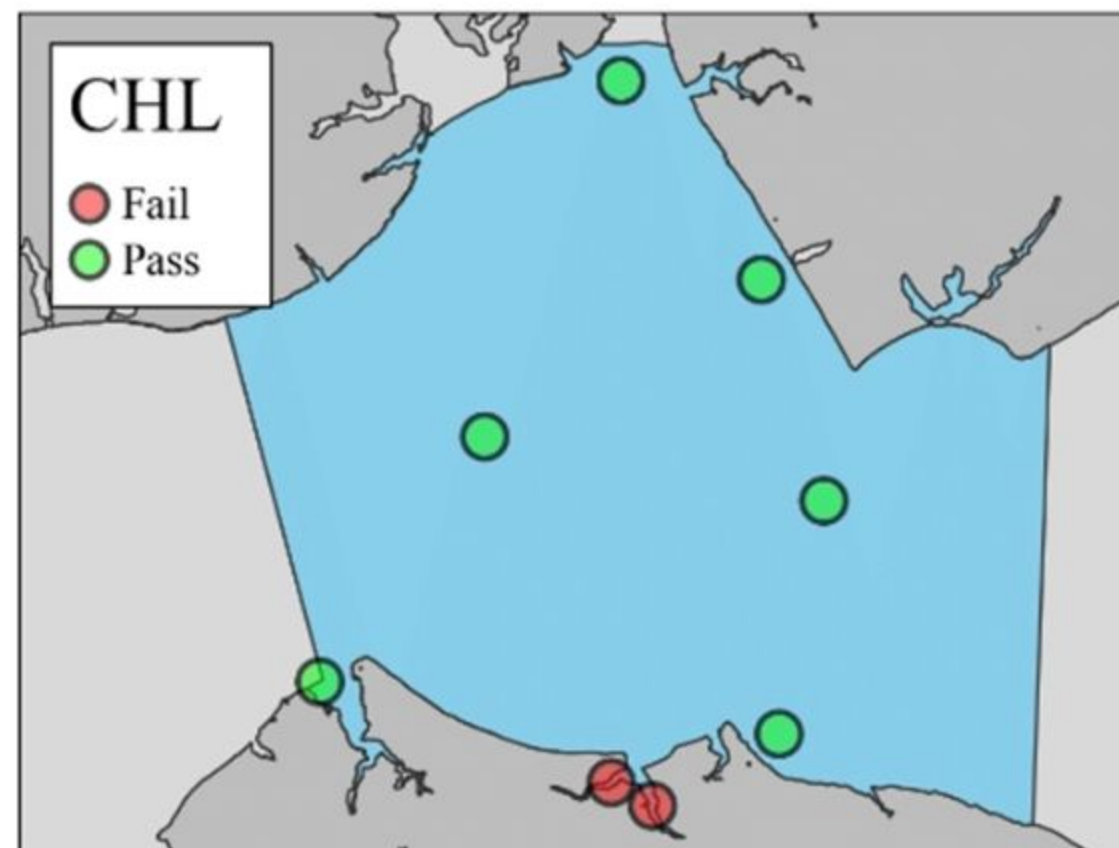
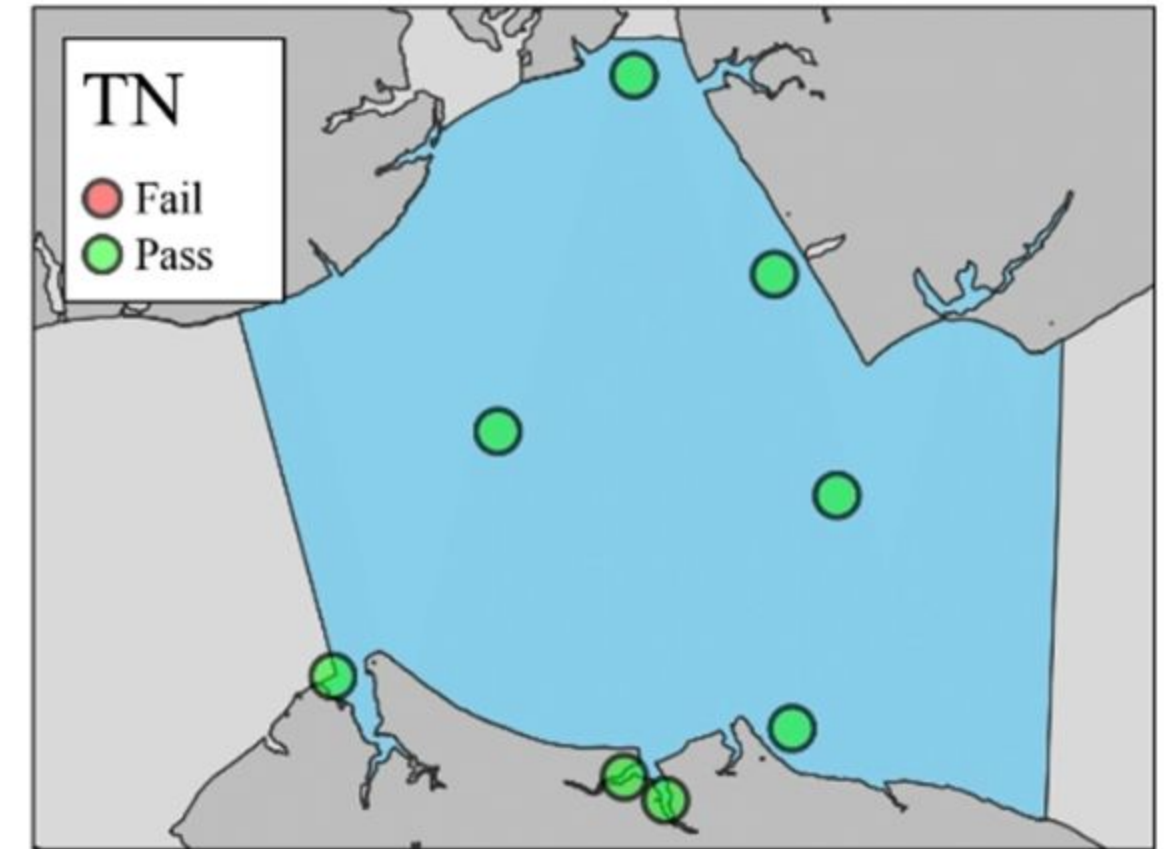
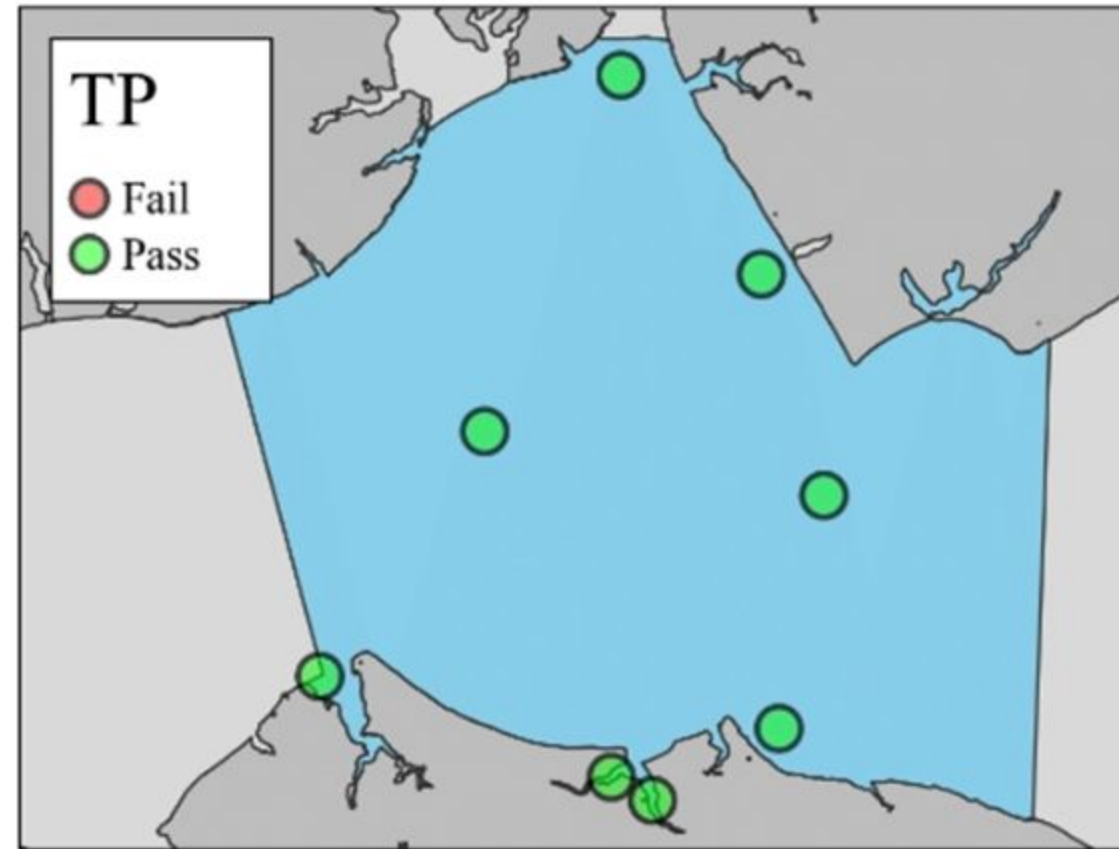
floridadep.gov

CBA Destin Water Quality

Middle Bay Results

Stations Destin-2 & Destin-3 fail for Chlorophyll in 2020

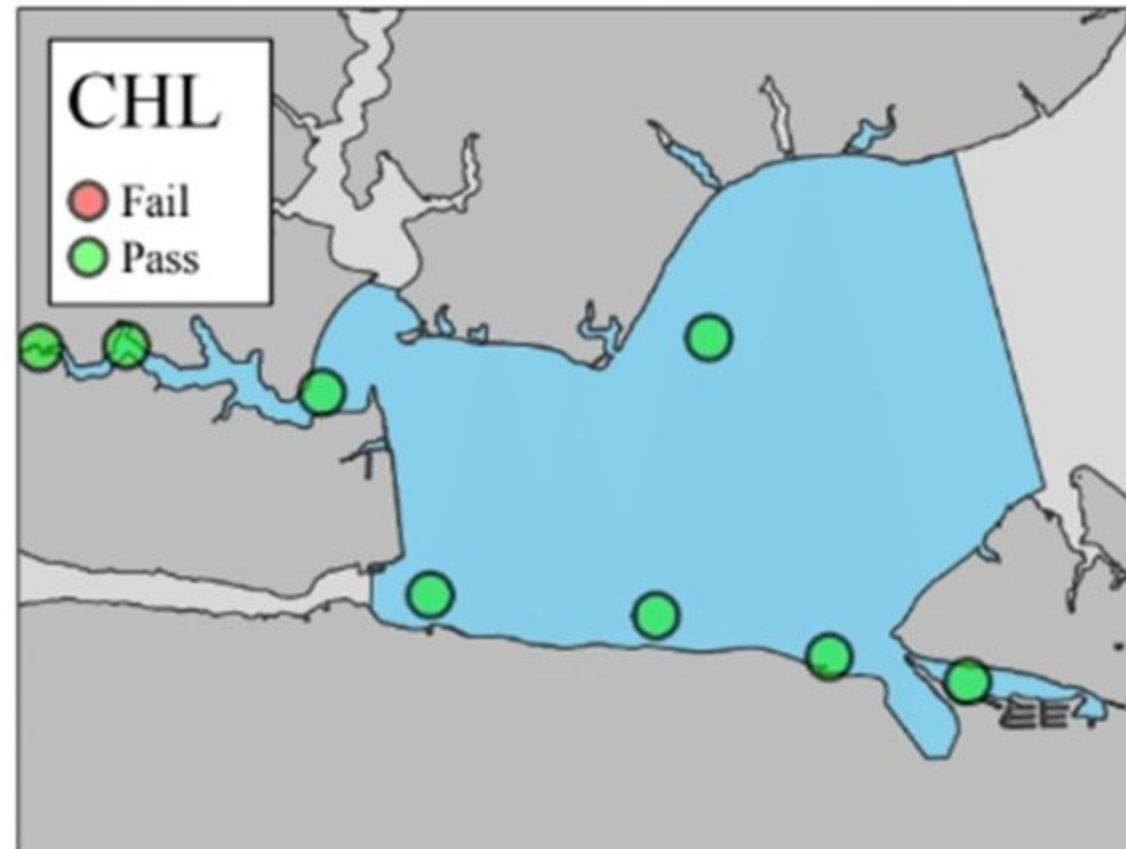
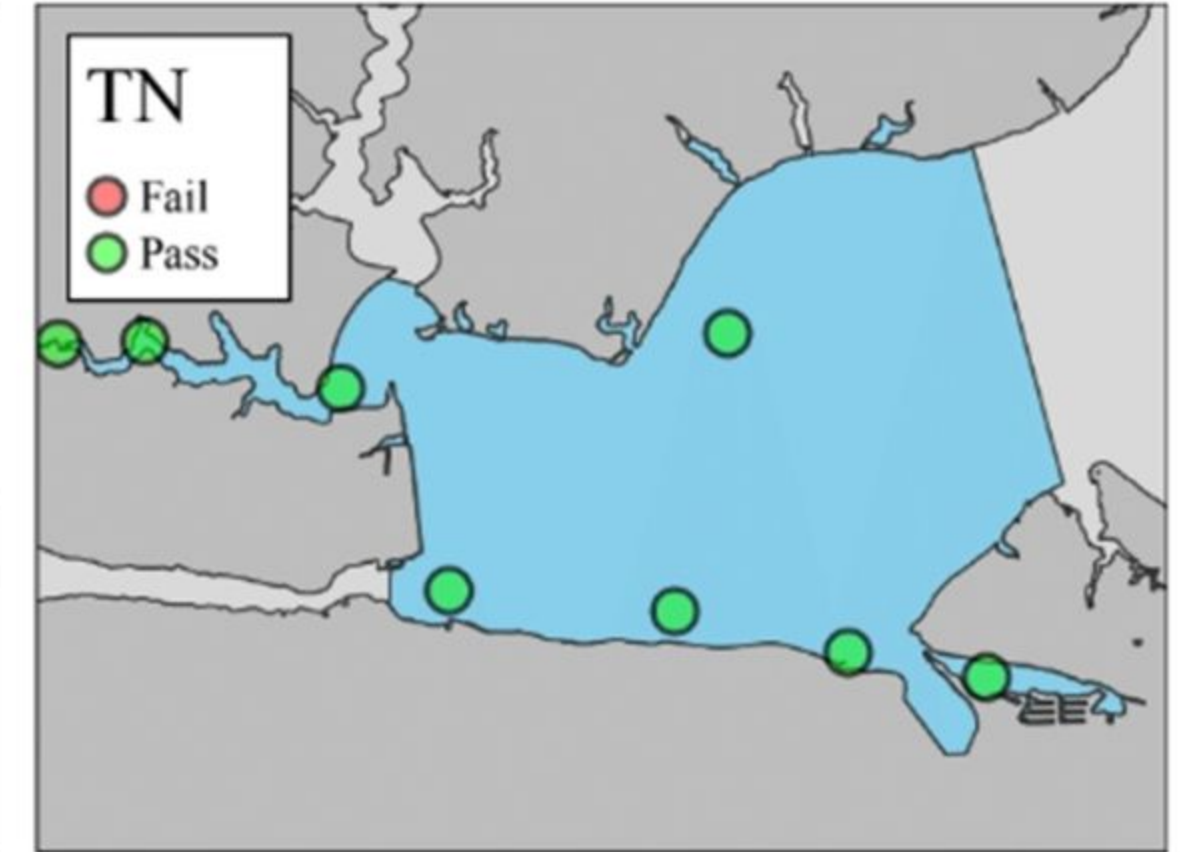
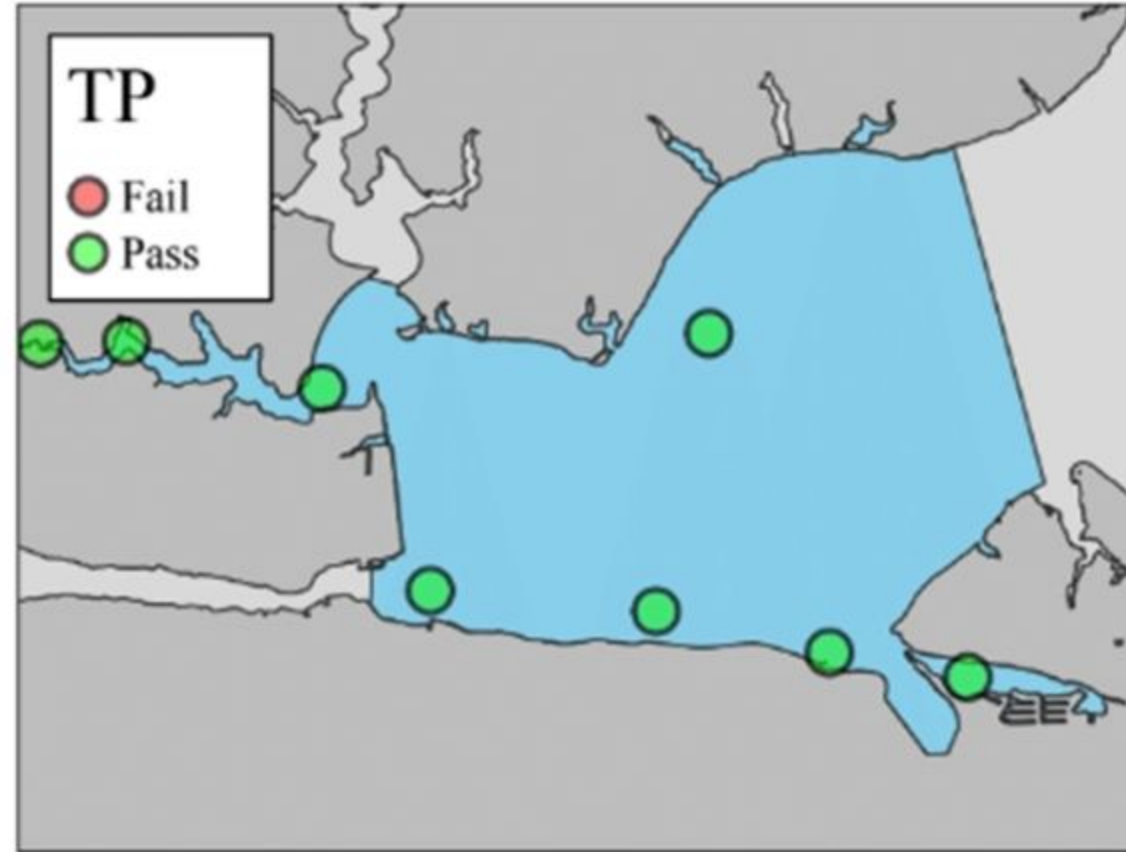
However, Chlorophyll levels are decreasing over last 10 years



CBA Destin Water Quality

West Bay Results

All stations pass for
2020 for Total
Phosphorus, Total
Nitrogen, Chlorophyll



Pollution Prevention/Good Housekeeping



Monofilament Recycling

3.3 cubic yards of monofilament fishing line recycled in Destin last period (April-September 2021).

4 along the harbor, 1 Joe's Bayou Boat Ramp

5 stations; 1 COD volunteer

Looking for community partners like charters, bait shops, ect



Dedicated to the Future of Fishing™



Pollution Prevention/Good Housekeeping



OYSTER Shell Recycling

4 Destin Restaurants:

Back Porch, Boathouse, Brotula's, and
Johnny O'Quigley's

Collected 62.5 tons of oyster shell for
period

New educational placemats

New shell staging site is located in Fort
Walton Beach, helpful for Okaloosa
County restoration projects



Opportunities

CBA and City of Destin

- Interactive Water Quality Map
- Leverage positive impact from existing programs
- Increase participation in all programs



CHOCTAWHATCHEE
BASIN ALLIANCE
Northwest Florida State College

Questions?
Thank you!

Jenna Kilpatrick
Program Manager- Monitoring
Choctawhatchee Basin Alliance
testaj@nwfsc.edu



CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022

TYPE OF AGENDA ITEM: Special Presentation

AGENDA OUTLINE NUMBER: 4.B.

TO: City Council

THRU: Webb Warren, Deputy City Manager
Kyle Bauman, City Attorney
Lance Johnson, City Manager

FROM: Krystal Strickland, Finance Director

DATE: March 2, 2022

SUBJECT: FY 2021 Annual Audit and Financial Statements

I. BACKGROUND: An annual audit of the City's financial operations is required in order to maintain legal reporting compliance for various State and Federal agencies and to comply with certain bond covenants within the City's debt instruments.

II. DISCUSSION: Mr. Thomas Smith, CPA, Director, will present the independent auditor's report on behalf of EFPR Group, LLP, for the fiscal year ending September 30, 2021.

In addition to the regular audit, EFPR Group also audited the receipts and expenditures of funds related to the Deepwater Horizon Oil Spill (our National Fish & Wildlife Foundation Grant), completed a Federal Single-Audit, and examined the City's two Community Redevelopment Agencies (CRAs) in accordance with Florida Statute Section 163.387(6) and (7).

A. Link to Strategic Goals / Objectives: Goal #1: Financially sound city providing service excellence.

B. Effect on Budget (EOB): The presentation has no effect on the budget.

C. Level of Service (LOS):

III. CONCLUSION: The annual independent audit provides for legal compliance and confirms the sound financial condition of the City. The auditor's unmodified opinion confirms that the financial statements are fairly presented in all material respects.

IV. RECOMMENDED MOTION: I move to accept the 2021 Annual Audit and

Financial Statements.

Attachments:

1. City of Destin Draft FS 2021
2. City Council Summary report



CITY OF DESTIN, FL

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2021

City of Destin, Florida

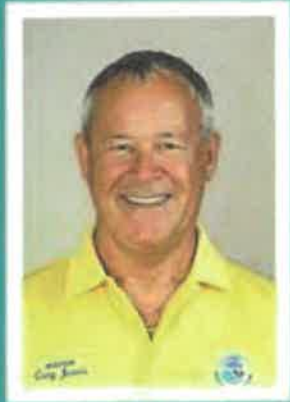
Annual Comprehensive Financial Report

For the Fiscal Year Ended
September 30, 2021

*City of Destin, Florida
Finance Department
Krystal Strickland, Finance Director
4200 Indian Bayou Trail
Destin, Florida 32541
(850) 837-4242
CityofDestin.com*



DESTIN CITY COUNCIL



GARY JARVIS
MAYOR



DEWEY DESTIN
MAYOR PRO TEM/COUNCILMEMBER



JIM BAGBY
COUNCILMEMBER



RODNEY BRADEN
COUNCILMEMBER



TERESA HEBERT
COUNCILMEMBER



JOHNNY KING
COUNCILMEMBER



BOBBY WAGNER
COUNCILMEMBER



KEVIN SCHMIDT
COUNCILMEMBER

CITY OF DESTIN, FLORIDA

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- Executive Directory
- Organizational Chart
- Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting

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City of Destin

4200 Indian Bayou Trail | Destin, FL 32541 | Phone: 850-837-4242 | Fax: 850-269-9890 | www.cityofdestin.com

, 2022

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Destin:

We are pleased to present to you the Annual Comprehensive Financial Report (ACFR) of the City of Destin, Florida (the City) for the fiscal year ended September 30, 2021. Chapter 218.39, Florida Statutes require that a complete set of financial statements be published within nine months of fiscal year end and presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Destin. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Destin has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Destin's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Destin's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

In compliance with the laws of the State of Florida, the City's financial statements have been audited by EFPR Group, Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Destin for the fiscal year ended September 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Destin's financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Destin was part of a broader, state mandated "Single Audit" designed to meet the special needs of state and federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. This was

not required for the fiscal year ended September 30, 2021. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Destin's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Destin incorporated and adopted the Council-Manager form of government in 1984. The City Council is composed of seven voting members with the Mayor casting tie-breaking votes only. The Mayor and Council, elected in November of even years by the City at-large, can serve up to two consecutive four-year terms. The City Council is the legislative body of the City Government. They consider and adopt ordinances and enact regulations for the maintenance of good government, the preservation of peace, welfare, health and safety and convenience of the citizens. The Council also reviews and adopts the City Budget, makes appropriations, levies taxes, authorizes bond issues, holds public hearings for citizen input, appoints committees and establishes municipal policies. Pursuant to City Charter, the City Manager is appointed by a super-majority vote of the City Council. The City Manager is the chief administrative officer of the City and serves directly at the pleasure of the City Council. The City Manager implements Council policies, directs and supervises the administration of all departments, programs, offices, and agencies of the City.

The City of Destin provides a range of services that include the construction and maintenance of highways, streets, sidewalks, stormwater and other infrastructure; and parks and leisure/cultural activities and events. The City also provides community planning and building code compliance services. Law enforcement is provided through a contractual arrangement with the Okaloosa Sheriff's Office. Water and wastewater utilities and fire protection and lifeguard services are provided by other governmental agencies working in close cooperation with City management. Tourism is the major field of employment within the City of Destin. The City of Destin includes a planning area of 7.53 square miles and is located in Okaloosa County approximately 52 miles east of Pensacola, Florida, and 38 miles west of Panama City Beach, Florida. The Gulf of Mexico on the south and Choctawhatchee Bay on the north form the City's natural boundaries. Destin is located on Florida's Emerald Coast known for sugar-white beaches, crystal clear green water and warm, sunny days. Destin is home to approximately 13,702 full-time residents with an estimated peak seasonal population of approximately 100,000. One of the City's most significant on-going challenges is to provide infrastructure and services to accommodate the seasonal population.

Budgetary Control: The annual budget serves as the foundation for the City of Destin's financial planning and control. The City Manager starts each new calendar year with a Visioning and Strategic Planning Session where department directors, city council members, and the citizens of Destin discuss their long-term vision for the City and strategically prioritize issues and projects. All departments of the City of Destin are required to submit requests for appropriation to the City Manager in the spring of each year. The City Manager evaluates these requests against the strategic planning session priorities and develops a proposed budget. The City Manager then presents this proposed budget to the council for review. The council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the

close of the City's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (the level at which expenditures cannot legally exceed appropriated amount) is maintained by the City Manager at the fund level and may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 27 as part of the basic financial statements for the government funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 65.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Destin operates.

Local economy: In FY 2021, the City continued to experience an increase in tourist-related business and hotel and short-term rental occupancy. Tourism is one of Destin's largest industries, and Destin has made great strides to promote and market its commitment to serve as a community offering an outstanding quality of life to residents and visitors alike. The Okaloosa Tourist Development Council reported that FY 2021 bed tax collections and visitor estimates were higher than pre-pandemic figures.

The City is centrally located in the panhandle of Florida. Destin is home to one of the largest and most elaborately equipped charter fishing fleets in the State of Florida. Known as the "World's Luckiest Fishing Village," the Destin Harbor lies closer to the 100 Fathom curve than any other harbor on Florida's west and north coast, providing speedy deep-water access. In addition to fishing, recreational opportunities include golf, tennis, and water sports, including diving and snorkeling.

Besides tourism, Destin's economic base was dependent on the real estate and construction industries in the past. Nowadays, the City is nearly "built-out" with very few vacant parcels still available for development, and therefore residential and commercial construction is minimal compared to the tourist-related economy. During FY 2021, rising property values translated into higher ad valorem taxes. Ad valorem taxes are the City of Destin's largest single source of revenue. By City Charter the maximum rate of levy is limited to 2.0 mills, or \$2 per \$1,000 in property value. The rate for FY2021 was set at 1.615 mills for the fifth consecutive year.

Major Initiatives - Current and Future

Livable wages & benefits: Council's top priority objective for FY 2022 was to offer livable wages and benefits to attract and maintain high caliber, qualified staff. Like many of the businesses in Destin, the City has found it difficult to maintain full staffing levels. The budget adopted for FY 2022 assumed 8% increased personnel costs and adopted funding to achieve a compensation study. A cost of living (COLA) of 5% was immediately granted to employees upon adoption of the new budget, and a longevity award was given based upon years of employment with the City.

Cross-Town Connector: The Cross-town Connector project was recognized as Council's second top priority for FY 2021/2022. For many years, the City of Destin has worked towards establishing a secondary main road for residents to get from the East side of town to the West side of town that would avoid the congestion of Highway 98. FDOT has awarded the City a grant to complete the purchase of property to construct the roadway. Okaloosa County has awarded the City a grant to complete the roadway construction. The City has purchased some properties for right-of-way and has relocated some of the residents affected by the project. An engineering firm is currently adjusting the design, and construction is anticipated to begin in FY 2024.

Beach Acquisition: Council's third priority objective is to purchase beachfront property in order to preserve public access to Destin's waterways and beaches. During the summer months, the City's two small beach parks are regularly well beyond capacity with beachgoers. The highest percentage of complaints from citizens and visitors are concerns about the lack of access to the Gulf waters and disputes with property owners and vendors. This initiative will restore developed areas of the beach to original natural beach and will provide additional public space for residents and visitors. City Council motioned to use 75% of the 10-year Okaloosa Half-Penny Local Discretionary surtax for beach acquisition. With administrative and financial assistance from the Trust for Public Lands (TPL) and the Okaloosa County Tourism Development Department (TDD), the City closed on two beach-front properties in early FY 2021 (\$6.8 million) and has raised an additional \$11.4 million in grant funding to purchase more properties as they become available in future years.

Undergrounding Utilities: The fourth of City Council's top priorities for the City of Destin is to underground utility lines. Undergrounding utilities is essential to hardening Destin's infrastructure to improve business continuity and to decrease recovery time in post-disaster scenarios. This is also a beautification initiative expected to increase property values and to enhance economic development opportunities. In FY 2021, the City hired a Project Management company to manage our ambitious utility undergrounding project. The Project Management company has completed a report that outlines the optimal phasing for the project and also provided an opinion of probable cost for the first phase. The Project Manager is coordinating closely with FDOT and local utility providers. In early 2022, the City finalized a new franchise undergrounding agreement with FPL (formerly Gulf Power, a subsidiary of Nextera Energy) and received an opinion of probable cost. This opinion will allow for the consideration of financing options and a potential start to the project in late FY 2023.

Roadway and Pedestrian Improvements: The Transportation Element of the Comprehensive Plan guides the City's regulations regarding street improvements for both motor vehicle and pedestrian needs. The City's plan is aimed at enhancing an efficient and high-quality multi-modal transportation system that balances community circulation needs with regional travel demand.

The adopted five-year capital improvement plan for FY 2022-2026 includes several pathway projects that will connect the Harbor Boardwalk with additional parking and will connect the library, community center, fishing museum, and three city parks. The City is working closely with a rate analyst to establish developer mobility fees to help the City fund the greater multi-modal mobility plan.

Purchase and Installation of Municipal Management

Software: A top priority for the organization was to implement a comprehensive software package that would automate and centrally connect critical processes, including permitting, planning, regulatory management, inspections, and code compliance, into one easily accessible system for our customers. In 2019, the City purchased Tyler Technology's Energov product and branded it with the name COMPASS (COMMunity Permit And Support System). City and Energov staff worked diligently on this monumental City project and this new e-government system went live in June 2021. This new software streamlined communication amongst City staff and customers, and productivity has markedly increased at both the office and field levels. The COMPASS portal enables residents, developers, contractors, and business owners to easily apply for their building permit, development, business tax receipts and engineering applications from their computer in the comfort of their home or office. They can submit necessary documents, track the progress, pay invoices, and receive final documentation via the COMPASS portal without calling or making a trip to City Hall Annex. Furthermore, the average turnaround time between application submittal and permit issuance for permits and business tax receipts has improved by 80%.



Airport Road Safety Improvements: In FY 2019, the Florida Department of Transportation (FDOT) agreed to take on the responsibility of designing and constructing safety improvements on the curve on Airport Road. A special new surface and additional signage were installed late in FY 2021, which have improved safety of both lane-sets to help vehicles negotiate the curve.

Norriego Point Stabilization and Recreational Amenities: This has been a high priority project for the Destin community. Due to the complex dynamics of the Destin East Pass, in FY 2011 the City Council appointed a Blue-Ribbon Panel of stakeholders to assist in the decision-making for the proposed design for stabilization of the Point. In late FY 2013, the City was notified the Florida Department of Environmental Protection (FDEP) was awarded a National Resource Damage Assessment (NRDA) grant to construct this project. In FY 2014 city staff began working with the State to implement this project. The project began in the fall of 2017 with the stabilization phase. In the fall of 2021, the City signed an agreement with a developer who will work with the City to extend the road and add parking for access to the park that FDEP has worked to design. FDEP continues to manage the design and construction of improvements to Norriego Point. We anticipate the construction of recreation amenities to begin in FY 2023. The hardening efforts on Norriego Point provide storm protection for the Destin Harbor and will help preserve the point for the future.

Stormwater Drainage and Water Quality Improvements: In FY 2015 the City was fortunate to receive a \$3.6 million grant from the National Fish and Wildlife Foundation's Gulf Environmental Benefit Fund to complete its six remaining storm water projects identified in Destin's FY 2002 Stormwater Master Plan. The City's matching requirement was \$50,000. All six projects were designed in FY 2016. Construction of all six projects were completed in 2017. Additional projects were added which were completed in FY 2021. The City is working to update the Stormwater Master Plan.

Joe's Bayou Renovation: In 2016, the City purchased a parcel of waterfront property that has long been desired by the City of Destin to complete its plans for the Joe's Bayou Recreation Area which will combine four properties into one recreational park. FDEP is managing the funding,

design and construction of a bayfront park. Design is underway in FY 2022 and construction is anticipated to start in FY 2023.

Captain Leonard Destin Park: In late 2014/2015 the City was notified that we would be receiving a \$9,700,000 grant from BP's Early Restoration Funds. This grant, administered through The Trust for Public Land acquired a 3-acre parcel on the Choctawhatchee Bay and constructed a new park with a splash pad and playground. The park also received an operating grant from FDEP for maintenance and operations for a ten-year period beginning at conveyance of the park to the City. The fully constructed park was conveyed to the City at the end of FY 2020. FY 2021 was the first full year of operations which were fully covered by the grant from FDEP.

Community Redevelopment Agencies. The Community Redevelopment Agency (CRA) is responsible for developing and implementing the Community Redevelopment Plan that addresses the unique needs of the targeted area. The plan includes the overall goals for redevelopment in the area, as well as identifying the types of projects planned for the area. The City of Destin continues to focus on redevelopment opportunities. The establishment of two CRA districts help focus planning efforts for major capital improvements in the heart of the City to maintain the vitality and heritage of our harbor district and to facilitate mobility across town and through our downtown area.

Town Center CRA District

Major projects in the Town Center district of the CRA valued at over \$18 million were accomplished between 2005-2009 included:

- Construction of the Main Street and Legion Drive widening, stormwater management improvements, and multi-modal landscaping enhancements
- Undergrounding of overhead utilities on Main Street
- Airport Road widening, including stormwater management improvements and multi-modal amenities

These projects were accomplished through a combination of grants and tax increment financing (TIF) revenue bonds.

Gulf Power Easement/Linear Park: One key project aimed at redeveloping the Town Center District is the proposed Linear Park. An objective outlined in the Town Center CRA plan is to improve non-vehicular pathways between Main Street and Airport Road. This linear park and multi-use pathway will connect portions of the Gulf Power easement. The project will provide a safe area for walking, jogging, biking and exercise. In addition, it will provide alternate access for residential areas off Airport Road to shops, restaurants and other amenities in the Town Center.

Harbor CRA District

The major projects of the Harbor District CRA were mostly completed in 2009-2013:

- The reconstruction of Mountain Drive into a multi-modal roadway
- The construction of the first phase of the Harbor Boardwalk
- The construction of a long-term surface parking lot (Marler Street) on Harbor Boulevard with appropriate lighting, landscaping, and stormwater improvements
- Melvin Street Drainage

In 2014, focus was placed on safe pedestrian mobility in the Harbor District and along US 98. The City worked with the State of Florida Department of Transportation (FDOT) to conduct a Pedestrian Safety Assessment analysis of Hwy 98 from Marler Bridge to Airport Road. In the spring of FY 2016, FDOT installed five (5) signalized pedestrian crossings on Harbor Blvd/Highway 98.

Furthermore, the City is in the process of undertaking two major development efforts aimed at enhancing the festive atmosphere and experience of our redevelopment areas.

Captain Royal Melvin Heritage Park and Plaza: The City acquired a 0.77 acre harbor-front property for a park with support from the Trust for Public Land and additional funding provided by the Florida Community Trust. Located in the center of the Harbor District CRA, Captain Royal Melvin Park will serve as a gateway to the Destin Harbor District featuring an observation platform, resource center, educational signage, walkways, and a plaza with picnic tables, playground equipment and restrooms. The construction of the park began in early 2021 and is expected to be substantially completed by the Spring of 2022. This construction is primarily funded by a Restore Act grant from the US Treasury, being administered by Okaloosa County.

Additional Financial Policies that Affect the Financial Position

General Government Functions: The City's accounting system is organized on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds used are determined generally by the City Council upon recommendation of the City Manager and the Finance Director establishes accepted accounting policies and procedures, as well as the number of funds.

In accordance with Florida Statutes, Chapter 218.33, revenues are recorded by source to provide information necessary to (1) prepare and control the budget, (2) record the collection of revenues (3) prepare financial statements and schedules, and (4) prepare financial statistics.

Long-Term Financial Planning

The City's responsiveness to emerging economic challenges and its careful long-range planning have been instrumental in maintaining Destin's fiscal health. Fiscal conservatism, a streamlined budget, and operating efficiencies have resulted in a solid position for the City at the close of fiscal year 2021. Approval by Council of mission and goal statements allows staff to create strategic plans and a programmatic budget that directly responds to the Council's vision, goals, and community expectations. The City continues to prioritize debt service and operations first in budgeting. Most capital projects are funded by grant revenues and impact fees.

Statement of Philosophy. In 2021, the Mayor and City Council adopted a new vision statement: *"Destin is a family oriented beach and fishing community where people want to live, work & play and where visitors are welcomed to respectfully enjoy our community and its resources."* City leaders have continued to reinforce and refine their support of this vision each year at their strategic planning sessions.

As indicated within this Vision Statement, the City of Destin is working at all levels to improve the quality of life within our community. Since the Budget is a policy document and serves as a statement of City policy in fiscal terms, it should be viewed as a reflection of the Council's established strategic goals of:

- 1) Financially sound city providing service excellence
- 2) A green and sustainable environment
- 3) Improve mobility and connectivity
- 4) Enhanced quality of life and safety for families
- 5) Economic development and revitalization
- 6) Effective, efficient and aesthetically pleasing infrastructure

Plans articulated in the fiscal year 2022 Adopted Budget and Capital Improvement Plan continue to support basic governmental services (roads, parks, recreation, and stormwater, etc.) while also addressing the City Council's broad goals and citizens' expectations for the community.

Destin's financial plan requires many elements working in concert with one another. Some of these financial plan elements are financial resource planning, investment planning, strategic capital improvement project planning, and debt management. The Finance Department's management role is to maintain and enhance financial plan elements and ensure continued financial stability for the City of Destin.

Budget Planning: The City of Destin is required to adopt an annual budget in accordance with the City Charter and State Statutes. The City Manager is charged with preparing a proposed budget submission in July of each year for the fiscal year that begins the following October 1. Appropriations by department by fund and tax levies are adopted in September. The budget also authorizes the number of full-time equivalent positions available to City departments to deliver services. The budget may be amended by Council motion at a regular meeting or administratively if the change is within the same department and fund. Various thresholds of review and approval have been established for purchases and hiring as the budget is implemented.

Capital Improvement Program: Destin's Capital Improvement Program projects are planned for five years and evaluated based on project totals of over \$25,000, a useful life of five years or more; and costs that do not recur annually, unless the project has multi-year elements. The operating cost impacts of projects are also planned and considered in developing future operating budget plans. Projects with significant operating impacts are carefully timed to avoid contingent liabilities, which future operating resources cannot meet. Pay-as-you-go funding sources are also conservatively estimated to avoid over-committing to capital construction using revenues that are not certain. Expending the pay-go funding sources can appear as an appropriation of fund balance in years when construction occurs after years of saving up for a project. To the extent debt financing is used and/or required, capital project plans are sized to conform to existing debt management policies.

Debt Management: Destin has a financial policy which prohibits the issuance of debt for operating costs. With that as a governing framework, all debt issuances are for the purpose of financing capital infrastructure (or long-lived costly assets). Each debt issuance is evaluated against multiple additional policies addressing debt service as a percent of operating

expenditures, tax and revenue bases for the repayment of debt, the overall debt burden on the community and statutory limitations and market factors affecting tax-exempt interest costs. In all cases a long-term analysis is made considering the financial (debt) capacity that fits the wherewithal (and willingness) of our community to pay for the capital projects. The annual debt service operating cost for each additional one million dollars in new debt averages about \$30,000 based on an average interest rate of 3.0 percent. Sizing of the City's Capital Improvement Program is based on the debt capacity in conjunction with conservatively estimated pay-as-you-go revenues which will help stabilize per capita debt and lower annual debt service costs to the City over the long-term.

Revenues pledged to the repayment of debt issues consist of general government's commitment to budget and appropriate, sales taxes, communication service taxes, and CRA tax increment funding (TIF). The Tax Increment Financing (TIF) revenues are calculated using the growth of property values above the base year property values within each CRA district. Annual requirements and debt transactions are reflected in the notes to the financial statements.

Internal Control: City management is responsible for establishing and monitoring internal controls to ensure that the City fulfills its fiduciary responsibility as custodian of public monies. The purpose of internal controls is to provide reasonable, but not absolute, assurance that City assets are safeguarded against loss through unauthorized use or disposition. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Fiduciary Operations: The City of Destin maintains a defined contribution plan for the City's full-time employees. The City contributes 7.5% of the employee's annual earnings to the retirement program, and will match the first 5% of the employee's contribution to their 457 retirement program. Additional information on the City's pension arrangements and post-employment benefits can be found in Notes 11 and 12 in the financial statements.

Financial Information

Management's Discussion and Analysis (MD&A) (starting on page 4) summarizes the Statement of Net Position and Statement of Activities and reviews the changes (from the beginning to the end of the period and current year to prior year). The Government-wide financial statements (in detail) are presented on pages 21 through 22 and are intended to present the City in a manner similar to private-sector businesses.

Additionally, the Fund Financial Statements (starting on page 23) are designed to address the Major (or more significant) individual funds by category. An explanation of these complementary presentations can be found in the MD&A (starting on page 4).

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Destin for its annual comprehensive financial report (ACFR) for the year ended September 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the twenty-sixth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

This achievement is the direct result of the efforts of many people and not the work of a single person. Our gratitude is given to the Mayor and City Council for their continuing attention, assistance, and cooperation regarding the financial operations of the City as well as to our residents for their support toward the planning and administration of the financial operations of the City in a responsible and progressive manner. We would also like to express our thanks to the staff of EFPR Group, Certified Public Accountants for their professional services and assistance to the City of Destin. Lastly, we extend our sincere appreciation to all city employees, particularly our finance staff, for their hard work, professionalism, and dedication to ensuring Destin's financial stability.

Respectfully submitted,



Lance Johnson
City Manager



Krystal Strickland, CPA, CGFO
Finance Director

CITY OF DESTIN

EXECUTIVE DIRECTORY

City Council

Gary Jarvis, Mayor
Dewey Destin, Mayor Pro Tem/Council
Rodney Braden, Council
Terésa Herbert, Council
Johnny King, Council
Kevin Schmidt, Council
Jim Bagby, Council
Bobby Wagner, Council

City Manager

Lance Johnson

Finance/Budget Director

Krystal Strickland

Deputy City Manager

Webb Warren

City Attorney

Kyle Bauman
Anchors, Smith,
Grimsley, PLC

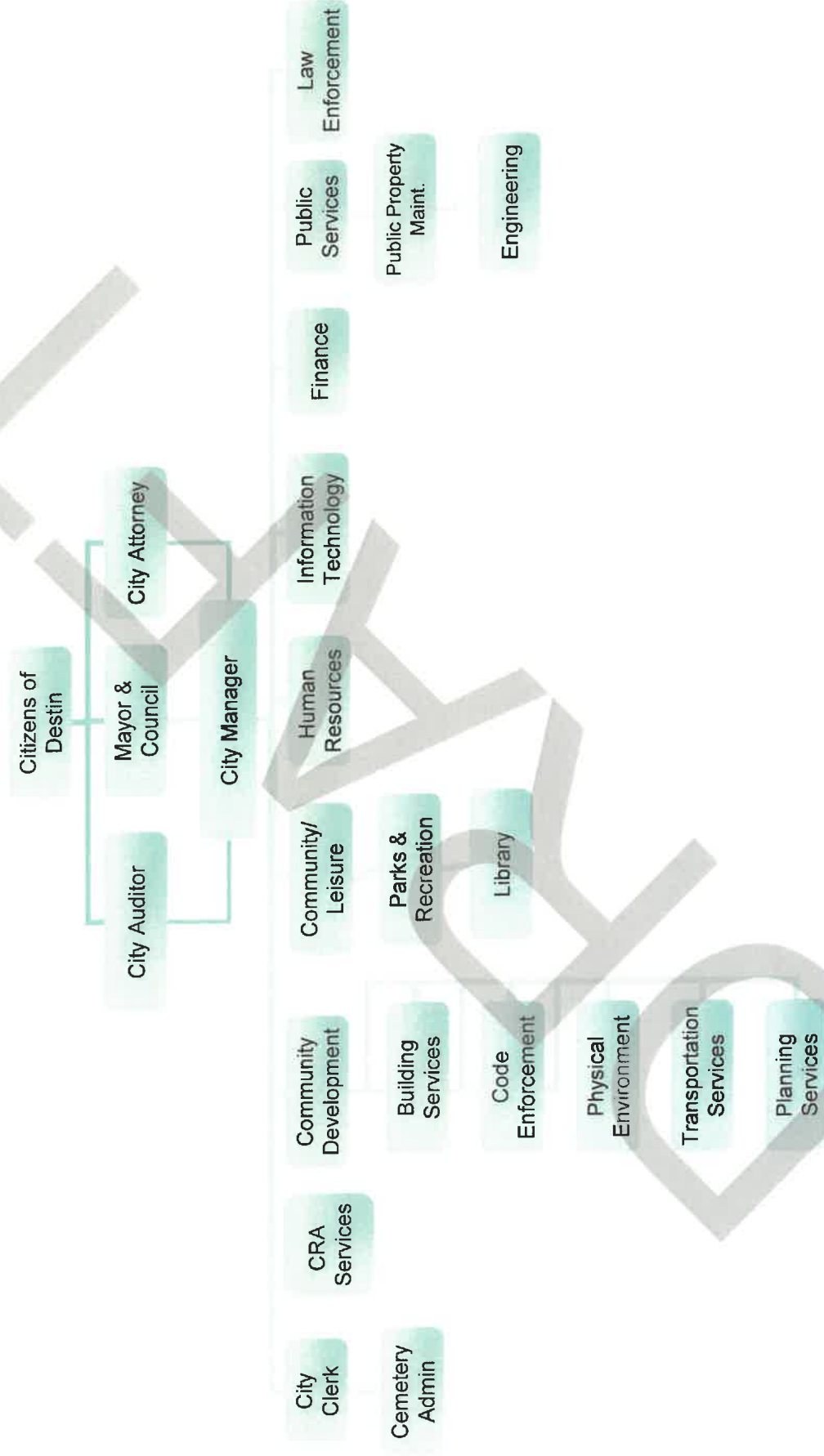
City Clerk

Rey Bailey

City Land Use Attorney

Kimberly Kopp
Romano Kopp Law, P.A.

City of Destin Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Destin
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morvill

Executive Director/CEO

Financial Section

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
 - Government-Wide Financial Statements
 - Fund Financial Statements
 - Notes to Financial Statements
- Required Supplementary Information
- Combining and Individual Nonmajor Fund Financial Statements

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council
City of Destin, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the fiduciary fund and the aggregate remaining fund information of the City of Destin, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the fiduciary fund and the aggregate remaining fund information of the City of Destin, Florida, as of September 30, 2021, and the respective changes in financial position, and, where applicable, the respective budgetary comparisons for the General Fund, the Community Redevelopment Agency - Town Center Special Revenue Fund, and the Capital Projects Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of changes in the City's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules of revenue, expenditures and changes in fund balance - budget to actual, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedules of revenue, expenditures and changes in fund balance - budget to actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor

fund financial statements and the schedules of revenue, expenditures and changes in fund balance - budget to actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated , 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Jupiter, Florida
, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Destin, Florida (the "City") we offer readers of the City's financial statements this narrative overview and analysis of financial activities of the City for the fiscal year ended September 30, 2021. The City's Management Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on the significant financial issues, (b) provide an overview of the City's financial activities, (c) identify changes in financial position, (d) identify any material deviations from the financial plan (the approved budget), and (e) identify any individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- Assets plus deferred outflows of resources of the City of Destin exceeded liabilities plus deferred inflows of resources at the close of the most recent fiscal year by \$131,205,295 (net position). Of this amount, \$98,289,498 represents the net investment in capital assets (e.g. land, infrastructure, building, machinery, and equipment), \$3,852,330 million is restricted for use by regulatory agencies, grantors and debt covenants, and \$29,063,467 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position of increased by \$10,882,016 during the current fiscal year. Just over \$1 million of this increase is from an unanticipated rise in property, sales, use and fuel taxes. We believe the increase in sale and fuel tax dollars was prompted by an increase in tourism in North Florida during fiscal year ended (FY) 2021 as compared to FY 2020 when COVID travel restrictions were enforced. A large portion of the revenues attributable to the increase in net position are from sources that have been programmed into our 5-year capital improvement plan, and as such, were not scheduled to be expended during FY 2021.
- Governmental Activities generated \$8,600,911 in program revenues (\$2 million more than in the prior fiscal year), with \$16,046,259 in direct expenses.
- At the close of the current fiscal year, the City of Destin's governmental funds reported combined ending fund balances of \$33,515,915, an increase of \$3,694,376, or 12% over the prior year. Of this amount, \$2,561,841 is Nonspendable, \$3,852,330 is restricted, \$14,739,793 is committed, \$1,282,070 is assigned, and \$11,079,881 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,296,275, or 85% of the total General Fund operating expenditures.
- During FY 2021, the City borrowed \$9,905,000 at a rate of 1.139%. Of this amount, \$2,819,000 was used to acquire land to address beach access issues, \$3,489,000 was used to refund the 2015 debt series (formerly 2005B), and \$3,597,000 was used to refund the 2009 TIF revenue note.
- During this fiscal year, the City invested over \$11 million into new and replacement capital assets and infrastructure. Grant funding covered more than \$5 million of these investments into new parks and stormwater infrastructure.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *Introductory Section, Financial Section, Statistical Section, and the Compliance Section*. Within the Financial Section, there is the *Independent Auditors' Report*, this *Management's Discussion and Analysis*, the *Basic Financial Statements*, *Required Supplementary Information* and an additional section that presents *Combining Statements* for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the City:

Government-wide – The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City’s overall financial status.

Fund Financial Statements – The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City’s operations in more detail than the government-wide statements. These fund financial statements focus on the short-term cashflows, and exclude long-term items such as capital assets and long-term liabilities.

The focus of the Governmental Accounting Standards Board (“GASB”) Statement Number 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments* financial statements is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (such as year-to-year and government-to-government), and enhance the City's accountability.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Designed to be corporate-like, the *government-wide financial statements* typically consolidate governmental and business-type activities into two columns, which add to a total for the primary government entity. However, the City of Destin has only governmental activities and, therefore, one column is presented that provides readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. This statement combines and consolidates the governmental funds’ current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). *The City of Destin does not have any business-type activities.* The governmental activities of the City include general government (city clerk, city council, city manager, human resources, finance, city planning, facility and fleet maintenance and non-departmental expenses), public safety (code compliance, law enforcement, and building department services), physical environment (cemetery and stormwater), transportation (public works, streets, sidewalks, streetlights, engineering, traffic signage, median and right-of-way maintenance), economic development (community redevelopment agencies), human services (animal control and contributions), culture and recreation (library, parks, athletic fields, and community center) and debt service.

The government-wide financial statements are found on pages 21 - 22 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the City rather than the City as a whole. The City of Destin's funds can be divided into two categories: governmental and fiduciary funds. Our city does not currently have any proprietary (business-like) funds.

GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at fiscal year-end. Such information may be useful in evaluating a government's near-term financial requirements. The basic governmental fund financial statements are found on pages 23 - 28 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and changes in fund balances for four of the eleven funds considered to be major funds. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements and can be found on pages 62 - 63 of this report.

Major Governmental Funds:

General Fund
CRA Town Center Fund
2009 Revenue Note Series Fund
Capital Projects Fund

Non-major Governmental Funds:

CRA Harbor Fund
Florida Building Code Fund
Technology Fund
Okaloosa Half-Penny Fund
2013 Refunding Revenue Note Series Fund
2014 Refunding Revenue Note Series Fund
2021 Refunding Revenue Note Series Fund

The City of Destin adopts annual appropriated budgets for all of the governmental funds. A budgetary comparison statement is presented within this report for each of those funds to demonstrate budgetary compliance.

PROPRIETARY FUNDS

Proprietary funds normally report business-type activities and provide the same type of information as the government-wide financial statements, only in more detail. The City of Destin has no business-type activities that meet the definition of this fund category.

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the government.

The City maintains a defined contribution plan for the City's full-time employees. The City administers the retirement plan known as the "Employee Thrift Plan." The Board of Trustees operates the investment policy set forth by the City Council. All funds are held by Benjamin F. Edwards & Co., which also acts as the Investment Manager. As of September 30, 2021, total assets were stated at \$7,135,194, an increase of \$1,055,098 compared to the September 30, 2020 stated value of \$6,080,096. Allocations of investments were represented as 89% mutual funds and 11% cash and cash equivalents.

The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements are found on pages 29 - 30 of this report.

NOTES TO FINANCIAL STATEMENTS

The notes to the financial statements provide additional information, which is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 31 of this report.

OTHER INFORMATION

The combining statements, mentioned earlier in connection with nonmajor governmental funds, are presented immediately following the required supplementary information. The combining and individual nonmajor fund financial statements are found on pages 62 - 63 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of net position. As noted earlier, over time net position may serve as a useful indicator of a government's financial position. There are six basic transactions that will affect the comparability of the Statement of Net Position summary presentation as reflected below:

- 1) **Net results of activities** will impact (increase/decrease) current assets and unrestricted net position.
- 2) **Borrowing for capital** items will increase current assets and long-term debt.
- 3) **Spending borrowed proceeds on new capital** items will reduce current assets and increase capital assets. Additionally, an increase in investments in capital assets plus an increase in related debt will not change the net investment in capital assets.
- 4) **Spending of non-borrowed current assets on new capital** items will reduce current assets, increase capital assets, reduce unrestricted net position, and increase net investment in capital assets.
- 5) **Principal payment on debt** will reduce current assets, reduce long-term debt, decrease unrestricted net position, and increase net investment in capital assets.
- 6) **Reduction of capital assets through depreciation** will reduce capital assets and net investment in capital assets.

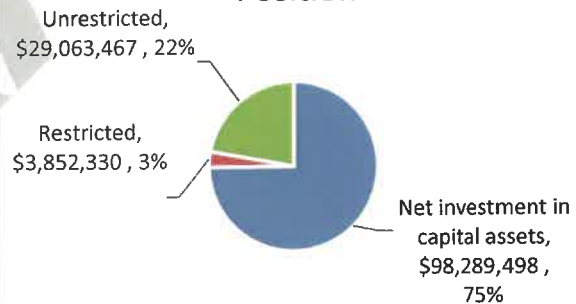
In the case of the City of Destin, combined assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$131,205,295 at the close of fiscal year 2021. (See Table 1 below.)

Table 1
Statement of Net Position
As of September 30,

Governmental Activities					
	2021	2020	\$ Change	% Change	
Current and other assets	\$ 35,681,914	\$ 30,994,154	\$ 4,687,760	15%	
Capital assets	121,522,085	113,690,820	7,831,265	7%	
Total assets	157,203,999	144,684,974	12,519,025	9%	
Deferred outflows	66,524	73,147	(6,623)	-9%	
Current liabilities	3,334,156	919,586	2,414,570	263%	
Long-term liabilities outstanding	21,649,241	23,053,574	(1,404,333)	-6%	
Total liabilities	24,983,397	23,973,160	1,010,237	4%	
Deferred inflows	1,081,831	461,682	620,149	134%	
Net position:					
Net investment in capital assets	98,289,498	91,184,514	7,104,984	8%	
Restricted	3,852,330	3,891,401	(39,071)	-1%	
Unrestricted	29,063,467	25,247,364	3,816,103	15%	
Total net position	\$ 131,205,295	\$ 120,323,279	\$10,882,016	9%	

The largest portion of the City's net position, \$98,289,498 (75% of total net position), reflects the investment in capital assets (e.g. land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the City's net position, \$3,852,330 (3% of total) represents resources that are subject to external restrictions. The remaining balance is considered unrestricted \$29,063,467 (22% of total) may be used to meet the City's ongoing obligations to citizens and creditors.

Chart 1: Allocation of Net Position



The City's current and other assets increased \$4,687,760 (15%). Much of this increase is unrestricted revenues that are being saved to apply towards major capital projects that are identified in the 5-year capital project plan. Capital assets net of depreciation increased \$7,831,265 (7%). Our largest addition to capital assets during FY 2021 was the acquisition of two parcels of land in the Crystal Beach area which were purchased to expand beach access for citizens and tourists. More details on the changes in capital assets can be found in Note 7 of the financial statements found in page 47.

The City's total liabilities increased \$1,010,237 (4%), as the net result of refunding older debt and issuing new debt for the beach acquisition mentioned previously. More details regarding the changes in long-term liabilities can be found in Note 8 and Note 9 to the financial statements found in pages 48 - 52.

The City's deferred inflows represent revenue not yet earned. Deferred inflows increased \$620,149 (134%). Nearly all of this increase is related to American Rescue Plan Act (ARPA) grant funds that were advanced to the City. These funds will be realized as revenue when they have been expended for eligible expenses.

Summary of changes in net position. The following information is presented to assist the reader in understanding the different types of basic impacts that can affect revenues:

- 1) **Economic Condition** can reflect a declining, stable, or growing environment and has an impact on property taxes, sales, gas, or other tax revenues as well as consumer spending habits as it relates to building permits, user fees, and other consumption revenues.
- 2) The City Council has authority to set **increases or decreases in City rates** (permitting, impact fees, user fees, parking fees, etc.).
- 3) **Changing patterns in intergovernmental and grant revenues** (both recurring and non-recurring) can change and impact the annual comparisons.
- 4) **Market impacts on investment income** may cause investment revenues to fluctuate from the prior year.

Basic impacts that can affect expenses:

- 1) **Introduction or elimination of programs** and facilities can have an impact on staffing levels, operating costs, and capital outlay costs.
- 2) **Changes in service levels** can cause the City to increase or decrease expenses. The City of Destin outsources many activities, such as law enforcement, legal services, median maintenance, and engineering services. Personnel and contractual services for operating service levels account for over 60% of the City's operating costs.
- 3) **Salary increases** such as cost of living, performance increase, and pension contributions can impact personnel costs. Staffing costs (salary and related benefits) represent approximately 38% of the City's operating costs.
- 4) **Inflation** continues to edge upwards, therefore increasing the price of goods and services purchased by the City. The City is also a major consumer of certain commodities such as fuel, chemicals, supplies, parts, and construction materials to maintain our facilities which have experienced unusual commodity specific increases. In addition, the City has various contracts with built-in annual increases.

The City's net position increased by \$10,882,016 (9%) during the fiscal year 2021. The increase in net position was primarily a result of increased revenues. COVID-related restrictions, including facility closures, program cancellations and travel restrictions resulted in lower revenue collections in FY 2020. Some of the net position increase was planned to save certain revenues for projects in the City's 5-year Capital Improvement Plan.

More detailed information regarding the changes in governmental revenues and expenses can be found following Table 2, which is a summary of the change in net position for governmental activities.

Table 2
Change in Net Position
For the year ended September 30,

	Governmental Activities			% Change 2021 vs 2020
	2021	2020	Change	
Revenue:				
Program revenue				
Charges for services	\$ 2,761,617	\$ 2,090,085	\$ 671,532	32%
Operating grants and contributions	646,998	2,082,880	(1,435,882)	-69%
Capital grants and contributions	5,192,296	2,275,391	2,916,905	128%
General revenue:				
Property taxes	9,892,776	9,374,391	518,385	6%
Other taxes	3,480,413	2,895,623	584,790	20%
Franchise fees	2,034,776	1,872,393	162,383	9%
Government revenue sharing	2,258,270	1,771,657	486,613	27%
Impact fees	590,174	456,051	134,123	29%
Investment income	19,983	471,977	(451,994)	-96%
Miscellaneous income	50,972	11,458	39,514	345%
Total revenue	26,928,275	23,301,906	3,626,369	16%
Expenses:				
General government	3,583,345	4,028,182	(444,837)	-11%
Public safety	3,756,665	3,623,935	132,730	4%
Physical environment	646,171	670,079	(23,908)	-4%
Transportation	2,739,207	2,866,166	(126,959)	-4%
Economic environment	1,141,935	1,152,796	(10,861)	-9%
Human services	64,531	63,494	1,037	2%
Culture and recreation	3,476,834	2,702,912	773,922	29%
Debt service-interest	637,571	752,073	(114,502)	-15%
Total expenses	16,046,259	15,859,637	186,622	1%
Change in net position	10,882,016	7,442,269	3,439,747	46%
Beginning net position	120,323,279	112,881,010	7,442,269	7%
Ending net position	\$ 131,205,295	\$ 120,323,279	\$ 10,882,016	9%

Current Year Impact – Governmental Activities

- Ad valorem property taxes increased \$518,385 (6%) due to the increase of property values within the City.
- The millage rate has been maintained at 1.615 for each of the last five fiscal years. Upon incorporation in 1984, the City of Destin adopted a millage rate cap of 2 mills.
- Grants and contributions increased \$1,481,023 (34%), which was primarily attributable to the contributions from the Okaloosa Tourist Development council to acquire land to expand beach access.
- Charges for services increased \$671,532 (32%). Parking fee rates and locations were adjusted in the spring of 2021 to collect fees near beach access points. The fees were instituted to discourage long-term parking and to encourage more turnover in parking spaces.
- Other taxes increased by \$584,790 (20%), primarily attributed to increased collection of sales, use and fuel taxes. Collections were lower during 2020 due to COVID travel restrictions and beach closures. The Okaloosa Tourist Development Council recently reported FY 2021 travel and tourism were higher than 2019 and 2020.
- Government revenue sharing includes taxes collected by the State of Florida which are shared with municipalities. Government revenue sharing increased \$486,613 (27%) for similar reasons as noted above related to prior year COVID restrictions that were not in place for the current year.
- Investment income decreased \$451,994 (96%). Investment income includes unrealized gains and losses. The City's conservative investment policies result in investing in US treasuries and US agency bonds which did not realize losses, but the mark to market rule requires us to record and report the unrealized loss.
- Total City expenses increased \$186,622 (1%), which was attributable to the first full year of operations of the new Leonard Destin Park which is paid by an operating grant provided by FDEP.

Chart 2 compares governmental revenues from FY 2020 to FY 2021 by major revenue category.

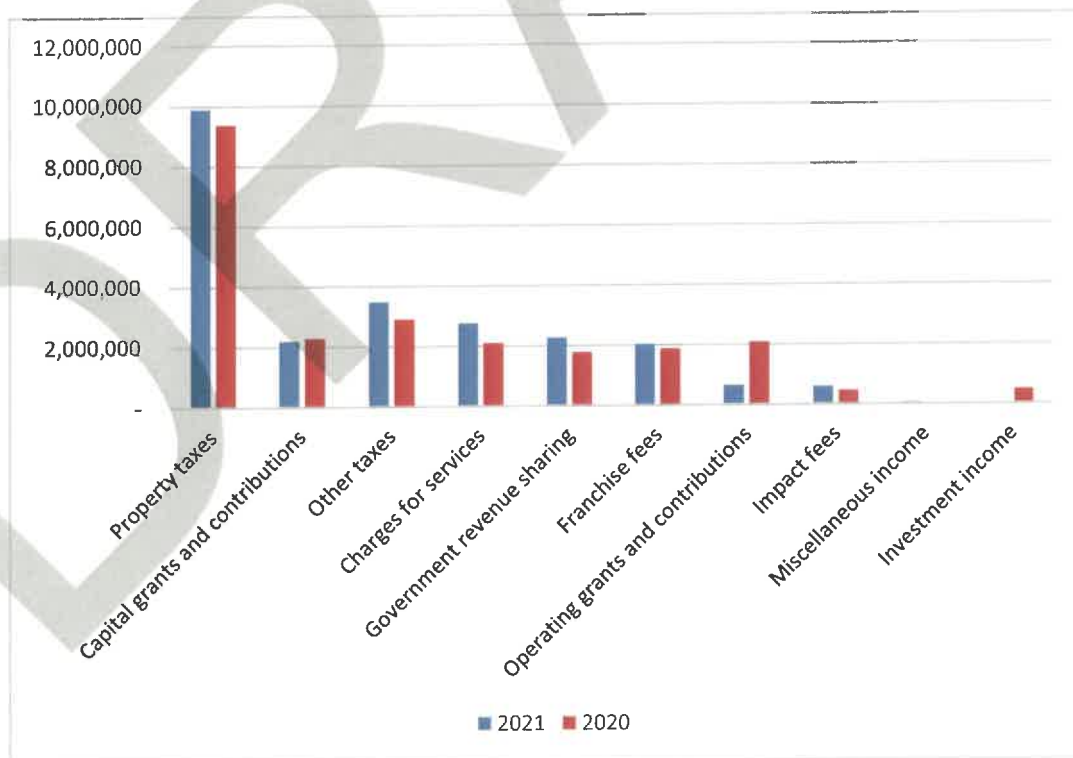


Chart 3 provides an overall view of the various governmental revenue sources.

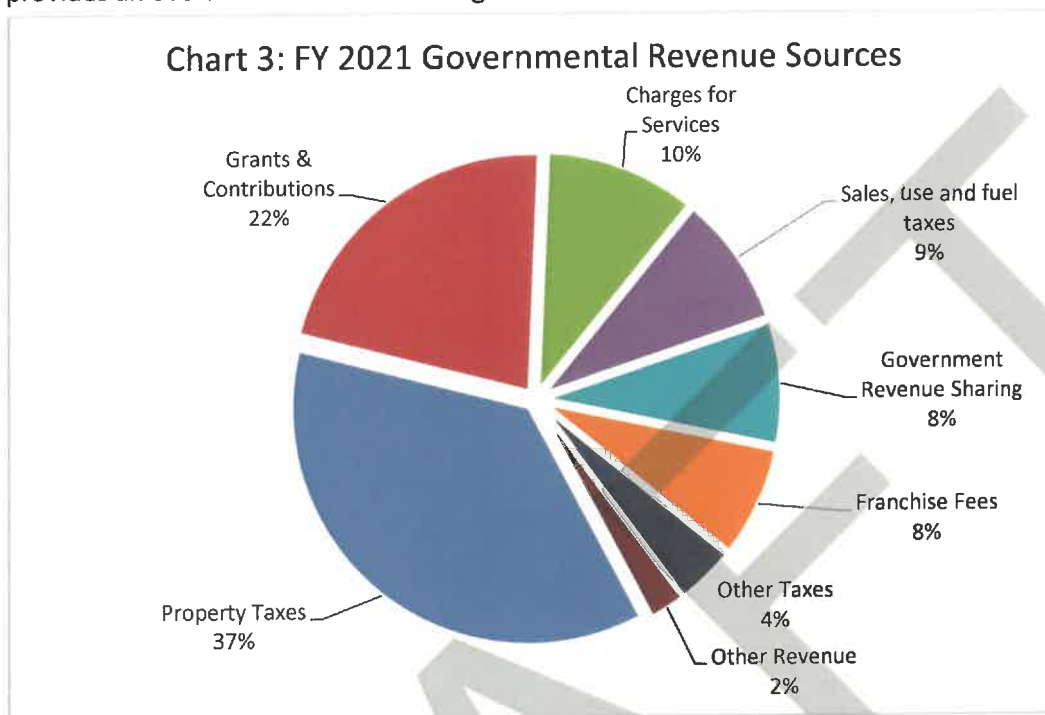
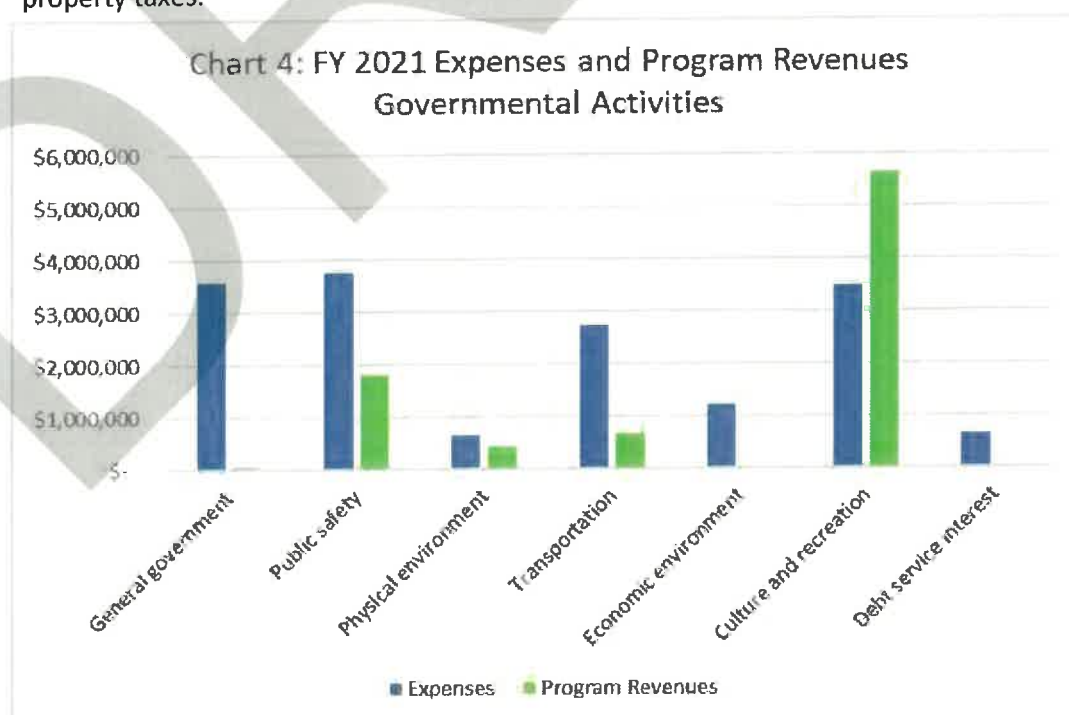


Chart 4 compares program revenues to program expenses for each category of governmental activity. Program revenues include charges for services and grants. The cost of all governmental activities this year was \$16,046,259. This cost was financed by:

- Those who directly benefit from the programs through charges for services \$2,761,617 (17% of total program expenses)
- Other governments and organizations that subsidized certain programs through operating and capital grants and contributions \$5,839,294 (36% of total program expenses)
- The remaining \$7,445,348 “public benefit” portion of governmental activities was financed with property taxes.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2021, the City's governmental funds reported combined ending fund balance of \$33,515,916, an increase of \$3,694,376 as compared to the prior year.

Table 3
Governmental Funds Fund Balance
As of September 30,

Fund Balance	2021	2020	Change
<i>Nonspendable:</i>			
Interfund advance	\$ 2,448,824	\$ 2,448,824	\$ -
Prepaid expenditures	113,017	2,513	110,504
<i>Restricted for:</i>			
Impact fees: park, traffic library and police	2,108,263	2,644,213	(535,950)
Other Agreements: NPEB, Stormwater, Morgans Grant, Gas Tax #2	817,875	603,446	214,429
Debt service	339,200	476,618	(137,418)
CRA Harbor	276,242	167,124	109,118
Florida Building Code Enforcement	310,750	-	310,750
<i>Committed for:</i>			
Emergency operations	3,707,539	3,655,122	52,417
Debt service	2,669,656	1,100,960	1,568,696
Emergency maintenance	3,707,539	3,655,123	52,416
Infrastructure surtax	3,408,363	-	3,408,363
Renewal & replacement	1,045,290	-	1,045,290
Technology	201,406	-	201,406
<i>Assigned for:</i>			
Encumbrances	1,282,070	3,008,503	(1,726,433)
<i>Unassigned</i>	11,079,881	12,059,093	(979,212)
Total Fund Balance	\$ 33,515,915	\$ 29,821,539	\$ 3,694,376

Fund balance of governmental funds consists of the following classifications (see table 3);

- **Nonspendable Fund Balance:** \$2,561,841 is classified as *nonspendable*, which indicates these amounts are not available to pay near-term obligations. Our current nonspendable balance includes prepaid expenditures (\$113,017) and an interfund advance from the General Fund to the CRA Town Center fund (\$2,448,824).
- **Restricted Fund Balance:** \$3,852,330 is classified as restricted. External entities, such as the State of Florida, grantors and lenders placed restrictions on the use of these funds. \$2,108,263 is impact fees which are restricted for expenditure upon “growth necessitated capital expenditures” and cannot be used to pay for operating expenses. \$817,875 has been restricted by grant and interlocal agreements. \$339,200 is in debt service accounts to be expended as per debt covenants. \$276,242 is restricted by State Statute for expenditure within the Harbor community redevelopment agency district. \$310,750 is restricted for expenditures related to enforcing Florida Building Code as per state statutes.
- **Committed Fund Balance:** \$14,739,793 is classified as committed, to indicate amounts constrained to purposes by City Council through Ordinance or Resolution. City resolution 12-20 commits the equivalent of three months operating costs to be placed into the Emergency Operations reserve (\$3,707,539), one year’s worth of debt service (\$2,669,656) is in a debt service reserve, and an equivalent to three months of operating costs is in an emergency maintenance reserve (\$3,707,539). Council has chosen to commit the Okaloosa Half Penny Local Infrastructure Surtax to specific capital projects (current fund balance of \$3,408,363.) \$1,045,290 has been committed to renew and replace certain infrastructure, capital components of facilities, and to replace capital machinery. \$201,406 is the current balance in the Technology fund to be used for hardware and software related to permits and licenses processed by the Building, Code Compliance, and Community Development departments.
- **Assigned Fund Balance:** \$1,282,070 is classified as assigned to indicate the City’s intent to use for a specific purpose. Our assigned fund balance is the current balance of encumbrances made in the form of purchase orders and/or contracts for goods and services ordered.
- **Unassigned Fund Balance:** \$11,079,881 is classified as unassigned which identifies net resources available for spending at the end of the fiscal year.

General Fund

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance totaled \$26,319,436, of which \$13,296,275 is unassigned. As a measure of the general fund’s liquidity, it may be useful to compare unassigned fund balance to total expenditures. Unassigned fund balance represents 85%, or approximately 10 months of the General Fund’s total operating expenditures.

The fund balance of the City’s general fund decreased \$5,204,549 during the current fiscal year from \$31,523,985 to \$26,319,436 due to the following accounting changes:

- A Special Revenue Fund was set up by council resolution to track revenue and expenditures for enforcement of Florida Building Code (August 2021).
- A Special Revenue Fund was set up to track the Okaloosa Half-Penny Local Discretionary Infrastructure Surtax which was committed for certain usage by council (January 2020).
- A Special Revenue Fund was set up for the Technology Fund, which was set by council to be funded by a percentage of permitting and license fees and which has restrictions for use.
- The Capital Projects fund was expanded to track restricted revenues governed by grant awards, interlocal agreements, and other restrictions, and to begin a renewal and replacement fund.

The total revenues of the General Fund increased \$4,024,745 from \$19,728,028 in FY 2020 to \$23,752,773 in FY 2021. This is primarily due to intergovernmental revenues which doubled from \$4,050,502 in FY 2020 to \$8,053,048 in FY 2021. Intergovernmental revenues include grants from Federal, State, and local government agencies. In FY 2021 the City was awarded \$4,054,946 from the Okaloosa Tourist Development Council towards purchases of land to expand beach access.

The total expenditures of the General Fund increased \$1,486,416 because of the accounting changes mentioned above. The General Fund debt service category, however, was \$3,732,740 higher because we refunded the Series 2015A Revenue Note as part of the 2021 Series Non-Ad Valorem Refunding Revenue Note. The net of the lower operating expenditures plus the increased debt service appears as an increase to total General Fund expenditures of \$1,486,416 which is 11% higher than the previous year.

CRA Town Center Special Revenue Fund

The CRA Town Center Special Revenue fund is the second largest governmental fund. The CRA Town Center Special Revenue fund balance increased \$174,126. Ad valorem tax and tax incremental financing revenues increased \$114,437 and transfers out to debt service decreased \$241,721 down to \$731,280 for FY 2021. FY 2020 transfers out to debt service were higher for one year in order to adjust the Town Center's debt service account balance up to required levels.

2009 Revenue Note Series Debt Service Fund

The third major governmental fund this year is the Debt Service 2009 Revenue Note Series fund. The 2009 note was refunded as part of the Non-Ad Valorem Refunding Revenue Note, Series 2021. The action of paying off the \$4,079,295 balance of the 2009 note appears as a one-time increase to debt service of \$3,508,411. Now that the debt is paid off, this is the last year this fund will appear in the financial statements.

Capital Projects Fund

The fourth major governmental fund is the Capital Projects Fund. In previous years, this was used to account for bond proceeds restricted to capital projects. All the bond proceeds have now been fully expended. As mentioned above, beginning in FY 2021, accounting changes were made to track the revenue and expenditure of funds restricted to capital projects, moving balances from the general fund to this capital projects fund. \$2,926,138 of the Capital Projects Fund balance is restricted by state statute and interlocal agreements. \$1,045,290 is of this fund balance has been committed by Council to address renewal and replacement of capital assets, and \$734,385 is assigned by contracts and purchase orders. The Capital Projects Fund accounted for \$7,860,360 of capital outlays during FY 2021.

Fiduciary funds. The City's fiduciary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Employee Thrift Plan had a restricted net position at September 30, 2021 of \$7,135,194. The total increase in net position was \$1,055,098. Half of this increase was from net investment income, and half was from employer contributions to the thrift plan.

GENERAL FUND BUDGETARY HIGHLIGHTS

The significant variances between the adopted General Fund budget and the final General Fund budget are as follows:

- During FY 2021, low interest rates made it a viable option to refund the General Fund's 2015 series of debt. Debt service was increased \$3.6 million offset by a transfer in from a new debt service account and the refunding was accomplished in May 2021 with the issuance of the 2021 series of debt.

- The intergovernmental revenue budget was increased each time a grant was awarded by federal, state, and county agencies, resulting in an increase of \$2.8 million. Grant expenditure budget and transfers out to the capital project fund were increased in an equal amount.
- Building permit revenue budget was reclassified from the General Fund into a newly established Florida Building Code Special Revenue Fund to better comply with Florida Statute regarding accounting for revenues and expenditures related to enforcement of Florida Building Code. Likewise, expenditures related to enforcement of Florida Building Code were also transferred from the General Fund into the new Florida Building Code fund, reducing permit revenue by approximately \$500 thousand and reducing Public Safety expenditures also approximately \$500 thousand.

The significant variances between the final budget and the year-end actual results are as follows:

Revenues

The general fund actual revenue results were \$4.3 million lower in total than budgeted, primarily attributed to the following reasons:

- Intergovernmental revenues earned were \$5.8 million lower than budgeted due to delays in accomplishing cost-reimbursement grant milestones. The combining effect of COVID manufacturing and distribution issues plus the busy tropical storm season made it difficult to acquire construction materials. In addition, labor shortages have also resulted in significant construction delays.
- Tax revenues, charges for services and license and permit revenue were higher than anticipated as follows:
 - Tax revenues were \$875,641 higher than anticipated. Half of this is attributable to the ad valorem tax collections being higher than the 95% of the levy budgeted. The other half is attributed to higher collections of sales, use, and fuel taxes due to increased travel and tourism than anticipated in our County.
 - Charges for services were \$437,279 higher than anticipated. The higher revenues were mostly due to a change in the parking fee schedule, which was expanded to include parking spaces near beach access points. In addition, the City was able to re-open many culture and recreation activities which had been closed in FY 2020 due to COVID safety restrictions.
 - License and permit revenue was \$231,844 higher than anticipated. This category includes the state half-cent sales tax and municipal sharing revenue that is collected by the state and remitted to the City.

Expenditures

The general fund actual expenditure results were \$1.9 million lower in total than budgeted primarily for the following reasons:

- Professional and contractual service expenditures were \$885 thousand lower than anticipated. The Community Development department (part of general government) had budgeted nearly \$500 thousand to accomplish a Harbor Capacity Study, but the Army Corps of Engineers agreed to subsidize the study. In addition, we had budgeted for engineering services for projects that were subsequently accomplished by our own engineering department.
- Personnel costs were over \$600 thousand lower than budgeted due to difficulties in hiring and retaining staff. A compensation and wage study has been contracted for FY 2022 in an attempt to address our difficulties to attain full staffing levels.

- Operating costs were nearly \$625 thousand lower than budgeted. This is related to inadequate staff to accomplish all planned services and is also related to difficulty attaining materials and supplies.

Additional items of interest related to the City of Destin's budgeted expenditures:

- **Sheriff's Contract:** The City provides law enforcement services through a contract with the Okaloosa County Sheriff's Office. This contract provides for all patrol activities including, beach patrol, marine patrol, and investigations.
- **Capital Outlays:** The City Council approved a capital improvement plan for the fiscal year 2021 budget that reflects the immediate needs of the City. These projects include the continued work on a five-year street resurfacing plan and a five-year plan for sidewalk replacement. The majority of capital outlays are tracked in the Capital Projects fund.
- **Beach Safety Patrol:** For the sixteenth year, the Council approved funding (\$100,000 in 2021) to support the beach safety patrol operated by the Destin Fire Control District. The funding supports the equipment and operational needs of the patrol activities. Okaloosa County and the Okaloosa County Tourist Development Council significantly support the beach and water safety through the Destin Fire Control District.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City's investment in capital assets for its governmental activities as of September 30, 2021, was \$121,522,085 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads and sidewalks, and stormwater infrastructure. The total increase in the City's investment in capital assets for the current fiscal year was \$7,831,265 or 7% overall, and is summarized as follows:

Table 4
Outstanding Debt
Promissory Notes and Capital Leases

	Governmental Activities				% Change 2021 vs 2020
	2021	2020	Change		
Land	\$ 34,345,353	\$ 27,619,563	\$ 6,725,790		24%
Buildings	6,809,499	7,000,676	(191,177)		-3%
Improvements other than buildings	16,437,592	16,811,905	(374,313)		-2%
Infrastructure	57,550,862	57,433,865	116,997		0%
Machinery and equipment	2,252,557	1,819,659	432,898		24%
Equipment under capital lease	282,860	282,020	840		0%
Library, media and art	132,284	93,892	38,392		41%
Construction in progress	3,711,078	2,629,240	1,081,838		41%
Total	\$ 121,522,085	\$ 113,690,820	\$ 7,831,265		7%

Major capital asset events during the current year include the following:

- **Culture and Recreation:** During FY 2021, the City acquired beach front land valued at \$6,725,790. The Okaloosa Tourist Development Council covered 59% of the cost of the acquisition and also supported demolition of the structures and started park design engineering. The Recreation department accomplished replacement of much of the boardwalks in the Harbor District and at certain beach access points on the Gulf.
- **General Government:** The Community Development department remodeled the City Hall Annex office area to add office cubicles to meet staffing needs.
- **Physical Environment:** A major stormwater project funded by the National Fish and Wildlife Foundation, started in FY 2016, was completed in the spring of 2021.
- **Machinery and Equipment:** During FY 2021, the City replaced eight vehicles that were more than fifteen years old.
- **Construction in progress** realized a net increase of \$1 million. Construction began at the Captain Royal Melvin Park and Heritage Plaza, which is anticipated to be completed in the spring of 2022.

Additional information on the City's capital assets can be found in Note 7.

LONG TERM DEBT

At September 30, 2021, the City had total revenue notes payable of \$23,133,113. The majority of the City's debt represents notes secured solely by specified revenue sources (i.e. revenue notes). The City has no general obligation or special assessment debt. For general obligation debt greater than one year, the City is required to conduct a voter referendum process for approval.

Table 5
Outstanding Debt
Promissory Notes and Capital Leases

	Governmental Activities			% Change 2021 vs 2020
	2021	2020	Change	
Revenue notes	\$ 23,133,113	\$ 22,456,819	\$ 676,294	3%
Capital leases	165,998	166,965	(967)	-1%
Total	\$ 23,299,111	\$ 22,623,784	\$ 675,327	3%

In May 2021, the City issued the 2021 series of debt in the amount of \$9,905,000 at a rate of 1.139% for the following purposes:

- To refund the General Fund 2015 series capital improvement debt to reduce the interest rate from 2.71% on a balance of \$3,489,000.
- To refund the Harbor CRA 2009 series TIF debt to reduce the interest rate from 2.84% on a balance of \$3,597,000.
- To borrow \$2,819,000 of new funds to purchase land to expand beach access in the Crystal Beach area to be repaid using Okaloosa Half Penny revenues.

During 2021, the City paid off a capital lease for a streetsweeper (approximately \$90,00) and in accordance with GASB 87, the City recorded the long-term lease of the Morgans Sports fields (valued at approximately \$90,000).

The City has no legal debt margin requirements set forth by the City's Charter or the Florida Statutes.

Additional information on long-term debt can be found in Notes 8 through 10 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties, and school boards) primarily rely upon property and a limited array of permitted other taxes (sales, gasoline, utility service taxes) and fees (franchise, business license, permits) for their governmental activities. There are a limited number of state shared revenues and recurring and non-recurring grants from both the State and Federal government, which provide funding for specific programs, projects, or activities. For certain governmental activities (permitting, recreational programs) the user pays a related fee or charge associated with the service.

The City revenue forecast can be categorized into three major categories. The first category is recurring tax revenues, such as ad valorem and sales and use taxes. The City's ad valorem revenues have been increasing this past three years at 5-7% a year. The tax levy for FY 2022 is estimated to be over 7% higher than FY 2021. Sales and use taxes were also increasing at an average of 5% per year with the exception of FY 2020, which was down because of COVID travel restrictions and supply chain disruptions. The fuel taxes also were increasing an average of 3% a year with the exception of FY 2020. During fiscal year 2021, the sales and fuel taxes rebounded back up to the trend line. We use the estimates from the State of Florida's economic development council for budgeting purposes which suggest FY 2022 sales, use and fuel tax collections will be within 1% of the FY 2021 collections.

The second category is grants (recurring and non-recurring). The City has a strong base of approximately \$3 million/year in recurring operating grants for parks, the library, and transportation (median and streetlight maintenance). For fiscal year 2022, the City will be investing an additional \$8.6 million in non-recurring grants from Federal, State, and County sources. These additional one-time grants account for 25% of the adopted FY2022 expenditure budget of \$34 million.

The third category includes mostly non-recurring miscellaneous revenues, such as impact fees, permits, charges for services and investment income. Some of these non-recurring miscellaneous revenues tend to be fairly stable year over year, such as charges for services and license and permit fees. Some of these non-recurring miscellaneous revenues are very unpredictable as they depend upon development and national interest rates. The level of fees, and charges for services (including development-related impact fees) has an impact on the City's specific competitive ability to encourage development and redevelopment (office, retail, residential, and industrial) for those businesses that choose to locate in our jurisdiction. As the City has limited growth potential, it places great emphasis on redevelopment and it is essential for the continued financial and economic health of our community.

The City began investing heavily in new technology to expand e-government services even before the COVID pandemic. In June 2021, our e-government software "COMPASS" went live. Since offering our citizens and developers ways to attain permits and licenses online, we have cut processing time significantly. Items that previous took 40+ days to accomplish are now commonly being accomplished in 10-15 days. With faster transaction times, we are able to issue more permits and revenues are increasing.

This fall the City of Destin renegotiated the interlocal agreement with the Okaloosa County Tourist Development Council when the tourist development district was being expanded. The negotiations have resulted in an additional \$1.5 million per year commitment by the Council to the City of Destin for the next twenty years. These funds are restricted to developing tourism and must be applied for with an approved plan and then received on a cost reimbursement basis.

Unrestricted fund balance (which is comprised of committed, assigned, and unassigned fund balance) for the City totals \$29 million. Of that amount, the City of Destin appropriated \$4.1 million for spending in the 2022 fiscal year budget. Over \$3.7 million of the fund balance appropriated is earmarked for certain capital projects as part of the adopted 5-year capital improvement plan.

On the expenditure forecast side, the primary driver for increased expenditures is the grant-funded capital outlays. Capital outlays are expected to increase to \$16.6 million, which is \$5.5 million more than the \$11.1 million expended in FY 2021. Over \$5 million will be spent on development of parks, over \$2.4 million is committed to renewing and replacing older components of facilities, infrastructure and equipment, and \$2 million of grant funds will be used to address traffic issues. A facilities condition assessment will take place during FY 2022 to help us establish a more formal funding policy for the renewal and replacement fund.

The operating expenditure forecast for FY 2022 is estimated to be \$14 million. As mentioned previously, the actual operating expenditures came in lower the past few years because of difficulty attaining and retaining full staffing levels. The largest operating expenditure is for personnel. The City granted a 5% cost of living allowance (COLA) effective October 1, 2021, and has hired a well-respected firm to conduct a compensation study. The FY 2022 budget assumes a 2% MERIT increase based on performance evaluations. One part-time Code Enforcement position will be increased to a full-time position in FY 2022. Health benefit costs increased only 4% for FY2022, as opposed to 5-7% of prior years. Contractual services is the second largest operating expenditure. Labor and fuel costs are estimated to have risen 5-7% and this increase in cost is reflected in the estimated contract expenditures for FY 2022.

Regional economic indicators were also considered in preparing the 2022 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 4200 Indian Bayou Trail, Destin, Florida, 32541. The City's website address is www.cityofdestin.com.

City of Destin, Florida

Statement of Net Position

September 30,

	2021
	Governmental Activities
Assets	
Cash and cash equivalents	\$ 14,386,299
Investments	15,087,604
Restricted cash and cash equivalents	5,454,176
Accounts receivable	99,143
Due from other governments	541,675
Prepaid expenses	113,017
Capital assets, not being depreciated	38,056,431
Capital assets, net of accumulated depreciation	83,465,654
Total assets	157,203,999
Deferred outflows of resources	
Deferred charge on refunding	66,524
Total deferred outflows of resources	66,524
Liabilities	
Accounts payable	895,851
Accrued interest	127,129
Accrued payroll	188,317
Noncurrent liabilities:	
Due within one year	2,122,859
Due in more than one year	21,649,241
Total liabilities	24,983,397
Deferred inflows of resources	
Deferred revenue	1,081,831
Total deferred inflows of resources	1,081,831
Net position	
Net investment in capital assets	98,289,498
Restricted:	
Capital	2,926,138
Debt service	339,200
Florida Building Code Enforcement	310,750
Community Redevelopment	276,242
Unrestricted	29,063,467
Total net position	\$ 131,205,295

The accompanying notes are an integral part of these financial statements.

City of Destin, Florida

Statement of Activities

Year ended September 30,

2021

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 3,583,345	\$ 64,090	\$ -	\$ -	\$ (3,519,255)
Public safety	3,756,665	1,793,926	-	-	(1,962,739)
Physical environment	646,171	50,965	-	374,025	(221,181)
Transportation	2,739,207	505,182	164,414	336	(2,069,275)
Economic environment	1,141,935	-	-	-	(1,141,935)
Human services	64,531	-	-	-	(64,531)
Culture and recreation	3,476,834	347,454	482,584	4,817,935	2,171,139
Interest on long term debt	637,571	-	-	-	(637,571)
Total governmental activities	\$ 16,046,259	\$ 2,761,617	\$ 646,998	\$ 5,192,296	(7,445,348)

General revenues:

Taxes:

Property taxes	9,892,776
Sales, use, and fuel taxes	2,407,441
Communication services taxes	882,821
Other general taxes	190,151
Franchise fees	2,034,776
Government revenue sharing	2,258,270
Impact fees	590,174
Investment income	19,983
Miscellaneous income	50,972

Total general revenues	18,327,364
Change in net position	10,882,016
Net position, beginning of year	120,323,279
Net position, end of year	\$ 131,205,295

The accompanying notes are an integral part of these financial statements.

Balance Sheet - Governmental Funds

September 30,

2021

	General Fund	Special Revenue - CRA Town Center Fund	Debt Service - 2009 Revenue Note Series	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 9,173,201	\$ -	\$ -	\$ 1,387,398	\$ 3,825,700	\$ 14,386,299
Investments	15,087,604	-	-	-	-	15,087,604
Due from other funds	-	-	-	213,058	-	213,058
Due from other governments	541,675	-	-	-	-	541,675
Advance to other funds	2,448,824	-	-	-	-	2,448,824
Accounts receivable - other	99,143	-	-	-	-	99,143
Prepaid expenditures	113,017	-	-	-	-	113,017
Restricted cash and cash equivalents	790,549	237,406	-	3,488,707	937,514	5,454,176
Total assets	\$ 28,254,013	\$ 237,406	\$ -	\$ 5,089,163	\$ 4,763,214	\$ 38,343,796
Liabilities, deferred inflows of resources and fund balances						
Liabilities:						
Accounts payable	\$ 451,371	\$ 4,976	\$ -	\$ 383,350	\$ 56,154	\$ 895,851
Accrued payroll	188,317	-	-	-	-	188,317
Due to other funds	213,058	-	-	-	-	213,058
Advance from other funds	-	2,448,824	-	-	-	2,448,824
Total liabilities	852,746	2,453,800	-	383,350	56,154	3,746,050
Deferred inflows of resources:						
Deferred revenue	1,081,831	-	-	-	-	1,081,831
Total deferred inflows of resources	1,081,831	-	-	-	-	1,081,831
Fund balances:						
Nonspendable	2,561,841	-	-	-	-	2,561,841
Restricted	-	-	-	2,926,138	926,192	3,852,330
Committed	10,084,733	-	-	1,045,290	3,609,770	14,739,793
Assigned	376,587	-	-	734,385	171,098	1,282,070
Unassigned (deficit)	13,296,275	(2,216,394)	-	-	-	11,079,881
Total fund balances (deficit)	26,319,436	(2,216,394)	-	4,705,813	4,707,060	33,515,915
Total liabilities, deferred inflows of resources and fund balances	\$ 28,254,013	\$ 237,406	\$ -	\$ 5,089,163	\$ 4,763,214	\$ 38,343,796

The accompanying notes are an integral part of these financial statements.

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

<u>September 30,</u>	<u>2021</u>
Total fund balance - governmental funds	\$ 33,515,915
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental non-depreciable assets	\$ 38,056,431
Governmental depreciable assets	144,880,213
Less accumulated depreciation	<u>(61,414,559)</u>
	121,522,085
Deferred amounts on refunding are not financial resources and, therefore are not reported as assets or liabilities in governmental funds. The Statement of Net Position includes these charges, net of amortization.	
Deferred outflow, net of amortization	66,524
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Notes payable	(23,133,113)
Capital lease payable	(165,998)
Accrued interest	(127,129)
Compensated absences	(285,117)
Total OPEB liability	<u>(187,872)</u>
	(23,899,229)
<u>Total net position - governmental activities</u>	<u>\$ 131,205,295</u>

The accompanying notes are an integral part of these financial statements.

Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds

Year ended September 30,

2021

	General Fund	Special Revenue - CRA Town Center Fund	Debt Service - 2009 Revenue Note Series	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 11,740,988	\$ 971,820	\$ -	\$ -	\$ 660,381	\$ 13,373,189
Licenses and permits	2,885,812	-	-	-	893,629	3,779,441
Impact fees	-	-	-	590,174	-	590,174
Intergovernmental	8,053,048	-	-	-	-	8,053,048
Charges for services	937,122	-	-	-	-	937,122
Fines and forfeitures	79,829	-	-	-	-	79,829
Investment income	5,019	1,004	440	9,722	3,798	19,983
Contributions	1,867	-	-	-	-	1,867
Miscellaneous income	49,088	-	-	1,884	-	50,972
Total revenues	23,752,773	972,824	440	601,780	1,557,808	26,885,625
Expenditures						
General government	3,326,707	-	-	-	76,477	3,403,184
Public safety	2,996,101	-	-	-	756,894	3,752,995
Physical environment	142,017	-	-	-	-	142,017
Transportation	1,663,328	-	-	-	-	1,663,328
Economic environment	13,209	67,418	-	-	27,273	107,900
Human services	64,531	-	-	-	-	64,531
Culture and recreation	2,854,316	-	-	-	-	2,854,316
Capital outlay	268,117	-	-	7,860,360	3,031,887	11,160,364
Debt service:						
Principal	4,124,986	-	3,986,827	-	1,206,879	9,318,692
Interest	117,397	-	92,468	-	508,076	717,941
Total expenditures	15,570,709	67,418	4,079,295	7,860,360	5,607,486	33,185,268
Excess (deficiency) of revenues over expenditures	8,182,064	905,406	(4,078,855)	(7,258,580)	(4,049,678)	(6,299,643)
Other financing sources (uses)						
Proceeds from issuance of long-term debt	-	-	-	-	9,905,000	9,905,000
Proceeds from issuance of capital lease	89,019	-	-	-	-	89,019
Transfers in	3,682,536	-	4,393,315	11,920,061	9,591,727	29,587,639
Transfers out	(17,158,168)	(731,280)	(453,927)	-	(11,244,264)	(29,587,639)
Total other financing sources (uses)	(13,386,613)	(731,280)	3,939,388	11,920,061	8,252,463	9,994,019
Net change in fund balances	(5,204,549)	174,126	(139,467)	4,661,481	4,202,785	3,694,376
Fund balances (deficit), beginning of year	31,523,985	(2,390,520)	139,467	44,332	504,275	29,821,539
Fund balances (deficit), end of year	\$ 26,319,436	\$ (2,216,394)	\$ -	\$ 4,705,813	\$ 4,707,060	\$ 33,515,915

The accompanying notes are an integral part of these financial statements.

**Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund
Balances - Governmental Funds to the Statement of Activities**

<i>Year ended September 30,</i>	2021
Net change in fund balances - total governmental funds	\$ 3,694,376
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the Statement of Net Position.	11,160,364
Depreciation expense on governmental capital assets is included in the governmental activities in the Statement of Activities.	(3,329,099)
Proceeds from issuances of debt provide current financial resources to governmental funds, by issuing debt increases long-term liabilities in the Statement of Net Position.	
Revenue note	\$ (9,905,000)
Capital lease	(89,019)
	<u>(9,994,019)</u>
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Principal payments	9,318,692
Amortization of bond premium	(6,623)
Change in compensated absences	(32,371)
Change in total OPEB liability	(10,828)
Change in accrued interest on long-term debt	<u>81,524</u>
	9,350,394
Change in net position - governmental activities	<u>\$ 10,882,016</u>

**Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget to Actual - General Fund**

Year ended September 30,

2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 10,865,347	\$ 10,865,347	\$ 11,740,988	\$ 875,641
Licenses and permits	3,158,624	2,653,968	2,885,812	231,844
Impact fees	33,500	33,500	-	(33,500)
Intergovernmental	11,080,651	13,906,412	8,053,048	(5,853,364)
Charges for services	499,843	499,843	937,122	437,279
Fines and forfeitures	27,520	27,520	79,829	52,309
Investment income	18,001	18,001	5,019	(12,982)
Contributions	-	-	1,867	1,867
Miscellaneous income	4,500	4,500	49,088	44,588
Total revenues	25,687,986	28,009,091	23,752,773	(4,256,318)
Expenditures				
General government	4,999,497	4,306,155	3,326,707	979,448
Public safety	3,584,206	3,055,105	2,996,101	59,004
Physical environment	56,737	206,732	142,017	64,715
Transportation	2,105,683	2,024,915	1,663,328	361,587
Economic environment	25,000	15,000	13,209	1,791
Human services	115,000	101,254	64,531	36,723
Culture and recreation	3,105,223	3,460,188	2,854,316	605,872
Capital outlay	84,230	118,621	268,117	(149,496)
Debt service:				
Principal	430,544	4,107,544	4,124,986	(17,442)
Interest	114,369	115,054	117,397	(2,343)
Total expenditures	14,620,489	17,510,568	15,570,709	1,939,859
Excess (deficiency) of revenues over expenditures	11,067,497	10,498,523	8,182,064	(2,316,459)
Other financing sources (uses)				
Proceeds from issuance of capital lease	-	-	89,019	89,019
Transfers in	-	3,682,536	3,682,536	-
Transfers out	(15,393,114)	(19,014,316)	(17,158,168)	1,856,148
Net other financing sources (uses)	(15,393,114)	(15,331,780)	(13,386,613)	1,945,167
Net change in fund balance	(4,325,617)	(4,833,257)	(5,204,549)	(371,292)
Fund balance, beginning of year	31,523,985	31,523,985	31,523,985	-
Fund balance, end of year	\$ 27,198,368	\$ 26,690,728	\$ 26,319,436	\$ (371,292)

The accompanying notes are an integral part of these financial statements.

**Statement of Revenue, Expenditures and Changes in Fund Balance - Budget to Actual -
Community Redevelopment Agency - Town Center Special Revenue Fund**

<i>Year ended September 30,</i>	2021			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 978,886	\$ 978,886	\$ 971,820	\$ (7,066)
Investment income	-	-	1,004	1,004
Total revenues	978,886	978,886	972,824	(6,062)
Expenditures				
Economic environment	92,800	134,425	67,418	67,007
Capital outlay	10,000	10,000	-	10,000
Total expenditures	102,800	144,425	67,418	77,007
Excess of revenues over expenditures	876,086	834,461	905,406	70,945
Other financing uses				
Transfers out	(731,280)	(731,280)	(731,280)	-
Total other financing uses	(731,280)	(731,280)	(731,280)	-
Net change in fund balance	144,806	103,181	174,126	70,945
Fund balance (deficit), beginning of year	(2,390,520)	(2,390,520)	(2,390,520)	-
Fund balance (deficit), end of year	\$ (2,245,714)	\$ (2,287,339)	\$ (2,216,394)	\$ 70,945

The accompanying notes are an integral part of these financial statements.

Statement of Plan Net Position - Pension Trust Fund

<i>September 30,</i>	2021
Assets	
Cash and cash equivalents	\$ 799,382
Investments, at fair value	
Mutual funds	6,335,812
Total assets	\$ 7,135,194
Net position	
Restricted for pensions	\$ 7,135,194

The accompanying notes are an integral part of these financial statements.

Statement of Changes in Plan Net Position - Pension Trust Fund

<i>Year ended September 30,</i>	2021
Additions	
Employer contributions	\$ 450,743
Net investment income	1,102,987
Total additions	1,553,730
Deductions	
Administrative expenses	6,525
Benefits and other withdrawals	492,107
Total deductions	498,632
Change in net position	1,055,098
Net position, beginning of year	6,080,096
Net position, end of year	\$ 7,135,194

The accompanying notes are an integral part of these financial statements.

NOTE 1: NATURE OF ORGANIZATION & REPORTING ENTITY

The City of Destin, Florida (the "City") was established as a municipality on November 9, 1984. The City's original charter was enacted as Chapter 84-422, Laws of Florida, on June 25, 1984. The present charter was certified November 9, 1984 by referendum. The City operates under a Council-Manager form of government and provides the following services: public safety (law enforcement and protective inspections), transportation (road and street facilities), culture and recreation (library, community center, parks and recreation, and special events), physical environment (cemetery), and general governmental services (including planning and zoning).

As required by generally accepted accounting principles (GAAP), these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The City is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the City. Blended component units are legally separate entities, but are in substance a part of the City's operations and therefore the data from these units are combined with the data from the primary government. The City has two blended component units as described below:

- The Community Redevelopment Agency (CRA) - Town Center Special Revenue Fund is governed by the members of the City Council. Although it is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City's designated town center area. The CRA - Town Center is reported as a special revenue fund using the blended method. Separate financial information for the CRA - Town Center can be obtained from the City.
- The Community Redevelopment Agency - Harbor Special Revenue Fund is governed by the members of the City Council. Although it is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City's designated harbor area. The CRA - Harbor is reported as a special revenue fund using the blended method. Separate financial information for the CRA - Harbor can be obtained from the City.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***Measurement Focus, Basis of Accounting and Basis of Presentation***

Government-wide Financial Statements - Government-wide financial statements, including the statement of net position and statement of activities, present information about the City as a whole. These statements include the non-fiduciary financial activity of the primary government.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Government-wide Financial Statements (Continued)**

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense is allocated to the department where the related asset is used.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the City.

The effects of non-fiduciary interfund activity have been eliminated from the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

The government-wide financial statements are prepared using the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first and then unrestricted resources, as they are needed.

Fund Financial Statements - Fund financial statements report detailed information about the City in the governmental and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues as available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

For this purpose, the City considers grant revenues to be available if they are collected within six months of the end of the fiscal year. For all other revenues, the period is 60 days. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, compensated absences, and claims and judgments which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Sales taxes collected and held by the state at year end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

When committed, assigned, or unassigned resources are available for use in governmental fund financial statements, it is the City's policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

The City reports the following major funds:

General Fund - This is the City's primary operating fund. This fund accounts for all financial resources of the general government, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Community Redevelopment Agency - Town Center Special Revenue Fund - This fund is used to account for the proceeds of specific revenues (Tax Increment Financing Trust Funds) and the redevelopment activities relating to the City of Destin CRA Town Center.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.

Pension Trust Fund - This fund is accounted for using the accrual basis of accounting. The Pension Trust Fund accounts for the assets of the City's Employee Thrift Plan.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For financial statement purposes, the City considers all highly-liquid investments with original maturities of three months or less to be cash equivalents.

Deposits and Investments

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

As governed by the Florida Statute 218 and the City's investment policy, the City is authorized to invest available surplus funds in investments including money market instruments, certificates of deposit, U.S. Treasury notes, U.S. agency bonds, mortgaged backed securities, investment grade corporate bonds, and asset backed securities. These investments may be bundled into mutual funds which hold only these types of investments or a portfolio with an investment manager that trades these types of investment instruments in a structured manner to enhance overall portfolio return. Investments are stated at fair value. U.S. Treasury notes and U.S. agency and instrumentalities obligations are valued at quoted market prices.

The City's investments and portfolio allocation is determined by the City Council. The portfolio of investments is maintained by the Finance Director who provides a portfolio report quarterly to the Board. The report provides a breakdown of the portfolio as well as its overall performance.

Pension Trust Funds may invest in direct obligations of the United States Government or other obligations unconditionally guaranteed by the United States Government, collateralized interest-bearing time deposits or savings accounts in state or federal banks or savings and loan associations, bonds, or indebtedness of United States corporations rated BAA or better, stocks of U.S. corporations which are listed on the national stock exchanges (limited to 50% of the assets of the fund) and investment accounts maintained by major national banks and insurance companies given the top rating by Best.

Fair Value Measurements and Disclosures

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements and Disclosures (Continued)

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the assets or liabilities; and
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at September 30, 2021.

The following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds and equities - Valued at the closing price reported on the active market in which the individual securities are traded.

Corporate and government bonds - Valued at the closing price reported on the active markets in which the individual securities are traded.

Common trust funds - Valued at the net asset value (NAV) of shares held at year end or as determined by the investment managers.

Alternative investments - Valued at the NAV of shares held at year end or as determined by the investment managers.

Certificates of Deposit - Valued at fair value.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Fair Value Measurements and Disclosures (Continued)***

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The City assess the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, if any, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

All receivables are shown net of an allowance for uncollectibles. At September 30, 2021, the City considers all receivables collectible and accordingly does not have an allowance.

Property Taxes

The City's ad valorem taxes are assessed by the Okaloosa County Property Appraiser and collected by the Okaloosa County Tax Collector in accordance with Florida Statutes. The City retains the right and duty to set millage rates. Property taxes are not recorded as receivables at September 30th because, though legally assessed as of January 1st, they are not due and payable until after the close of the current fiscal year. The following is the current property tax calendar:

Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Property Taxes (Continued)***

Lien date	January 1, 2020
Levy date	November 1, 2020
Due date	March 31, 2021
Delinquency date	April 1, 2021

Discounts of 1% for each month taxes are paid prior to March 2021 are granted. Revenue recognition criteria for property taxes under GASB requires that only property taxes expected to be collected within 60 days of the current period be accrued. Property taxes which are uncollected as of the end of the fiscal year are generally immaterial in amount and highly susceptible to uncollectibility; therefore, they are not recorded as a receivable at the balance sheet date.

Capital Assets

Expenditures for capital assets acquired or constructed for general City purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. Donated capital assets received in a service concession arrangement are reported at acquisition value.

Capital assets are defined by the City as assets with an initial cost more than the following:

Land	All
Buildings and improvements	\$10,000
Infrastructure	\$10,000
Improvements - other	\$10,000
Equipment	\$1,000

Interest costs incurred during construction of general capital assets are not considered material and are not capitalized as part of the construction.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life is expensed as incurred.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Capital Assets (Continued)***

Assets	Years
Buildings	20 - 50 years
Improvements other than buildings	10 - 50 years
Machinery, equipment and vehicles	5 -10 years
Infrastructure	20 - 40 years
Books, publications, etc.	5 -10 years
Leases assets	Term is equal to life of lease

Compensated Absences

The policy of the City for sick and vacation leave, as originally adopted on August 1, 1988, and last amended November 2, 2020, is as follows:

Sick Leave

Sick leave is earned at the rate of one day per month for full-time employees and full-time probationary employees who have completed 30 days of service.

There is no limit to the amount of sick leave that an employee may accumulate. Upon separation of employment, all accrued sick leave is forfeited; therefore, sick pay benefits that have been earned are not accrued, but rather recorded as an expenditure when used by City employees.

Vacation Leave

All full-time employees, excluding those classified as temporary, are permitted to accumulate earned but unused annual vacation leave to their account after satisfactorily completing a probationary period. Upon approval, once an employee completes their probationary period, he/she may use vacation leave as accrued. An employee can accrue up to 240 hours of vacation leave. The employee can be paid for such leave upon separation, if he/she has successfully completed the probationary period.

An employee shall accrue vacation leave based upon the number of years the employee has worked for the City. All service must be continuous to be credited toward accumulated vacation leave.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Compensated Absences (Continued)*****Vacation Leave (Continued)**

Vacation leave is earned as follows:

Years of Employment	Days Accrued per Year
0 - 3 years	10
4 - 7 years	12
8 - 12 years	15
13 or more years	18

If there has been a break in service of 15 working days or more, the employee, upon reinstatement or reemployment, will begin earning annual leave as a new employee. Vacation leave is earned from the first of the month in which the employee begins work, if the starting date occurs between the first and fifteenth of the month. Employees beginning employment after the fifteenth will begin earning leave from the first day of the month following their employment.

Regular employees who resign or are terminated in good standing shall receive pay for their accrued and unused annual leave. Only a full calendar month of employment will be considered in computing vacation leave and will be based upon the employee's regular rate of pay at separation. At September 30, 2021, the City had \$267,235 recorded as accumulated vacation leave.

Compensatory Leave

Compensatory leave is accrued at one hour for every hour worked in excess of 40 for the week. Following an initial probationary period, an employee can use accumulated compensatory time as accrued. The maximum number of hours of compensatory leave that can be carried over from one calendar year to the next is 160 hours. There is no limit (other than limitations as a result of the calendar year roll-over limitation) on the number of hours of accumulated compensatory leave to be paid out to employees who resign or are terminated in good standing. All compensatory leave is liquidated in the General Fund. At September 30, 2021, the City had \$17,882 recorded as accumulated compensatory leave.

Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as current period expenses.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Long-term Obligations (Continued)***

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Other Benefits

The Postemployment Healthcare Benefits Plan (Plan) is a single employer deferred benefit plan administered by the City. Former employees who retire from the City, and eligible dependents, may continue to participate in the City's plan for medical, and prescription drug coverage. Retirees are allowed to elect to continue with the Plan and are required to contribute their premiums in full.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At September 30, 2021, the City had \$66,524 recorded as deferred charge on refunding.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At September 30, 2021, the City had recorded as deferred revenue, \$1,081,831 of payments received prior to September 30, 2021 for 2022 including business licenses, \$262,290 of payments received prior to September 30, 2021 for sidewalk infrastructure costs not yet incurred and \$790,549 for the American Rescue Plan Act's State and Local Fiscal Recovery Funds received but not yet expended.

Fund Equity

In the fund financial statements, governmental funds report equity as fund balance. The following is a description of the City's various fund balance accounts:

Nonspendable - Amounts that are not in a spendable form (prepaid insurance and advances to other funds, for example) or are legally or contractually required to be maintained intact.

Restricted - Amounts that are constrained by external parties constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of the resource provider.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Fund Equity (Continued)***

Committed - Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the government's highest level of decision-making authority which is the City Council. Commitments may be changed or lifted only by the government taking the same formal action (resolution) that imposed the constraint originally.

Assigned - Amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body (the City Council) or by an official or body (the City Manager) to whom the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. At the end of each fiscal period the Council commits an amount of fund balance for encumbrances which represent outstanding purchase orders intended to be fulfilled.

Unassigned - The residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned also contains deficit fund balances for government funds other than the general fund. Unassigned amounts are technically available for any other purpose.

Net Position

Net position in the government-wide financial statements is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to property, plant and equipment, net of any related debt. Restricted net position represents the net position restricted by external parties, constitutional provisions or enabling legislation.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Information

Budgets are adopted on a basis consistent with GAAP for the current fiscal year. For the year ended September 30, 2021, annual appropriated budgets were adopted by ordinance for all governmental funds. All appropriations lapse at year-end except for appropriations related to multi-year capital projects.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

The City follows these procedures to establish the budgetary data reflected in the financial statements:

1. Prior to September 1st, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and revenue sources. The City Council requires changes as deemed necessary, sets proposed millages, and establishes dates for tentative and final public budget hearings as prescribed by Florida Statutes.
2. Proposed budgets are advertised in a newspaper of general circulation in the City. Public hearings are conducted for the purpose of receiving input, responding to complaints, and providing reasons and explanations for intended actions to all citizens participating.
3. Prior to October 1st, the budgets for all governmental funds are legally enacted through passage of an ordinance. Budget amendments are periodically passed through resolutions during the fiscal year. Budgeted beginning fund balance in the accompanying financial statements reflects planned utilization of prior years unassigned fund balance to the level required to accomplish current year objectives.
4. Budgetary control (the level which expenditures cannot legally exceed the appropriated amount) is maintained by the City Manager at the fund level and may be amended as necessary during the fiscal year.
5. Budgeted amounts reflected in the financial statements are originally adopted amounts as amended by the City Council or by City Manager in accordance with applicable City ordinances.
6. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of resources are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances outstanding at year-end are included in the reported components of fund balances and do not constitute expenditures or liabilities because the commitments will be appropriated and honored during the subsequent year.

NOTE 3: INVESTMENTS

The City's investments at September 30, 2021, consist of the following:

Investments - Governmental Funds	Maturity	Rating	Fair Value
US Treasuries	04/15/22-11/15/29		\$ 1,585,479
Mortgage and Asset backed securities	10/01/21-04/01/40	AA+ to AAA	9,429,411
Investment grade corporate bonds	03/15/22-12/15/30	BBB to AA+	2,544,714
FDIC Insured certificates of deposit	10/18/21-06/30/23		1,528,000
Total investments - governmental funds			\$ 15,087,604

Investments - Pension Funds	Fair Value
AMCAP Fund, Class A shares	\$ 613,076
The Bond Fund of America, Class A shares	4,775,723
Capital Income Building Fund, Class A shares	1,202,161
Europacific Growth Fund, Class A shares	1,150,176
Intermediate Bond Fund of America, Class A	467,029
The Investment Company of America, Class A	2,195,657
Short-term Bond Fund of America, Class A	230,140
Total investments - pension fund	\$ 10,633,962

These investments are classified as Level 1.

Credit Risk

- Section 218.415(17), Florida Statutes, limits investments to the State Board of Administration Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; investments in interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. The City has established an investment policy in accordance with 218.415, Florida Statutes. The investment choices are listed in the City's policy and conform to the provisions of 218.415(16). The certificates of deposits are with a wide number of qualified public depositories to ensure they are all fully insured by the FDIC.

Interest Rate Risk

- Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. Although it has no formal policy, the City minimizes interest rate risk by structuring investments to mature to meet future operating cash requirements and maintains significant amounts of investments in short-term securities.

NOTE 3: INVESTMENTS (Continued)***Custodial Credit Risk***

- For an investment, custodial credit risk is the risk that the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The City has no formal policy for custodial risk. At September 30, 2021, none of the investments listed above are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk

- Concentration of credit risk is the risk of loss attributable to the quantity of the government's investment in a single issuer. Investments in single issuers that equal or exceed 5% of total investments have a reportable concentration of credit risk. The City does not have a formal policy that requires diversification of the portfolio with maximum limits per investment type. At September 30, 2021, the City held 15%, 18% and 11% of its investment balance in Freddie Mac, Fannie Mae, and U.S. Treasury notes, respectively.

NOTE 4: RECEIVABLES

Receivables at September 30, 2021, were composed of the following:

	General Fund
Developer Fee	\$ 63,821
Other	35,322
	\$ 99,143

NOTE 5: DUE FROM OTHER GOVERNMENTS

The amount due from other governments at September 30, 2021, were composed of the following:

	General Fund
Federal:	
RESTORE Captain Royal Melvin Park Capital Grant	\$ 455,500
State of Florida:	
FDEP Operating Frant Leonarde Destin Park	86,175
	\$ 541,675

Notes to Financial Statements

NOTE 6: INTERFUND RECEIVABLES, PAYABLES, ADVANCES, AND TRANSFERS

The following is a summary of Interfund payables and receivables reported in the fund financial statements.

	Receivable	Payable
General Fund	\$ -	213,058
Capital Project Fund	213,058	-
	\$ 213,058	213,058

The general fund advanced funds to the CRA Town Center Special Revenue Fund in order to pay for debt.

	Advance From	Advance To
General Fund	\$ 2,448,824	-
CRA Town Center Special Revenue Fund	-	2,448,824
	\$ 2,448,824	2,448,824

All transfers are routine and are consistent with the activities of the funds making the transfer. The following presents the interfund transfers for the year ended September 30, 2021:

	Transfers in	Transfers out
General Fund (1)	\$ 3,682,536	17,158,168
CRA Town Center (2)	-	731,280
CRA Harbor (3)	-	524,678
Florida Building Code (4)	258,921	88,818
Technology (5)	319,389	-
Okaloosa Half-Penny (5)	6,622,305	127,000
2009 Debt Service Fund (6)	4,393,315	453,927
2013 Debt Service Fund (7)	555,913	-
2014 Debt Service Fund (8)	731,280	-
2021 Debt Service Fund (9)	1,103,919	10,503,768
Capital Project Funds (10)	11,920,061	-
	\$ 29,587,639	29,587,639

NOTE 6: INTERFUND RECEIVABLES, PAYABLES, ADVANCES, AND TRANSFERS (Continued)

- (1) The General Fund transferred \$11,920,061 to the Capital Project Funds, \$1,728,654 to the Okaloosa Half Penny Special Revenue Fund, \$555,913 to the 2013 Debt Service Fund, \$258,921 to the Florida Building Code Fund, \$370,206 to the 2021 Debt Service Fund, and \$82,071 to the Technology Special Revenue Fund. The General Fund received \$3,682,536 from the 2021 Debt Service Fund when the 2021 debt was issued to pay off the 2015 series of debt. The General Fund also transferred \$2,242,342 to establish the Florida Building Code Fund, the Technology Fund and the Okaloosa Half Penny Fund.
- (2) The CRA Town Center Special Revenue Fund transferred \$731,280 to the 2014 Debt Service Fund to meet debt service requirements.
- (3) The CRA Harbor Special Revenue Fund transferred \$371,892 to the 2009 Debt Service Fund and \$152,786 to the 2021 Debt Service Fund to meet debt service requirements.
- (4) The Florida Building Code Fund was established during FY 2021 with a starting balance of \$258,921 which represents the net income accumulated from fiscal year 2019 to best comply with Florida Statute 553.80. The Florida Building Code Fund transfers 10% of building permit revenue (\$88,818) to a Technology Special Revenue Fund.
- (5) The 2021 Debt Service Fund transferred \$2,799,809 to the Okaloosa Half Penny Special Revenue Fund to acquire land. The Okaloosa Half Penny special revenue fund transferred \$127,000 to the 2021 Debt Service Fund to meet debt service requirements. The General Fund transferred \$1,728,654 of infrastructure surtax revenue to the Okaloosa Half Penny Special Revenue Fund and \$170,889 (10% of permit and license revenues) to the Technology Fund. The General Fund also transferred \$1,922,953 to establish these funds.
- (6) The 2009 Debt Service Fund applied its full accumulated fund balance of \$453,927 towards the closing for the 2021 refunding revenue note, and received \$4,393,315 to pay off the 2009 refunding revenue note.
- (7) The 2013 Debt Service Fund received \$555,913 from the General Fund to meet debt service requirements.
- (8) The 2014 Debt Service Fund received \$731,280 from the CRA Town Center Special Revenue Fund to meet debt service requirements.
- (9) The 2021 Debt Service Fund transferred out \$10,503,768 to pay off the 2009 debt series, to pay off the 2015 debt series, and to acquire land in the Crystal Beach area of Destin. The General Fund, the Okaloosa Half Penny Special Revenue Fund, and the CRA Harbor Special Revenue Fund transferred in \$1,103,919 to the 2021 Debt Service Fund to meet debt service requirements.
- (10) The General Fund transferred \$11,920,061 to the Capital Project Funds. This amount includes \$5,200,657 of capital grant revenue earned.

Notes to Financial Statements

NOTE 7: CHANGES IN CAPITAL ASSETS

Changes in capital assets for the year ended September 30, 2021 are shown below:

	Balance 09/30/2020	Additions	Deletions/ Reclassifications	Balance 09/30/2021
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 27,619,563	6,725,790	-	34,345,353
Construction in progress	2,629,240	4,434,574	(3,352,736)	3,711,078
Total capital assets, not being depreciated	30,248,803	11,160,364	(3,352,736)	38,056,431
Capital assets, being depreciated				
Buildings	12,817,267	138,502	-	12,955,769
Improvements other than buildings	38,612,851	535,554	-	39,148,405
Infrastructure	84,166,845	1,816,657	-	85,983,502
Machinery, equipment, vehicles	4,698,543	722,458	-	5,421,001
Leased assets	392,536	89,019	-	481,555
Library media and art	839,435	50,546	-	889,981
Total capital assets, being depreciated	141,527,477	3,352,736	-	144,880,213
Less accumulated depreciation for:				
Buildings	(5,816,591)	(329,679)	-	(6,146,270)
Improvements other than Buildings	(21,800,946)	(909,867)	-	(22,710,813)
Infrastructure	(26,732,980)	(1,699,660)	-	(28,432,640)
Machinery, equipment, vehicles	(2,878,884)	(289,560)	-	(3,168,444)
Leased assets	(110,516)	(88,179)	-	(198,695)
Library media and art	(745,543)	(12,154)	-	(757,697)
Total accumulated depreciation	(58,085,460)	(3,329,099)	-	(61,414,559)
Total capital assets, being depreciated, net	83,442,017	23,637	-	83,465,654
Governmental-Type activities capital assets, net	\$ 113,690,820	11,184,001	(3,352,736)	121,522,085

Amortization of equipment under capital leases is included with depreciation expense in the financial statements. Depreciation expense for the year ended September 30, 2020, totaled \$3,329,099 for governmental activities. Depreciation expense was allocated to specific functions as follows:

Function	Depreciation
General government	\$ 105,288
Public safety	6,490
Physical environment	494,317
Transportation	1,040,427
Economic environment	1,023,208
Culture and recreation	659,369
Total	\$ 3,329,099

Notes to Financial Statements

NOTE 8: CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt of the City for the year ended September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Harbor CRA Second Replacement Series 2009 Note As Restructured	\$ 3,986,827	-	(3,986,827)	-	-
Capital Improvement Refunding Revenue Note, Series 2013	5,095,650	-	(401,139)	4,694,511	412,531
Town Center Area Redevelopment Refunding Revenue Note, Series 2014	9,339,342	-	(412,740)	8,926,602	427,021
Refunding Revenue Note, Series 2015A	4,035,000	-	(4,035,000)	-	-
Refunding Revenue Note, Series 2021	-	9,905,000	(393,000)	9,512,000	1,200,000
Capital Leases	166,965	89,019	(89,986)	165,998	83,307
	<u>22,623,784</u>	<u>9,994,019</u>	<u>(9,318,692)</u>	<u>23,299,111</u>	<u>2,122,859</u>
Compensated absences, net	252,746	204,293	(171,922)	285,117	-
Other post employment benefits payable	177,044	24,071	(13,243)	187,872	-
	<u>429,790</u>	<u>228,364</u>	<u>(185,165)</u>	<u>472,989</u>	<u>-</u>
	<u>\$ 23,053,574</u>	<u>10,222,383</u>	<u>(9,503,857)</u>	<u>23,772,100</u>	<u>2,122,859</u>

*Compensated absences and other postemployment benefits payable are liquidated from the general fund which pays over 95% of personnel expenditures. Capital leases and Note Series 2015A are paid out of the general fund, Revenue Note Series 2009 is paid out of the 2009 Revenue Note Series Fund, Revenue Note Series 2013 is paid out of the 2013 Revenue Refunding Note Series Fund, the Notes Series 2014 is paid out of the 2014 Revenue Refunding Note Series Fund and the Note Series 2021 is paid out of the 2021 Revenue Refunding Note Series Fund.

NOTE 9: NOTES PAYABLE**Harbor CRA Second Replacement, Series 2009 Note, As Restructured September 18, 2015**

On August 25, 2009, the City closed on an \$8,500,000 note payable issued through the Harbor CRA. Interest payments are due semiannually on January 31 and July 31 with the principal payments due on July 31. On August 18, 2015, the City elected to restructure the note a second time in order to avoid the adjustment in interest rate from 4.2% to the market rate in fiscal year 2014. The interest rate is set at 2.84%, upon restructuring the remaining balance of \$5,709,446. The final payment was due on July 31, 2029. This note payable was refunded in 2021 as part of the issuance of the Note Series 2021.

Notes to Financial Statements

NOTE 9: NOTES PAYABLE (Continued)

Capital Improvement Refunding Revenue Note, Series 2013

Effective August 26, 2013, the City closed on a \$7,610,000 note payable with STI Institutional & Government, Inc. Interest payments are due semiannually on February 1 and August 1. The note carries an interest rate of 3.04%. The final payment is due on August 1, 2031.

The Capital Improvement Revenue Note, Series 2013 ordinance provides for:

- A. Refunding certain outstanding debt of the City
The net proceeds of the Series 2013 revenue note were used to refund the Capital Improvement Revenue Bonds, Series 2002.
- B. Pledging the pledged funds to secure payment
The communication service tax and the half-cent sales tax were both pledged to secure payment of the principal and interest.
- C. Making certain other covenants and agreements in connection therewith
The City pledged to appropriate and budget adequate funds each year to make agreed-upon payments to the lender. The City deposits one-sixth (1/6) of interest coming due and one-twelfth (1/12) of principal coming due in a debt service fund bank account. The City covenants that in the case additional parity obligations are issued, the amount of pledged revenues will not be less than 1.4 of the maximum bond service requirements coming due. This ratio was 4.6 as of September 30, 2021.

Town Center Area Redevelopment Refunding Revenue Note, Series 2014

Effective March 11, 2014, the City closed on a \$11,871,000 note payable with Compass Mortgage Corporation (BBVA). BBVA was acquired by PNC Bank in 2021. Interest payments are due semiannually on December 1 and June 1 with principal payments due on June 1. The note carries an interest rate of 3.41%. In June 2015, the note was refinanced to extend the repayment period by ten years. The final payment is now due on June 1, 2037.

The Town Center Area Redevelopment Refunding Revenue Note, Series 2014 ordinance provides for:

- A. Refunding certain outstanding obligations of the Community Redevelopment Agency of the City of Destin
The net proceeds of the Series 2014 revenue note were used to refund the Town Center Area Redevelopment Revenue Bonds Series 2005.
- B. Pledging the pledged funds to secure payment
The City covenants to budget and appropriate non-advalorem revenues to pay principal and interest. Although non-ad valorem revenues are pledged, the City is using the Town Center CRA's ad-valorem tax increment revenues to make the actual payments.

NOTE 9: NOTES PAYABLE (Continued)**Refunding Revenue Note, Series 2015A**

Effective September 18, 2015, the City closed on a \$5,427,000 note payable issued for the purpose of refunding certain outstanding debt of the City. Interest payments are due semiannually on May 1 and November 1 with the principal payments due on November 1. The note carries an interest rate of 2.71%. The final payment was due on November 1, 2029. The net proceeds of the Series 2015 revenue note were used to refund the Florida Municipal Loan Revenue Bonds, Series 2005B. This note payable was refunded in 2021 as part of the Note Series 2021.

Non-Ad Valorem Refunding Revenue Note, Series 2021

Effective May 21, 2021, the City closed on a \$9,905,000 note payable with Key Government Finance, Inc. Interest and principal payments are made monthly. The note carries an interest rate of 1.139% and the final payment is due March 15, 2029.

The Non-Ad Valorem Refunding Revenue Note Series 2021 ordinance provides for:

- A. **Financing the Acquisition of Certain Real Property within the City to be Used to Expand Public Beach Access**
The 2021 series included \$2,819,000 of new debt to assist in the acquisition of two parcels of land in the Crystal Beach area that will be used to expand public beach access. Council has committed Okaloosa Half Penny local discretionary infrastructure surtax funds to increasing public beach access, and these funds will be used to repay this portion of the debt.
- B. **Refunding certain debt obligations**
The 2021 series refunded the Non-Ad Valorem Refunding Revenue Note, Series 2015A which was paying 2.71% and was scheduled to mature November 1, 2029 (\$3,489,000), and the Harbor CRA Second Replacement, Series 2009 Note, As Restructured September 19, 2015 which was paying 2.84% and was scheduled to mature July 31, 2029 (\$3,597,000).
- C. **Pledging certain funds to secure payment**
This note is secured by the City's covenant to budget and appropriate Non-Ad Valorem Revenues and is subject to an anti-dilution test. The anti-dilution test states that net available non-ad valorem revenues should be maintained at 1.25 or higher of maximum annual debt service. This ratio was 4.6 as of September 30, 2021.

Notes to Financial Statements

NOTE 9: NOTES PAYABLE (Continued)

Principal and interest amounts due on notes payable are as follows:

Year ending September 30,*Non-Ad Valorem Refunding Revenue Note, Series 2021*

	Principal	Interest	Total
2022	\$ 1,200,000	102,077	1,302,077
2023	1,208,000	88,404	1,296,404
2024	1,232,000	74,514	1,306,514
2025	1,236,000	60,482	1,296,482
2026	1,259,000	46,259	1,305,259
2027-2029	3,377,000	52,055	3,429,055
Subtotal	\$ 9,512,000	423,791	9,935,791

Year ending September 30,*Town Center Area Redevelopment Refunding Revenue Note, Series 2014*

	Principal	Interest	Total
2022	\$ 427,021	304,397	731,418
2023	441,795	289,836	731,631
2024	457,081	274,771	731,852
2025	472,896	259,184	732,080
2026	489,258	243,058	732,316
2027-2031	2,712,232	953,187	3,665,419
2032-2036	3,215,052	457,625	3,672,677
2037	711,267	24,254	735,521
Subtotal	\$ 8,926,602	2,806,312	11,732,914

Year ending September 30,*Capital Improvement Refunding Revenue Note, Series 2013*

	Principal	Interest	Total
2022	\$ 412,531	142,713	555,244
2023	424,247	130,172	554,419
2024	436,296	117,275	553,571
2025	448,687	104,012	552,699
2026	461,429	90,372	551,801
2027-2031	2,511,321	233,307	2,744,628
Subtotal	\$ 4,694,511	817,851	5,512,362

Notes to Financial Statements

NOTE 9: NOTES PAYABLE (Continued)

GRAND TOTAL				
		Principal	Interest	Total
2022	\$	2,039,552	549,187	2,588,739
2023		2,074,042	508,412	2,582,454
2024		2,125,377	466,560	2,591,937
2025		2,157,583	423,678	2,581,261
2026		2,209,687	379,689	2,589,376
2027-2031		8,600,553	1,238,549	9,839,102
2032-2036		3,215,052	457,625	3,672,677
2037		711,267	24,254	735,521
Total	\$	23,133,113	4,047,954	27,181,067

NOTE 10: CAPITAL LEASE

In April 2017, the City entered into a lease agreement as lessee to finance the acquisition of a Pipehunter Combination Jetter. The lease agreement qualified as a capital lease for accounting purposes as the result of the transfer of title at the end of the lease term. The lease was recorded at the present value of the future minimum lease payments using the lease terms stated rate of 3.53%. The original principal amount was \$165,472. This financing agreement matures October 1, 2021. The City intends to keep this asset for its full useful life.

In July 2018, the City entered into a lease agreement as lessee to finance the acquisition of a Toro Groundmaster lawnmower. The lease was recorded at the present value of the future minimum lease payments using the lease terms stated rate of 6.39%. The original principal amount was \$50,188. The financing agreement matures September 5, 2022. The City intends to keep this asset for its full useful life.

In September 2018, the City entered into a lease agreement as lessee to finance the acquisition of a 410L Backhoe. The lease was recorded at the present value of the future minimum lease payments using the lease terms stated rate of 3.5%. The original principal amount was \$103,613. The financing agreement matures May 19, 2022. The City intends to keep this asset for its full useful life.

In January 2020, the City entered into a lease agreement for the right to use seven copy machines for 36 months January 14, 2020 to December 14, 2022. The lease was recorded at present value of the future minimum lease payments \$40,282, as of the inception date. As there is no explicit rate in the contract, the present value was calculated using City's Weighted Average Cost of Capital (WACC) of 3.08%. The City intends to lease a new set of copy machines upon the termination of this lease.

Notes to Financial Statements

NOTE 10: CAPITAL LEASE (Continued)

In July 2021, the City entered into a lease agreement as lessee for the right to use land adjacent to City Hall as sporting fields (Morgans Sports Center). The lease was recorded at present value of the future minimum lease payments \$89,016. As there is no explicit rate in the contract, the present value was calculated using City's Weighted Average Cost of Capital (WACC) of 3.08%. The current agreement has a termination date of June 30, 2035.

Accumulated depreciation on the leased assets through September 30, 2021 was \$198,695. The future minimum lease obligations as of September 30, 2021 are as follows:

Year ending September 30,	Principal	Interest	Total
2022	\$ 83,307	5,107	88,414
2023	8,390	2,461	10,851
2024	5,212	2,288	7,500
2025	5,372	2,128	7,500
2026	5,538	1,962	7,500
2027-2031	30,353	7,147	37,500
2032-2035	27,826	2,174	30,000
Total	\$ 165,998	23,267	189,265

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS***Plan Description***

The Plan is a single employer defined benefit plan administered by the City. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the City, and eligible dependents, may continue to participate in the City's health and hospitalization plan for medical, and prescription drug coverage. The City implicitly subsidizes the premium rates paid by retirees by allowing them to participate in the plan at blended group premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The City does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

The rates paid by the retirees eligible for Medicare are reduced by the Medicare premium. The Plan does not issue a stand-alone report, and it is not included in the report of a Public Employee Retirement System or another entity.

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (Continued)***Funding Policy***

Contribution requirements of the City and plan members are established and may be amended through action from the City Council. The City has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation, and the Plan is financed on a pay-as-you-go basis from primarily the general fund. For the 2020-2021 fiscal year, no retirees received postemployment health care benefits.

Employees covered by benefit terms

At September 30, 2021, the following employees were covered by the benefit terms:

Current retirees	-
Active employees	<u>74</u>
	<u>74</u>

Total OPEB Liability

The City's total OPEB liability of \$187,872 was measured as of September 30, 2021 and was determined by an actuarial valuation as of October 1, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the October 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.50%
Discount rate	2.43%
Inflation	2.50%
Healthcare cost trend rates	7.50% for 2021, decreasing to an ultimate trend rate of 4.00% for 2076

Mortality rates were based on the PubG-2010 Mortality Tables projected to the valuation date using Scale MP-2019.

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (Continued)***Changes in the Total OPEB Liability***

Total OPEB liability as of October 1, 2020	\$ <u>177,044</u>
Changes for the year:	
Service cost	19,941
Interest	4,130
Changes of assumptions	(5,158)
Benefit payments	<u>(8,085)</u>
Total changes	<u>10,828</u>
Total OPEB liability as of September 30, 2021	\$ <u>187,872</u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.43%) or 1-percentage-point higher (3.43%) than the current discount rate:

	1% Decrease (1.43%)	Current Discount Rate (2.43%)	1% Increase (3.43%)
Total OPEB liability	\$ <u>206,707</u>	<u>187,872</u>	<u>171,752</u>

Sensitivity of the total OPEB liability to changes in the healthcare costs trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.00% - 6.50%) or 1-percentage point higher (5.00% - 8.50%) than the current trend rate:

	1% Decrease (3.00% - 6.50%)	Current Trend Rate (4.00% - 7.50%)	1% Increase (5.00% - 8.50%)
Total OPEB liability	\$ <u>167,122</u>	<u>187,872</u>	<u>212,699</u>

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (Continued)***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended September 30, 2021, the City recognized OPEB expense of \$20,563. At September 30, 2021, the City did not report deferred outflows of resources or deferred inflows of resources related to OPEB due to using the alternative measurement method. Additionally, since the measurement date was the same as the City's fiscal year, there are no contributions subsequent to the measurement date to report.

NOTE 12: RETIREMENT PLANS***Deferred Compensation Plan***

The City offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is a tax-deferred supplemental retirement program that allows City employees to contribute a portion of their salary before federal income taxes to a retirement account. The assets are held in trust for the employee's benefit. The plan participants, individually, select and make changes in funding options made available by the independent plan administrator. Since plan participants select the investment fund or funds in which their deferred compensation accounts are invested, the City has no liability for investment losses. The City's fiduciary responsibility is to administer the plan properly and to assure the investment alternatives made available are reasonable.

In accordance with generally accepted accounting principles, the assets and liabilities of the plan are not reflected in the City's financial statements since the City has no fiduciary responsibilities, other than administrative, in connection with the Plan.

Employee Thrift Plan

The City established the City of Destin Employee Thrift Plan on May 1, 1987, a defined contribution plan, made available to all City employees who have attained the age of eighteen, in accordance with Internal Revenue Service Code, Section 401(a) and 501(a) as amended from time to time. The plan is administered by the City. Employees make no contributions to this plan. The City's contribution to the Plan is 7.5% of the participant's compensation for the plan year. If an employee contributes to the Deferred Compensation Plan, the City will also match the first 5% of the employee's contribution with an additional Thrift Plan contribution.

Participants vest 20% in the City's matching contribution after three years of continuous service and continue to vest at 20% per year until fully vested after 7 years of continuous service. Participants are fully vested in the City's annual 7.5% non-matching contribution after 1,000 hours of service. The Plan does not issue separately audited financial statements.

NOTE 12: RETIREMENT PLANS (Continued)

Each participant's account is credited with the City's contribution and plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

The City made all required contributions of \$450,743 during the fiscal year ended September 30, 2021. The contributions represent 10.17% of current year covered and total payroll of \$4,429,923.

NOTE 13: COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amount, if any, to be immaterial.

Litigation and Other Matters

The City is currently defending a substantial caseload of Bert J. Harris, Jr. Private Property Rights Protection Act proceedings and has determined that any financial impact to the City would be minimal.

The City is also the defendant in various claims, generally concerning development issues. In the opinion of management, any future costs associated with these claims will not have a significant adverse effect on the accompanying financial statements, and accordingly, no provision for losses has been recorded.

Risk Management

The City purchases insurance coverage through commercial insurance carriers to cover liability, workers' compensation, automobile, personal property, marine equipment and crime/fidelity risks. The City's liability and workers' compensation policies are retrospective policies that require adjusted premium calculations following the end of the policy period; however, the City does not retain any risk of loss through these coverages. All policies have been maintained for several years without reductions in coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Notes to Financial Statements

NOTE 13: COMMITMENTS AND CONTINGENCIES (Continued)***Remedies for Default***

As part of notes payable and capital leases there are terms in such agreements that state if the City were to default on such agreements that all payments are to become current and equipment from capital leases are to be returned to the lessor.

Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences a national, regional and local level are unknown, but have the potential to result in a significant economic impact. The impact of this situation on the City and its future results and financial position is not presently determinable.

NOTE 14: FUND BALANCE CONSTRAINTS

The constraints on fund balance as listed in aggregate in the Balance Sheet - Governmental Funds are detailed according to balance classification and fund as follows:

Deficit fund balances totaling \$2,216,394 exist in the CRA Town Center Special Revenue Fund. The deficit in the CRA Town Center Special Revenue Fund results from transfers to the 2014 Revenue Refunding Note Series Fund for debt service payments in prior years.

Fund Balance	General Fund	Special Revenue - CRA Town Center Fund	Special Revenue - CRA Harbor Fund	Special Revenue - Florida Building Code	Special Revenue - Technology	Special Revenue - Okaloosa Half-Penny	2013 Refunding Revenue Note Series	2014 Refunding Revenue Note Series	2021 Refunding Revenue Note Series	Capital Projects Funds	Total Governmental Funds
<i>Nonspendable:</i>											
Interfund advance	\$ 2,448,824	-	-	-	-	-	-	-	-	-	2,448,824
Prepaid expenditures	113,017	-	-	-	-	-	-	-	-	-	113,017
<i>Restricted for:</i>											
Impact Fees: park, traffic, library, and police	-	-	-	-	-	-	-	-	-	2,108,263	2,108,263
Other Agreements: NPEB, Stormwater, Morgans Grant, Gas Tax#2	-	-	-	-	-	-	-	-	-	817,875	817,875
Debt service	-	-	-	-	-	-	93,097	245,566	537	-	339,200
CRA Harbor	-	-	276,242	-	-	-	-	-	-	-	276,242
Florida Building Code Enforcement	-	-	-	310,750	-	-	-	-	-	-	310,750
<i>Committed for:</i>											
Emergency Operations	3,707,539	-	-	-	-	-	-	-	-	-	3,707,539
Debt Service	2,669,655	-	-	-	-	-	-	-	-	-	2,669,655
Emergency Maintenance	3,707,539	-	-	-	-	-	-	-	-	-	3,707,539
Infrastructure Surtax	-	-	-	-	-	3,408,363	-	-	-	-	3,408,363
Renewal & Replacement	-	-	-	-	-	-	-	-	-	1,045,290	1,045,290
Parking	-	-	-	-	-	-	-	-	-	-	-
Technology	-	-	-	-	201,407	-	-	-	-	-	201,407
<i>Assigned for:</i>											
Encumbrances	376,587	-	-	-	-	171,098	-	-	-	734,385	1,282,070
<i>Unassigned:</i>	13,296,275	(2,216,394)	-	-	-	-	-	-	-	-	11,079,881
Total Fund Balance	\$ 26,319,436	(2,216,394)	276,242	310,750	201,407	3,579,461	93,097	245,566	537	4,705,813	33,515,915

NOTE 14: FUND BALANCE CONSTRAINTS (Continued)***Encumbrances:***

Funds have been encumbered in the General Fund at September 30, 2021, were composed of the following:

General government	\$ 364,146
Physical environment	2,400
Culture and recreation	10,041
Total	\$ 376,587

NOTE 15: SUBSEQUENT EVENT

The City has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

NOTE 16: ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

NOTE 16: ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED (Continued)

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

**Required Supplementary Information
(Other Than MD&A)**

City of Destin, Florida

Schedule of Changes in the City's
Total OPEB Liability and Related Ratios

<i>Year ended September 30,</i>	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 19,941	\$ 20,778	\$ 15,893	\$ 16,440
Interest	4,130	6,900	6,085	5,024
Differences between expected and actual experience	-	20,020	-	-
Changes of assumptions	(5,158)	(18,085)	8,106	(6,810)
Benefit payments	(8,085)	(8,916)	(6,805)	(6,272)
Net change in total OPEB liability	10,828	20,697	23,279	8,382
Total OPEB liability - beginning	177,044	156,347	133,068	124,686
Total OPEB liability - ending	\$ 187,872	\$ 177,044	\$ 156,347	\$ 133,068
Covered payroll	\$ 2,899,114	\$ 2,828,403	\$ 2,873,422	\$ 2,803,339
Total OPEB liability as a percentage of covered payroll	6.48%	6.26%	5.44%	4.75%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
2.43%	2.14%	3.58%	4.18%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information is presented for those years that are available.

City of Destin, Florida

Combining and Individual Fund Statements and Schedules

These financial statements provide a more detailed view of the “Basic Financial Statements” prepared in the preceding subsection.

Combining statements are presented for the City of Destin for the nonmajor governmental funds. Individual fund statements are necessary to present budgetary comparisons for nonmajor governmental funds for which annual appropriated budgets have been adopted. The budgetary level of control is at the fund level.

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

The special revenue fund is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

Community Redevelopment Agency - Harbor Special Revenue Fund

To account for fund relating to the City of Destin CRA Harbor redevelopment activities.

Florida Building Code Special Revenue Fund

To account for fund relating to the City of Destin Building Code activities.

Technology Special Revenue Fund

To account for fund relating to the City of Destin technology activities.

Okaloosa Half-Penny Special Revenue Fund

To account for fund relating to the City of Destin Okaloosa Half Penny activities.

DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of resources for and the payment of general long-term principal and interest in accordance with bond ordinances.

2013 Revenue Refunding Note Series Debt Service Capital Improvement Fund

To account for the use of financial resources for payments for debt associated with the 2013 revenue note issue.

2014 Revenue Refunding Note Series Debt Service Fund

To account for the use of financial resources for payments for debt associated with the 2014 revenue note issue.

2021 Revenue Refunding Note Series Debt Service Fund

To account for the use of financial resources for payments for debt associated with the 2021 revenue note issue.

City of Destin, Florida

Nonmajor Governmental Funds
Combining Balance Sheet

September 30,

2021

	Special Revenue Funds				Debt Service Funds				Total			
	CRA Harbor		Florida Building Code		Technology	Okaloosa Half-Penny	2013 Revenue Refunding Note Series	2014 Revenue Refunding Note Series	2021 Revenue Refunding Note Series	Nonmajor Governmental Funds		
Assets												
Cash and cash equivalents	\$	-	\$	-	\$	201,407	\$ 3,624,293	\$	-	\$	-	3,825,700
Restricted cash and cash equivalents		280,271		316,679		-	-	93,097	245,566	1,901		937,514
Total assets		280,271		316,679		201,407	3,624,293	93,097	245,566	1,901		4,763,214
Liabilities and fund balances												
Liabilities:												
Accounts payable		4,029		5,929		-	44,832	-	-	1,364		56,154
Total liabilities		4,029		5,929		-	44,832	-	-	1,364		56,154
Fund balances:												
Restricted		276,242		310,750		-	-	93,097	245,566	537		926,192
Committed		-		-		201,407	3,408,363	-	-	-		3,609,770
Assigned		-		-		-	171,098	-	-	-		171,098
Total fund balances		276,242		310,750		201,407	3,579,461	93,097	245,566	537		4,707,060
Total liabilities and fund balances												
	\$	280,271	\$	316,679	\$	201,407	\$ 3,624,293	\$	245,566	\$	1,901	\$ 4,763,214

City of Destin, Florida

Nonmajor Governmental Funds

Combining Statement of Revenue, Expenditures and Changes in Fund Balance

Year ended September 30,

2021

	Special Revenue Funds				Debt Service Funds			
	CRA Harbor	Florida Building Code	Technology	Okaloosa Half-Penny	2013 Revenue Refunding Note	2014 Revenue Refunding Note	2015 Revenue Refunding Note	Total Nonmajor Governmental Funds
Revenue								
Taxes	\$ 660,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 660,381
Licenses and permits	-	893,629	-	-	-	-	-	893,629
Investment income	688	-	308	1,665	474	612	51	3,798
Total revenue	661,069	893,629	308	1,665	474	612	51	1,557,808
Expenditures								
General government	-	-	-	-	-	-	76,477	76,477
Public safety	-	752,982	3,912	-	-	-	-	756,894
Economic environment	27,273	-	-	-	-	-	-	27,273
Capital outlay	-	-	114,378	2,917,509	-	-	-	3,031,887
Debt service:								
Principal	-	-	-	-	401,139	412,740	393,000	1,206,879
Interest	-	-	-	-	154,908	317,980	35,188	508,076
Total expenditures	27,273	752,982	118,290	2,917,509	556,047	730,720	504,665	5,607,486
Excess (deficiency) of revenue over expenditures	633,796	140,647	(117,982)	(2,915,844)	(555,573)	(730,108)	(504,614)	(4,049,678)
Other financing sources (uses)								
Proceeds from issuance of long-term debt	-	-	-	-	-	-	9,905,000	9,905,000
Transfers in	-	258,921	319,389	6,622,305	555,913	731,280	1,103,919	9,591,727
Transfers out	(524,678)	(88,818)	-	(127,000)	-	-	(10,503,768)	(11,244,264)
Total other financing sources (uses)	(524,678)	170,103	319,389	6,495,305	555,913	731,280	505,151	8,252,463
Net change in fund balances	109,118	310,750	201,407	3,579,461	340	1,172	537	4,202,785
Fund balances, beginning of year	167,124	-	-	-	92,757	244,394	-	504,275
Fund balances, end of year	\$ 276,242	\$ 310,750	\$ 201,407	\$ 3,579,461	\$ 93,097	\$ 245,566	\$ 537	\$ 4,707,060

**Schedule of Revenue, Expenditures and Changes in
Fund Balance - Budget to Actual
Community Redevelopment Agency - Harbor Special Revenue Fund**

Year ended September 30,

2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Taxes	\$ 662,898	\$ 662,898	\$ 660,381	\$ (2,517)
Investment income	-	-	688	688
Total revenue	662,898	662,898	661,069	(1,829)
Expenditures				
Economic environment	57,800	71,675	27,273	44,402
Capital outlay	30,000	30,000	-	30,000
Total expenditures	87,800	101,675	27,273	74,402
Excess of revenue over expenditures	575,098	561,223	633,796	72,573
Other financing uses				
Transfers out	(554,590)	(524,678)	(524,678)	-
Total other financing uses	(554,590)	(524,678)	(524,678)	-
Net change in fund balance	20,508	36,545	109,118	72,573
Fund balance, beginning of year	167,124	167,124	167,124	-
Fund balance, end of year	\$ 187,632	\$ 203,669	\$ 276,242	\$ 72,573

**Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget to Actual
Florida Building Code Special Revenue Fund**

Year ended September 30,

2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenue				
Licenses and permits	\$ -	\$ 504,656	\$ 893,629	\$ 388,973
Total revenue	-	504,656	893,629	388,973
Expenditures				
Public safety		800,221	752,982	47,239
Total expenditures	-	800,221	752,982	47,239
Excess (deficiency) of revenue over expenditures	-	(295,565)	140,647	436,212
Other financing sources (uses)				
Transfers in		345,765	258,921	(86,844)
Transfers out	-	(50,200)	(88,818)	(38,618)
Total other financing sources (uses)	-	295,565	170,103	(125,462)
Net change in fund balance	-	-	310,750	310,750
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 310,750	\$ 310,750

**Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget to Actual
Technology Special Revenue Fund**

Year ended September 30,

2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Investment income	\$ -	\$ -	\$ 308	\$ 308
Total revenue	-	-	308	308
Expenditures				
Public safety		3,419	3,912	(493)
Capital outlay		11,878	114,378	(102,500)
Total expenditures	-	15,297	118,290	(102,993)
Excess (deficiency) of revenue over expenditures	-	(15,297)	(117,982)	(102,685)
Other financing sources				
Transfers in		120,459	319,389	198,930
Total other financing sources	-	120,459	319,389	198,930
Net change in fund balance	-	105,162	201,407	96,245
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ 105,162	\$ 201,407	\$ 96,245

**Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget to Actual
Okaloosa Half-Penny Special Revenue Fund**

Year ended September 30,

2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Investment income	\$ -	\$ -	\$ 1,665	\$ 1,665
Total revenue	-	-	1,665	1,665
Expenditures				
Capital outlay		5,436,524	2,917,509	2,519,015
Total expenditures	-	5,436,524	2,917,509	2,519,015
Excess (deficiency) of revenue over expenditures	-	(5,436,524)	(2,915,844)	2,520,680
Other financing sources (uses)				
Transfers in		3,865,627	6,622,305	2,756,678
Transfers out	-	(127,000)	(127,000)	-
Total other financing sources (uses)	-	3,738,627	6,495,305	2,756,678
Net change in fund balance	-	(1,697,897)	3,579,461	5,277,358
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ (1,697,897)	\$ 3,579,461	\$ 5,277,358

**Schedule of Revenue, Expenditures and Changes in
Fund Balance - Budget to Actual
2013 Revenue Refunding Note Series Debt Service Fund**

<i>Year ended September 30,</i>	2021			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenue				
Investment income	\$ -	\$ -	\$ 474	\$ 474
Total revenue	-	-	474	474
Expenditures				
Debt service:				
Principal	401,139	401,139	401,139	-
Interest	154,908	154,908	154,908	-
Total expenditures	556,047	556,047	556,047	-
Excess (deficiency) of revenue expenditures	(556,047)	(556,047)	(555,573)	474
Other financing sources				
Transfers in	555,913	555,913	555,913	-
Total other financing sources	555,913	555,913	555,913	-
Net change in fund balance	(134)	(134)	340	474
Fund balance, beginning of year	92,757	92,757	92,757	-
Fund balance, end of year	\$ 92,623	\$ 92,623	\$ 93,097	\$ 474

**Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget to Actual
2014 Revenue Refunding Note Series Debt Service Fund**

<i>Year ended September 30,</i>	2021			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenue				
Investment income	\$ -	\$ -	\$ 612	\$ 612
Total revenue	-	-	612	612
Expenditures				
Debt service:				
Principal	412,740	412,740	412,740	-
Interest	318,472	318,472	317,980	492
Total expenditures	731,212	731,212	730,720	492
Excess (deficiency) of revenue over expenditures	(731,212)	(731,212)	(730,108)	1,104
Other financing sources				
Transfers in	731,280	731,280	731,280	-
Total other financing sources	731,280	731,280	731,280	-
Net change in fund balance	68	68	1,172	1,104
Fund balance, beginning of year	244,394	244,394	244,394	-
Fund balance, end of year	\$ 244,462	\$ 244,462	\$ 245,566	\$ 1,104

**Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget to Actual
2021 Revenue Refunding Note Series Debt Service Fund**

<i>Year ended September 30,</i>	2021			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenue				
Investment income	\$ -	\$ -	\$ 51	\$ 51
Total revenue	-	-	51	51
Expenditures				
General government	-	78,781	76,477	2,304
Debt service:				
Principal	-	393,000	393,000	-
Interest	-	35,188	35,188	-
Total expenditures	-	506,969	504,665	2,304
Excess (deficiency) of revenue over expenditures	-	(506,969)	(504,614)	2,355
Other financing sources (uses)				
Proceeds from issuance of long-term debt	-	9,905,000	9,905,000	-
Transfers in	-	1,103,919	1,103,919	-
Transfers out	-	(10,503,768)	(10,503,768)	-
Total other financing sources (uses)	-	505,151	505,151	-
Net change in fund balance	-	(1,818)	537	2,355
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ (1,818)	\$ 537	\$ 2,355

Statistical Section

This section contains statistical tables reflecting various supplemental financial data concerning general government operations. When applicable, a 10-year history has been depicted to disclose trends in finance-related matters. These tables have been included as part of this report for information purposes only, and therefore, have not been subjected to audit by the City's independent certified public accountants.

The statistical section of the City's annual comprehensive financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. The data contained in these statistical sections is unaudited.

City of Destin, Florida

Net Position by Component-Last Ten Years
(Unaudited)

Fiscal Year	Net investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2021	98,289,498	3,852,330	29,063,467	131,205,295
2020	91,184,514	3,891,401	25,247,364	120,323,279
2019	88,840,831	2,661,941	21,378,238	112,881,010
2018	89,128,737	2,570,097	17,831,698	109,530,532
2017	90,119,716	2,075,871	14,559,323	106,754,910
2016	88,760,939	1,488,351	14,101,586	104,350,876
2015	88,804,998	735,737	13,208,165	102,748,900
2014	90,108,379	43,399	13,331,610	103,483,388
2013	91,599,506	43,355	15,163,303	106,806,164
2012	85,440,401	86,133	15,923,523	101,450,057

Source: City Finance Department

City of Destin, Florida

Changes in Net Position-Last Ten Years
(Unaudited)

	Fiscal Year				
	2021	2020	2019	2018	2017
Expenses					
General government	\$ 3,583,345	\$ 4,028,182	\$ 3,695,191	\$ 3,532,139	\$ 2,981,384
Public safety	3,756,665	3,623,935	3,292,103	3,908,737	4,011,135
Physical environment	646,171	670,079	319,713	432,132	433,283
Transportation	2,739,207	2,866,166	3,252,517	3,053,455	3,141,933
Economic environment	1,141,935	1,152,796	1,146,463	1,209,950	1,274,262
Human services	64,531	63,494	62,808	55,220	107,287
Culture and recreation	3,476,834	2,702,912	2,323,177	2,274,564	2,242,446
Debt service interest	637,571	752,073	788,775	806,526	888,752
Total expenses	16,046,259	15,859,637	14,880,747	15,272,723	15,080,482
Program revenue					
Charges for services					
General government	64,090	601	2,457,688	2,495,996	2,223,122
Public safety	1,793,926	1,555,942	614,412	847,202	940,221
Physical environment	50,965	23,443	20,800	46,495	79,821
Transportation	505,182	178,174	140,017	119,218	60,534
Culture and recreation	347,454	331,925	401,939	406,050	402,708
Operating grants and contributions	646,998	2,082,880	734,898	1,407,851	2,450,238
Capital grants and contributions	5,192,296	197,999	43,520	30,544	70,120
Total program revenue	8,600,911	4,370,964	4,413,274	5,353,356	6,226,764
Net expense	(7,445,348)	(11,488,673)	(10,467,473)	(9,919,367)	(8,853,718)
General revenue and other changes in net position					
Property taxes	9,892,776	9,374,391	8,764,290	8,179,225	7,761,152
Other taxes	3,480,413	2,895,623	1,636,565	1,669,159	1,623,261
Other revenue	4,954,175	6,660,928	3,417,096	1,907,549	1,873,339
Special items	-	-	-	-	-
Total general revenue	18,327,364	18,930,942	13,817,951	11,755,933	11,257,752
Change in net position	10,882,016	7,442,269	3,350,478	1,836,566	2,404,034
Net position, beginning	120,323,279	112,881,010	109,530,532	106,754,910	104,350,876
Cumulative effect of change in accounting principle	-	-	-	939,056	-
Prior period adjustment	-	-	-	-	-
Net position, ending	\$ 131,205,295	\$ 120,323,279	\$ 112,881,010	\$ 109,530,532	\$ 106,754,910

Source: City Finance Department

City of Destin, Florida

Changes in Net Position-Last Ten Years
(Continued) (Unaudited)

	2016	2015	Fiscal Year 2014	2013	2012
Expenses					
General government	\$ 2,889,172	\$ 3,330,320	\$ 3,135,252	\$ 2,847,225	\$ 3,100,230
Public safety	3,535,716	3,080,103	2,721,873	2,633,697	2,656,076
Physical environment	491,154	591,383	710,134	647,709	798,777
Transportation	2,842,564	2,582,807	2,661,304	2,525,995	2,579,572
Economic environment	1,289,854	1,326,255	1,387,855	1,103,214	820,654
Human services	54,394	58,975	59,650	60,250	58,600
Culture and recreation	2,340,627	2,239,857	2,277,720	2,163,148	2,077,254
Debt service interest	873,117	1,132,842	1,366,317	1,662,880	1,712,494
Total expenses	14,316,598	14,342,542	14,320,105	13,644,118	13,803,657
Program revenue					
Charges for services					
General government	2,317,742	2,214,652	2,099,136	1,835,784	1,908,566
Public safety	898,725	697,452	553,710	644,091	601,592
Physical environment	14,660	21,503	7,463	51,686	71,600
Transportation	49,514	115,970	47,642	41,810	37,477
Culture and recreation	456,828	421,704	337,804	290,158	294,040
Operating grants and contributions	1,727,351	197,614	373,317	189,862	152,660
Capital grants and contributions	42,081	203,334	126,767	7,888,961	249,075
Total program revenue	5,506,901	3,872,229	3,545,839	10,942,352	3,315,010
Net expense	(8,809,697)	(10,470,313)	(10,774,266)	(2,701,766)	(10,488,647)
General revenue and other changes in net position					
Property taxes	6,844,994	6,443,596	6,090,326	5,841,191	6,253,055
Other taxes	1,583,815	1,530,492	1,537,513	1,533,833	1,607,807
Other revenue	1,982,864	1,761,737	1,573,651	1,274,760	1,485,532
Special items	-	-	(1,750,000)	-	-
Total general revenue	10,411,673	9,735,825	7,451,490	8,649,784	9,346,394
Change in net position	1,601,976	(734,488)	(3,322,776)	5,948,018	(1,142,253)
Net position, beginning	102,748,900	103,483,388	106,806,164	101,450,057	102,592,310
Prior period adjustment	-	-	-	(591,911)	-
Net position, ending	\$ 104,350,876	\$ 102,748,900	\$ 103,483,388	\$ 106,806,164	\$ 101,450,057

**Fund Balances Governmental Funds - Last Ten Years
(Unaudited)**

	Fiscal Year				
	2021	2020	2019	2018	2017
General Fund					
Nondisposable	\$ 2,561,841	\$ 2,451,337	\$ 2,448,824	\$ 2,469,019	\$ 2,999,624
Restricted	-	3,247,659	2,584,256	2,480,877	1,977,027
Committed	10,084,733	8,411,205	10,129,498	9,657,663	9,674,570
Assigned	376,587	2,964,171	1,213,592	672,226	1,625,986
Unassigned	13,296,275	14,449,613	10,040,295	7,526,416	3,626,528
Total	\$ 26,319,436	\$ 31,523,985	\$ 26,416,465	\$ 22,806,201	\$ 19,903,735
All other governmental funds					
Nondisposable	\$ -	\$ -	\$ -	\$ 88	\$ -
Restricted	3,852,330	643,742	77,685	89,220	98,844
Committed	4,655,060	-	-	-	-
Assigned	905,483	44,332	329,948	279,391	255,797
Unassigned	(2,216,394)	(2,390,520)	(2,231,153)	(2,240,233)	(2,142,360)
Total all other governmental funds	\$ 7,196,479	\$ (1,702,446)	\$ (1,823,520)	\$ (1,871,534)	\$ (1,787,719)

Source: City Finance Department

Fund Balances Governmental Funds - Last Ten Years
(Continued) (Unaudited)

	Fiscal Year				
	2016	2015	2014	2013	2012
General Fund					
Nondisposable	\$ 2,802,335	\$ 1,980,893	\$ 1,879,620	\$ 1,324,569	\$ 749,569
Restricted	1,373,526	1,216,046	1,098,945	1,152,307	1,584,691
Committed	10,340,837	11,071,545	10,276,708	10,418,492	843,061
Assigned	1,118,384	328,889	684,591	730,267	1,460,679
Unassigned	2,905,348	1,848,403	1,743,576	2,657,863	10,488,610
Total	\$ 18,540,430	\$ 16,445,776	\$ 15,683,440	\$ 16,283,498	\$ 15,126,610
All other governmental funds					
Nondisposable	\$ -	\$ 68	\$ -	\$ -	\$ -
Restricted	114,825	884,473	151,914	1,524,027	1,726,853
Committed	-	-	74,256	95,853	196,393
Assigned	276,444	345,855	633,953	1,109,529	1,303,787
Unassigned	(1,979,433)	(2,462,082)	(1,835,073)	(1,010,642)	(329,808)
Total all other governmental funds	\$ (1,588,164)	\$ (1,231,686)	\$ (974,950)	\$ 1,718,767	\$ 2,897,225

**Changes in Fund Balances Governmental Funds - Last Ten Years
(Unaudited)**

	Fiscal Year				
	2021	2020	2019	2018	2017
Revenue					
Taxes	\$ 13,373,189	\$ 12,270,014	\$ 12,309,961	\$ 11,766,912	\$ 11,192,022
Licenses and permits	3,779,441	3,342,590	1,079,465	1,008,548	930,187
Impact fees	590,174	456,051	160,720	671,922	801,424
Intergovernmental	8,053,048	4,050,502	3,494,078	2,889,811	3,734,054
Charges for services	937,122	513,137	512,089	568,635	525,860
Fines and forfeits	79,829	106,750	28,981	44,278	46,812
Investment income	19,983	471,977	506,164	20,654	59,756
Contributions	1,867	4,035	6,871	8,608	24,772
Miscellaneous income	50,972	9,058	132,896	131,376	169,629
Total revenue	26,885,625	21,224,114	18,231,225	17,110,744	17,484,516
Expenditures					
General government	3,403,184	3,935,334	3,542,238	3,398,890	2,853,328
Public safety	3,752,995	3,408,341	3,061,601	2,779,558	2,610,831
Physical environment	142,017	27,374	31,346	88,226	90,710
Transportation	1,663,328	1,925,723	1,924,802	1,824,192	1,885,837
Economic environment	107,900	130,173	105,720	123,024	163,637
Human services	64,531	63,494	62,808	55,220	107,287
Culture and recreation	2,854,316	2,237,953	1,909,794	1,872,829	1,858,739
Capital outlay	11,160,364	1,937,657	1,607,301	1,877,832	4,762,510
Debt service					
Principal	9,318,692	1,622,596	1,533,487	1,485,956	1,417,449
Interest	717,941	745,697	793,850	836,554	874,429
Investment loss				-	-
Total expenditures	33,185,268	16,034,342	14,572,947	14,342,281	16,624,757
Excess (deficiency) of revenue over expenditures	(6,299,643)	5,189,772	3,658,278	2,768,463	859,759
Other financing sources (uses)					
Transfers in	29,587,639	2,255,374	4,171,759	6,343,303	3,907,488
Transfers out	(29,587,639)	(2,255,374)	(4,171,759)	(6,343,303)	(3,907,488)
Issuance of debt	-	-	-	50,188	303,991
Proceeds of debt issuance	9,905,000	-	-	-	-
Debt service principal	-	-	-	-	-
Lease proceeds	89,019	38,422	-	-	-
Non-operating loss	-	-	-	-	-
Total other financing sources (uses)	9,994,019	38,422	-	50,188	303,991
Special item - Settlement	-	-	-	-	-
Net change in fund balance	\$ 3,694,376	\$ 5,228,194	\$ 3,658,278	\$ 2,818,651	\$ 1,163,750
Debt service as a percentage of noncapital expenditures	45.6%	16.8%	18.0%	18.6%	19.3%

Source: City Finance Department

Changes in Fund Balances Governmental Funds - Last Ten Years
(Continued) (Unaudited)

	Fiscal Year				
	2016	2015	2014	2013	2012
Revenue					
Taxes	\$ 10,316,957	\$ 9,891,235	\$ 9,429,663	\$ 8,951,113	\$ 9,515,410
Licenses and permits	885,870	674,131	597,505	846,549	674,302
Impact fees	446,936	280,494	268,840	144,678	9,298
Intergovernmental	3,232,561	1,819,128	1,674,915	9,294,741	1,567,009
Charges for services	568,018	509,159	462,224	366,618	355,199
Fines and forfeits	47,238	114,111	49,229	43,404	38,678
Investment income	256,010	222,593	-	-	-
Contributions	22,848	34,839	99,975	20,292	316,151
Miscellaneous income	142,136	62,364	166,802	36,132	185,357
Total revenue	15,918,574	13,608,054	12,749,153	19,703,527	12,661,404
Expenditures					
General government	2,747,954	3,489,939	2,951,776	2,713,560	2,661,534
Public safety	2,410,183	2,107,835	1,768,098	1,661,520	1,701,869
Physical environment	148,581	248,810	379,218	287,702	464,567
Transportation	1,681,535	1,472,935	1,544,311	1,295,486	1,247,816
Economic environment	176,210	216,503	209,632	185,215	146,377
Human services	54,394	58,975	59,650	60,250	58,600
Culture and recreation	1,976,500	1,927,771	1,949,815	1,772,495	1,744,325
Capital outlay	3,075,354	1,642,819	1,581,816	8,697,826	4,037,950
Debt service					
Principal	1,087,340	901,028	1,374,432	1,243,032	1,191,883
Interest	822,369	1,083,667	1,562,813	1,697,345	1,721,570
Investment loss	-	-	1,824	110,438	-
Total expenditures	14,180,420	13,150,282	13,383,385	19,724,869	14,976,491
Excess (deficiency) of revenue over expenditures	1,738,154	457,772	(634,232)	(21,342)	(2,315,087)
Other financing sources (uses)					
Transfers in	2,971,389	1,563,616	3,730,001	2,206,101	5,037,324
Transfers out	(2,971,389)	(1,563,616)	(3,730,001)	(2,206,101)	(5,037,324)
Issuance of debt	-	-	(12,900,000)	(7,610,000)	-
Proceeds of debt issuance	-	5,427,000	-	-	-
Debt service principal	-	(5,379,150)	-	-	-
Lease proceeds	-	-	11,871,000	7,610,000	-
Non-operating loss	-	-	119,229	-	-
Total other financing sources (uses)	-	47,850	(909,771)	-	-
Special item - Settlement	-	-	(1,750,000)	-	-
Net change in fund balance	\$ 1,738,154	\$ 505,622	\$ (3,294,003)	\$ (21,342)	\$ (2,315,087)
Debt service as a percentage of noncapital expenditures	17.2%	17.2%	24.9%	26.7%	39.3%

City of Destin, Florida

**Revenue Base - Last Ten Years
(Unaudited)**

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	95% Budgeted for Operations
2021	5,586,981,183	99,760,236	5,686,741,419	1.6150	8,724,883
2020	5,289,909,655	100,875,258	5,390,784,913	1.6150	8,270,812
2019	4,940,251,366	96,041,092	5,036,292,458	1.6150	7,726,932
2018	4,637,572,095	94,406,296	4,731,978,391	1.6150	7,260,038
2017	4,419,401,166	88,815,805	4,508,216,971	1.6150	6,916,732
2016	4,202,250,899	83,206,674	4,285,457,573	1.6150	6,574,963
2015	3,953,775,213	77,212,445	4,030,987,658	1.5000	5,744,157
2014	3,738,671,838	78,140,476	3,816,812,314	1.5000	5,438,958
2013	3,692,698,542	74,840,249	3,767,538,791	1.5000	5,368,743
2012	3,864,421,197	79,244,532	3,943,665,729	1.4550	5,451,132

Source: Okaloosa County Tax Collector

City of Destin, Florida

Property Tax Rates Per \$1,000 of Taxable Value
All Direct and Overlapping Governments - Last Ten Years
(Unaudited)

Fiscal Year	Direct Rate	Indirect Rate				Total Overlapping Rates	Total Direct & Overlapping Rates
	City of Destin	Destin Fire District	Okaloosa County	Okaloosa School Board	Northwest Florida Water District		
2021	1.615000	1.000000	3.830800	5.943000	0.029400	10.803200	12.418200
2020	1.615000	1.000000	3.830800	6.035000	0.031100	10.896900	12.511900
2019	1.615000	1.000000	3.830800	6.206000	0.032700	11.069500	12.684500
2018	1.615000	1.000000	3.830800	6.361000	0.033800	11.225600	12.840600
2017	1.615000	1.000000	3.830800	6.588000	0.035300	11.454100	13.069100
2016	1.615000	1.000000	3.430800	6.907000	0.036600	11.374400	12.989400
2015	1.500000	1.000000	3.430800	7.551000	0.040000	12.021800	13.521800
2014	1.500000	1.000000	3.430800	7.441000	0.039000	11.910800	13.410800
2013	1.500000	1.000000	3.430800	7.551000	0.040000	12.021800	13.521800
2012	1.455000	1.000000	3.289900	7.476000	0.040000	11.805900	13.260900

As of levy date, November 1 of each year listed

Source: Okaloosa County Tax Collector

City of Destin, Florida

Principal Tax Payers - Current Year and Ten Years Ago
(Unaudited)

	September 30, 2021				September 30, 2012			
	Taxpayer	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value	Taxpayer	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value
	WCW OLYMPUS DESTIN LLC	\$ 60,852,086	1	1.07%	EMERALD GRANDE INC	\$ 54,095,500	1	1.37%
	EMERALD GRANDE INC	51,211,280	2	0.90%	AHB APARTMENTS LLC	21,252,705	2	0.54%
	PASSCO SEA GLASS DST	50,127,214	3	0.88%	TBH CORPORATION	14,861,982	3	0.38%
	BR HENDERSON BEACH LLC	39,633,322	4	0.70%	DRB DEVELOPMENT LLC	13,331,000	4	0.34%
	FLORIDA POWER & LIGHT CO.	37,094,229	5	0.65%	WRI-SRP PARADISE ISLE LLC	10,806,034	5	0.27%
	DRH HBR OWNER LLC	31,830,814	6	0.56%	DUNAVANT GULF LLC	9,564,399	6	0.24%
	HENDERSON BEACH PARTNERS LLC	26,862,977	7	0.47%	SHANRI HOLDINGS CORP	7,737,553	7	0.20%
	PARADISE ISLE DESTIN LLC	15,709,350	8	0.28%	CRYSTAL BEACH PLAZA LLC	7,103,763	8	0.18%
	KEY DESTIN OWNER LLC	13,573,460	9	0.24%	TRUSTMARK BANK	6,593,625	9	0.17%
	WYNDHAM VACATION RESORTS INC	12,080,500	10	0.21%	PANHANDLE 98 ACQUISITION LLC	6,515,740	10	0.16%
	Total Principal Taxpayers	\$ 338,975,232		5.96%		\$ 151,862,301		3.85%
	Total Tax Value of Other	\$ 5,347,766,187		94.04%		\$ 3,791,803,428		96.15%
	Total Taxable Assessed Value	\$ 5,686,741,419		100.00%		\$ 3,943,665,729		100.00%

Source: Okaloosa County Property Appraiser

City of Destin, Florida

Property Tax Levies and Collections-Last Ten Years
(Unaudited)

Fiscal Year Ended September 30,	Collected within the Calendar					Total Collections to Date	
	Taxes Levied For the Calendar Year*		Year of the Levy		Collections of Delinquent Taxes	Amount	Percentage of Levy
			Amount	Percentage of Levy			
2021	\$	8,721,062	\$ 8,827,350	101.22%	\$ 54,971	\$ 8,882,321	101.85%
2020		8,273,153	8,430,713	101.90%	3,561	8,434,274	101.95%
2019		8,132,530	7,879,410	96.89%	4,613	7,884,023	96.94%
2018		7,632,996	7,405,759	97.02%	1,809	7,407,568	97.05%
2017		7,280,770	7,031,699	96.58%	4,122	7,035,821	96.64%
2016		6,425,090	6,211,296	96.67%	3,797	6,215,093	96.73%
2015		6,045,953	5,842,418	96.63%	10,172	5,852,590	96.80%
2014		5,737,736	5,530,911	96.40%	54,974	5,585,885	97.35%
2013		5,202,450	5,294,736	101.77%	29,787	5,202,450	100.00%
2012		5,743,626	5,512,611	95.98%	53,720	5,566,331	96.91%

*Includes discount taken for early payment of taxes (maximum of 5%)

Source: Okaloosa County Tax Collector

City of Destin, Florida

Ratios of Outstanding Debt (Bonds and Notes)-Last Ten Years
(Unaudited)

Fiscal Year Ended September 30,	2002 Capital Improvement Revenue Bonds	2005B Florida Municipal Loan Council Revenue Bonds	2005 CRA Town Center Revenue Bonds	2009 CRA Harbor Revenue Note (Restructured 2015)	2013 Capital Improvement Revenue Note
2021	-	-	-	-	4,694,511
2020	-	-	-	3,986,827	5,095,650
2019	-	-	-	4,429,808	5,485,711
2018	-	-	-	4,770,168	5,865,001
2017	-	-	-	5,096,625	6,233,816
2016	-	-	-	5,409,749	6,592,446
2015	-	-	-	5,709,446	6,941,172
2014	-	5,800,000	-	5,997,542	7,280,268
2013	-	6,040,000	12,900,000	6,136,242	7,610,000
2012	7,870,000	6,275,000	13,515,000	6,269,274	-

Note: Detail regarding the District's outstanding debt can be found in the notes to the financial statements.

City of Destin, Florida

Ratios of Outstanding Debt (Bonds and Notes)-Last Ten Years
(Continued) (Unaudited)

Fiscal Year Ended September 30,	2014 CRA		2015		2021		Total	
	Town Center Revenue Refunding Note Series	Revenue Refunding Note Series	Revenue Refunding Note Series	Revenue Refunding Note Series	Revenue Refunding Note Series	Revenue Refunding Note Series	Revenue Bonds and Notes and Capital Leases	Per Capita
2021	8,926,602	-	-	-	9,512,000	165,998	23,299,111	1,700
2020	9,339,342	4,035,000	-	-	-	166,965	22,623,784	1,588
2019	9,738,279	4,379,000	-	-	-	175,160	24,207,958	1,825
2018	10,123,875	4,714,000	-	-	-	268,401	25,741,445	1,941
2017	10,496,575	5,039,000	-	-	-	311,197	27,177,213	2,049
2016	10,856,811	5,359,000	-	-	-	72,665	28,290,671	2,133
2015	11,205,000	5,427,000	-	-	-	95,393	29,378,011	2,208
2014	11,205,000	-	-	-	-	119,229	30,402,039	2,302
2013	-	-	-	-	-	-	32,686,242	2,379
2012	-	-	-	-	-	-	33,929,274	2,590

City of Destin, Florida
Direct and Overlapping Governmental Activities Debt
As of September 30, 2021
(Unaudited)

Jurisdiction	Net Debt Outstanding	Estimated Percentage Applicable to City of Destin (1)	Estimated Amount Applicable to City of Destin
Debt repaid with property taxes:			
Okaloosa County	95,505,370	29%	\$ 27,696,557
Okaloosa School Board (2)	2,724,000	27%	735,480
Destin Fire District	-	84%	-
Northwest Florida Water District	-	29%	-
Subtotal, overlapping debt			<u>28,432,037</u>
City of Destin			<u>\$ 23,299,045</u>
Total direct and overlapping debt			<u>\$ 51,731,082</u>

(1) Based on ratio of assessed taxable value

(2) The Okaloosa School Board debt outstanding is as of June 30, 2021

SOURCE: Okaloosa County, Florida Accounting Division and the School Board of Okaloosa County

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Destin. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account.

City of Destin, Florida

Demographics
(Unaudited)

Land area (miles)	
Square miles incorporated	7.53
Land	6.78
Water	0.75
Gulf-front	6.60
Bay-front	5.81
City maintained streets	66.23
Paved	66.23
Unpaved	0.00
Estimated population	
Year-round	13,702
Seasonal-peak	100,000
Gender composition	
Female	50.5%
Male	49.5%
Racial composition	
White	83.0%
Hispanic	9.5%
Black	2.6%
American Indian	0.4%
Asian	1.8%
Other	2.7%
Median household income	\$ 79,000
Median earnings for full-time year-round workers	\$ 50,424
Number of households	13,800
Households with homestead exemption	3,663
Unemployment rate	2.90%

Source: City of Destin census FY2020, Bureau of Labor Statistics for Crestview-Fort Walton Beach-Destin, Destin Chamber of Commerce, and Okaloosa Tax Collector

Note: Information has not significantly changed for last ten years.

City of Destin, Florida

Principal Employers - Current Year and Ten Years Ago
(Unaudited)

		September 30, 2021				September 30, 2012			
Employer		Approximate Range of Numbers of Employees	Rank	Percent of City's Estimated Population		Approximate Range of Numbers of Employees	Rank	Percent of City's Estimated Population	
Keller Williams Realty	\$	400	1	2.90%	ResortQuest International, Inc	1000-1300	1	9.30%	
Big Kahuna's Waterpark		300	2	2.20%	A J's Seafood and Oyster House	100-249	2	1.40%	
McGuire's Irish Pub		200	3	1.46%	Crab Trap	100-249	3	1.43%	
Destin Healthcare and Rehabilitation		160	4	1.17%	Cracker Barrel	100-249	4	1.43%	
AJ's Seafood and Oyster House		150	5	1.09%	Destin Healthcare and Rehabilitation	100-249	5	1.43%	
Target		150	6	1.09%	Harbor Docks	100-249	6	1.43%	
First Florida Bank		200	7	1.00%	Hey Baby Charter Boat	100-249	7	1.43%	
Olive Garden Italian Kitchen		120	8	0.88%	Holiday Inn	100-249	8	1.42%	
Harbor Docks Restaurant		120	9	0.88%	Lucky Snapper Grill & Bar	100-249	9	1.42%	
City of Destin FL		99-122	10	0.81%	Track Recreation Center	100-249	10	1.42%	
Total				13.48%	Total			22.11%	

City of Destin, Florida

City Employees - Last Five Years
(Unaudited)

1 FTE = 2080 hours/year

	Fiscal Year				
	2021	2020	2019	2018	2017
City Manager's Office					
City Manager	1.00	1.00	1.00	1.00	1.00
Deputy City Manager	1.00	1.00	1.00	1.00	-
Sr Administrative Professional	1.00	1.00	1.00	1.00	1.00
Public Information Manager	1.00	1.00	1.00	1.00	1.00
Grants Projects Manager	1.00	1.00	-	-	1.00
Development/Re-Development Manager	-	-	-	-	1.00
Receptionist (2 PT @29 hours/week)	1.45	1.45	1.45	1.45	1.45
Subtotal	6.45	6.45	5.45	5.45	6.45
City Clerk's Office					
City Clerk	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	1.00	1.00	1.00	1.00	1.00
Records Technician	1.00	1.00	1.00	1.00	1.00
Subtotal	3.00	3.00	3.00	3.00	3.00
Finance & Budget					
Finance Director	1.00	1.00	1.00	1.00	1.00
Accountant	1.00	1.00	1.00	1.00	1.00
Accounting Clerk (Payroll & AP)	1.00	0.50	0.50	-	-
Payroll Accounting Clerk	-	-	-	0.25	0.25
AP Administrative Clerk	-	-	-	0.25	0.25
Subtotal	3.00	2.50	2.50	2.50	2.50
Human Resources					
HR/Risk Manager	1.00	1.00	1.00	1.00	1.00
HR Coordinator	0.73	0.73	0.73	0.73	0.73
Subtotal	1.73	1.73	1.73	1.73	1.73
Facilities					
Maintenance Technician - Facilities	2.00	2.00	2.00	2.00	2.00
Maintenance Technician - Custodian	1.00	1.00	1.00	-	-
Subtotal	3.00	3.00	3.00	2.00	2.00
Community Development Office					
Community Development Director	0.67	1.00	1.00	1.00	1.00
Administrative Assistant	0.50	1.00	1.00	1.00	1.00
Principal Planner	1.00	1.00	1.00	1.00	1.00
Senior Planner	1.00	1.00	1.00	1.00	-
Planner	3.00	3.00	3.00	3.00	2.00
Business Tax License Clerk	1.00	-	-	-	-
Subtotal	7.17	7.00	7.00	7.00	5.00
Information Technology					
IT Director	1.00	1.00	1.00	1.00	1.00
Systems Network Specialist	1.00	1.00	1.00	1.00	1.00
Geographic Information Systems Manager	1.00	1.00	1.00	1.00	1.00
Help Desk Technician	1.00	1.00	-	-	-
Subtotal	4.00	4.00	3.00	3.00	3.00
SUBTOTAL GENERAL GOVERNMENT	28.35	27.68	25.68	24.68	23.68
Public Safety					
Crossing Guards (3 PT Seasonal)	0.90	0.90	0.90	0.90	0.90
Subtotal	0.90	0.90	0.90	0.90	0.90

City of Destin, Florida

City Employees - Last Five Years
(Continued) (Unaudited)

	2021	2020	2019	Fiscal Year 2018	2017
Code Compliance					
Code Compliance Director	0.90	1.00	1.00	1.00	0.50
Code Compliance Deputy Director	0.90	-	-	-	-
Harbor Compliance Officer	0.90	1.00	1.00	1.00	1.00
Code Compliance Officers (5 FT @90% plus 1 PT @90%)	3.61	5.50	5.00	3.00	2.50
Administrative assistant	0.90	1.00	1.00	1.00	-
Subtotal	7.21	8.50	8.00	6.00	4.00
Emergency Management					
Emergency Management Director	-	-	-	-	-
Subtotal	-	-	-	-	-
Florida Building Code Enforcement (Building Inspections)					
Chief Building Official	1.00	1.00	1.00	1.00	1.00
Building Official	1.00	1.00	1.00	1.00	1.00
Building Inspector	2.00	1.00	1.00	1.00	1.00
Plans Examiner	1.00	1.00	1.73	1.73	2.00
Permit & License Tech	1.00	1.00	1.73	1.73	2.00
Permit & Licensing Administrator	1.00	1.00	1.00	1.00	1.00
Permit & Licensing Clerk	1.00	1.00	1.73	1.73	2.00
Code Compliance allocation (9.73@10%)	0.80	-	-	-	-
Engineering/Stormwater allocation (2@10%)	0.20	-	-	-	-
Com Dev Administrative allocation (1@25%; 1@33%)	0.83	-	-	-	-
Subtotal	9.83	7.00	9.19	9.19	10.00
SUBTOTAL PUBLIC SAFETY	17.94	16.40	18.09	16.09	14.90
Physical Environment					
Stormwater Management Specialist	1.00	1.00	1.00	1.00	-
Equipment Operator	1.00	-	-	-	-
Subtotal	2.00	1.00	1.00	1.00	-
Cemetery					
Maintenance Technician	-	-	-	-	-
Subtotal	-	-	-	-	-
SUBTOTAL PHYSICAL ENVIRONMENT	2.00	1.00	1.00	1.00	-
Public Works Department					
Public Works Director	1.00	1.00	1.00	1.00	1.00
Deputy Public Works Director	1.00	1.00	1.00	1.00	1.00
Field Crew Supervisor	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Mechanic	1.00	1.00	1.00	1.00	1.00
Maintenance Technician-General	4.00	2.00	2.00	2.00	2.00
Equipment Operator	-	1.00	1.00	1.00	1.00
Computer Aided Design Operator	1.00	1.00	1.00	1.00	1.00
Maintenance Technician/Mechanic	1.00	1.00	1.00	-	-
Subtotal	11.00	10.00	10.00	9.00	9.00

City of Destin, Florida

City Employees - Last Five Years
(Continued) (Unaudited)

	Fiscal Year				
	2021	2020	2019	2018	2017
Engineering					
City Engineer (P.E.)	1.00	1.00	1.00	1.00	1.00
Engineer	1.00	1.00	1.00	1.00	1.00
Subtotal	2.00	2.00	2.00	2.00	2.00
Median Maintenance					
Maintenance Technician	-	-	-	-	-
Subtotal	-	-	-	-	-
SUBTOTAL TRANSPORTATION	13.00	12.00	12.00	11.00	11.00
Community Redevelopment Agency					
CRA Manager (Town Center)	-	-	0.25	0.25	0.25
CRA Manager (Harbor)	-	-	0.25	0.25	0.25
Program Manager (FT) (thru March 09) (Harbor)	-	-	-	-	-
Maintenance Technician	-	-	1.50	1.50	1.50
CRA Finance Administrative Clerk (Town Center)	-	0.25	0.25	0.25	0.25
CRA Finance Administrative Clerk (Harbor)	-	0.25	0.25	0.25	0.25
Subtotal	-	0.50	2.50	2.25	2.50
SUBTOTAL ECONOMIC DEVELOPMENT	-	0.50	2.50	2.25	2.50
Library					
Library Director	1.00	1.00	1.00	1.00	1.00
Technical Services (Cataloger)	1.00	1.00	1.00	1.00	1.00
Circulation Desk Supervisor	1.00	1.00	1.00	1.00	1.00
Circulation Desk	1.00	1.00	1.00	1.00	1.00
Youth Services Librarian	1.00	1.00	1.00	1.00	1.00
Technology Specialist	1.00	1.00	1.00	-	-
Library Assistant (4 PT at 29/40 hrs/week)	2.90	2.90	2.90	3.63	3.63
Administrative Assistant	-	-	-	-	-
Custodian	-	-	-	-	0.50
Subtotal	8.90	8.90	8.90	8.63	9.13
Parks (includes TDC/Waterfront and FDEP/Leonard Destin)					
Parks & Recreation Director	1.00	1.00	1.00	1.00	1.00
Parks & Recreation Deputy Director	1.00	1.00	1.00	1.00	1.00
Park Supervisor	1.00	1.00	1.00	1.00	1.00
Assistant Park Supervisor	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00
Maintenance Technician	11.45	11.45	11.45	11.45	11.45
Park Attendant (PT)	-	-	-	-	-
Joe's Bayou Attendant (3 PT at 29/40 hrs/week)	1.45	1.45	1.45	1.45	1.45
Subtotal	17.90	17.90	17.90	17.90	17.90

City of Destin, Florida

City Employees - Last Five Years
(Continued) (Unaudited)

	2021	2020	2019	Fiscal Year 2018	2017
Morgan Sports Complex					
Supervisor of Athletic Programs	-	-	-	-	-
Recreation Program Coordinator	1.00	1.00	1.00	2.00	2.00
Recreation Assistant II	1.00	1.00	1.00	1.00	1.00
Recreation Assistant (2 PT at 29/40 hrs/week)	1.45	1.45	1.45	1.45	1.45
Field Maintenance Supervisor	-	-	-	1.00	1.00
Field Maintenance Technician	2.00	2.00	3.00	3.00	3.00
Field Maintenance Tech/Mechanic	-	-	-	-	-
Groundskeeper	1.00	1.00	1.00	1.00	1.00
Scorekeepers (2 PT at 29/40 hrs/week)	1.45	1.45	1.45	1.45	1.45
Subtotal	7.90	7.90	8.90	10.90	10.90
Community Center					
Recreation Supervisor	1.00	1.00	1.00	1.00	1.00
Recreation Assistant II	1.00	1.00	1.00	1.00	1.00
Recreation Assistant (1 FT + 2 PT at 29/40)	2.45	2.45	2.45	2.45	2.45
Program Coordinator	1.00	1.00	1.00	1.00	1.00
Lead Program Coordinator	1.00	1.00	1.00	1.00	1.00
Maintenance Technician	2.00	2.00	2.00	2.00	2.00
Custodian	-	-	-	-	-
Clerk/Receptionist	1.00	1.00	1.00	1.00	1.00
Camp Counselors (4 PT at 29/40 hrs/week)	2.90	2.90	2.90	2.90	2.90
Subtotal	12.35	12.35	12.35	12.35	12.35
SUBTOTAL CULTURE & RECREATION	47.05	47.05	48.05	49.78	50.28
Total budgeted FTEs	108.34	104.63	107.32	104.80	102.36

Total actual FTEs (labor hours/2080)	92.32	86.37	82.09	80.95	75.44
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Information is provided for the most recent five years as this is the most relevant.

Source: Payroll

Compliance Section

- Government Auditing Standards Report
- Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill
- Independent Auditors' Report on Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill
- CRA Examination Report
- Investment Examination Report
- Management Letter

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor and
Members of the City Council
City of Destin, Florida:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the fiduciary fund and the aggregate remaining fund information of the City of Destin, Florida (the City), as of and for the year ended September 30, 2021, and the related notes to the City's basic financial statements which collectively comprise the City's basic financial statements, and have issued our report thereon dated , 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jupiter, Florida
, 2022

CITY OF DESTIN, FLORIDA
Schedule of Receipts and Expenditures of Funds
Related to the Deepwater Horizon Oil Spill
Year ended September 30, 2021

	Amounts Received in the 2020-2021 <u>Fiscal Year</u>	Amounts Expended in the 2020-2021 <u>Fiscal Year</u>
Source:		
Gulf Environmental Benefit Fund		
National Fish and Wildlife Foundation	\$ <u>374,025</u>	<u>374,025</u>

INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE
OF RECEIPTS AND EXPENDITURES OF FUNDS RELATED
TO THE DEEPWATER HORIZON OIL SPILL

To the Honorable Mayor and City Council Members
City of Destin, Florida

We have audited the financial statements of the City of Destin, Florida (the City) as of and for the year ended September 30, 2021, and have issued our report thereon dated , 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill on page 93 is presented for the purpose of additional analysis as required by Chapter 288.8018, Florida Statutes, and the Chapter 10.557(3)(f), Rules of the Auditor General, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Jupiter, Florida
, 2022

INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Mayor and
Members of the City Council
City of Destin, Florida:

We have examined the City of Destin, Florida's (the City) compliance with the requirements of Section 163.387(6) and 163.387(7), Florida Statutes, Redevelopment Trust Fund, for the year ended September 30, 2021. The City's management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the State of Florida Statutes 163.387(6) and 163.387(7) for the year ended September 30, 2021.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Jupiter, Florida
, 2022

INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Mayor and
Members of the City Council
City of Destin, Florida:

We have examined City of Destin, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, for the year ended September 30, 2021. The City's management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the State of Florida Statute 218.415 for the year ended September 30, 2021.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Jupiter, Florida
, 2022

MANAGEMENT LETTER

The Honorable Mayor and
Members of the City Council
City of Destin, Florida:

We have audited the financial statements of the City of Destin, Florida (the City), as of and for the year ended September 30, 2021, and have issued our report thereon dated , 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in this report, which is dated , 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity to be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(i)(2), Rules of the Auditor General Requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Mayor, City Council, City Manager, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Jupiter, Florida
, 2022

**City of Destin
Board Summary
September 30, 2021**

- Financial Statements and Auditors' Reports were reviewed with management.
- Unmodified (i.e. unqualified or "clean") opinions will be issued on the City's financial statements.
- No material weaknesses or significant deficiencies were noted in the City's internal controls over financial reporting or in the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.
- Management provided everything we asked for in a timely manner.
- At the City-wide (full-accrual) level, revenue exceeded expenses by \$10.9 million. Revenue increase \$3.6 million due to the revenue received from Okaloosa County for the land acquisition. Expenses increased \$0.2 million. Net position at September 30, 2021 is \$131.2 million, including \$98.3 million invested in capital assets. The City is in strong fiscal condition.
- At the general fund level there was an decrease in general fund balance of \$5.2 million. Revenues increased \$4.0 million due to a \$4.1 million increase in intergovernmental revenue, mainly due to the City receiving \$4.1 million from Okaloosa County for a land acquisition. Expenditures increased by \$1.5 million, primarily due to an increase in debt principal payments related to a debt refunding in the current year.
- The general fund restricted fund balance decreased from \$3.2 million to \$0, as those funds were transferred out to create the new funds.
- The following summarizes the changes in general fund balance:

	2021	2020	Variance
Nonspendable fund balance:			
Advance to other fund	2,448,824	2,448,824	-
Prepaid expenditures	113,017	2,513	110,504
	<u>2,561,841</u>	<u>2,451,337</u>	<u>110,504</u>
Restricted fund balance:			
Park	-	406,260	(406,260)
Traffic	-	1,949,352	(1,949,352)
Police	-	8,522	(8,522)
Library	-	159,994	(159,994)
NPEB	-	270,710	(270,710)
Multimodel transportation	-	344,780	(344,780)
Stormwater	-	108,041	(108,041)
	<u>-</u>	<u>3,247,659</u>	<u>(3,247,659)</u>
Committed fund balance	10,084,733	8,411,205	1,673,528
Assigned fund balance	376,587	2,964,171	(2,587,584)
Unassigned fund balance	13,296,275	14,449,613	(1,153,338)
Total fund balance	<u>26,319,436</u>	<u>31,523,985</u>	<u>(5,204,549)</u>

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022

TYPE OF AGENDA ITEM: Action Item

AGENDA OUTLINE NUMBER: 4.C.

TO: City Council

THRU: Kyle Bauman, City Attorney
Krystal Strickland, Finance Director
Lance Johnson, City Manager

FROM: Lance Johnson, City Manager

DATE: 2/28/22

SUBJECT: Update on Royal Melvin (Scott Jenkins)

I. BACKGROUND: Construction began on Captain Royal Melvin Park and Plaza in February 2021. Construction continues at this time and is projected to be complete in the near future.

II. DISCUSSION: The council has requested an update on the Captain Royal Melvin Park project. Scott Jenkins is providing the Construction Engineering and Inspection services for this project and will be providing the project update. The contractor is expected to be present to answer questions as well. Mr. Jenkins will provide a progress update and identify the finishing items required. Change Order 11 has been provided and it identifies Substantial Completion as March 11 and Final Completion as April 11, 2022. Change Order 11 also increases the contract to pay for the General Conditions charged by the contractor for the contract extension.

A. Link to Strategic Goals / Objectives: Strategic Goal - Enhance quality of life and safety for families

B. Effect on Budget (EOB): Change Order 11 increases the GLC contract by \$40,831.28.

	30557233	30558500		31557232	
	RESTORE	Gen Fund		PARK	
	grant	for Capital	31553732	Impact	TOTAL
		Projects	NPEB	Fees	
565000-CRH63	\$ -	\$ 75,000	\$ -	\$ 75,000	\$ 150,000
CIP-Capt Royal Melvin Park					
FY22 Adopted Budget	-	75,000	-	75,000	150,000
PY Rollforwards for Open Encumbrances	635,631	30,289	18,025	45,534	729,478
Revised Budget	635,631	105,289	18,025	120,534	879,478
Previous Expenses/Encumbrances	(635,631)	(30,289)	(18,025)	(45,534)	(729,478)
Available Program Budget	0	75,000	-	75,000	150,000
This Agreement +(-)	\$ -	\$ -	\$ -	\$ (40,831)	\$ (40,831)
FY22 Remaining Program Budget	\$ 0	\$ 75,000	\$ -	\$ 34,169	\$ 109,169

C. Level of Service (LOS): The Level of Service will be increased.

III. CONCLUSION:

IV. RECOMMENDED MOTION: I move that the City Manager execute Change Order 11 to the GLC Construction Contract.

Attachments:

1. GLC CRM CO 11 GLC Executed

EXHIBIT "G"

CHANGE ORDER FORM

Project: City of Destin, Florida

RFP NO. 20-08-REC

CAPT. ROYAL MELVIN HERITAGE PARK AND PLAZA CONSTRUCTION PROJECT

CHANGE ORDER NO. 11

DATE OF ISSUANCE: 31.1.2022

CONTRACTOR: GLC Contracting, Inc.

EFFECTIVE DATE: upon Full execution

ENGINEER: Jenkins Engineering, Inc.

OWNER'S CONTRACT NO.: 20-08-REC

The following changes are hereby made to the Contract Documents:

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price \$ <u>1,335,677.45</u>	Original Contract Times Substantial Completion: <u>6/15/21</u> Ready for final payment: <u>7/15/21</u> days or dates
Net changes from previous Change Orders No. <u>1</u> to No. <u>10</u> \$ <u>102,506.18</u>	Net change from previous Change Orders No. <u>1</u> to No. <u>10</u> <u>138</u> days
Contract Price prior to this Change Order \$ <u>1,438,183.63</u>	Contract Times prior to this Change Order Substantial Completion: <u>10/30/21</u> Ready for final payment: <u>11/30/21</u> days or dates
Net Increase (decrease) of this Change Order \$ <u>40,831.28</u>	Net Increase (decrease) of this Change Order <u>121</u> days
Contract Price with all approved Change Orders \$ <u>1,479,014.91</u>	Contract Times with all approved Change Orders Substantial Completion: <u>3/11/2022</u> Ready for final payment: <u>4/11/2022</u> days or dates

CHANGES ORDERED:

- I. GENERAL This change order is necessary to cover changes in the work to be performed under this Contract. The General Conditions, Supplementary Conditions, Specifications, and all parts of the Project Manual listed in Article 1, Definitions, of the General Conditions apply to and govern all work under this change order.

Change Order No. 11

II. REQUIRED CHANGES: _____

DELAY DAYS Added to Contract
for construction delays
due to design changes
ch requests and actions,
and weather

SEE EXHIBIT A + B

III. JUSTIFICATION: _____

121 days $\approx$ 4 months
Contractor G & A - \$8,436.54 / month
Construction Screening - 1771.28 / month
\$10,207.82 / month
4 months x \$10,207.82 / month = \$40,831.28

IV. PAYMENT: _____

Per Contract

V. APPROVAL AND CHANGE AUTHORIZATION: _____

Acknowledgments:

The aforementioned change, and work affected thereby, is subject to all provisions of the original contract not specifically changed by this Change Order; and,

It is expressly understood and agreed that the approval of the Change Order shall have no effect on the original contract other than matters expressly provided herein.

Change Order Request by: _____

Change(s) Ordered by: _____

RECOMMENDED BY:

(Engineer)

By: _____
(Authorized Signature) (Date)

(Title)

APPROVED BY:

The City of Destin

(Owner)

By: _____
(Authorized Signature) (Date)

ACCEPTED BY:

GLC Contracting, Inc.

(Contractor)

Joseph P. Garvie 3/1/2022

(Authorized Signature) (Date)

Joseph P. Garvie - Vice President

(Title)

CAPTAIN ROYAL MELVIN PARK - PROJECT DELAY LOG

Activities	Original Schedule per RFP	Revised Schedule per actual	Project Delays		
			Start	Stop	Delay Days
Bid Date	5/28/2020	5/28/2020			
Contract Date	6/23/2020	9/8/2020			
Notice to Proceed	6/30/2020	1/4/2021			
Substantial Completion	2/28/2021	9/4/2021			
Final Completion	3/30/2021	10/4/2021			
					189

CO7 to handle additional days to the schedule due to delay in the NTP - 138 days, substantial completion set for 10/30/21

PROJECT DELAYS

Request Survey from City - NO WORK	1/8/2021	1/14/2021	7
Redesign Structure - Inadequate roof load, redesign CMU & Concrete - NO WORK	1/27/2021	2/5/2021	10
Temporary Easement - NO WORK	2/3/2021	3/12/2021	36
Rain delays for footer pour	4/8/2021	4/9/2021	2
Footer pour/city request footer removal - NO WORK	4/13/2021	4/26/2021	14
Rain delay for Footer Pour	5/5/2021	5/5/2021	1
Footer placed on hold to review surveys/city approval of placement - NO WORK	5/10/2021	5/10/2021	1
Change Order 5 - additional vertical rebar, footer pour delayed	5/11/2021	5/20/2021	10
12" water main work placed on hold	5/20/2021	5/25/2021	6
Slab Pour - Tropical Storm Claudette and Rain Days-Concrete Co moved pour	5/31/2021	6/18/2021	18
Dewey Destin Request no wall demolition until July 6th	6/21/2022	6/23/2021	2
Submitral 17, Lift Station, waiting for approval, delay will be based on actual install v schedule	6/28/2021	7/5/2021	8
Hurricane IDA - site prep and then no work for 3 days	3/16/2021	10/20/2021	219
Rain Delay for Retaining wall CMU work	8/28/2021	8/31/2021	4
Submitral 25, Cable Rail System, waiting for approval to order.	9/8/2021	9/8/2021	1
Bathroom CMU delay - original approval 7/16/21. Architects letter 9/22/21	4/16/2021	TBD	
Rain Days - Full wash out while doing retaining walls	7/16/2021	9/22/2021	68
Ramp Concrete pour delayed (inspection called for on 11/4 did not happen prior to 11/10 pour)	10/4/2021	10/6/2021	3
Beam delay - Change to design from 1" TO 1 1/2" clearance	11/10/2021	11/15/2021	5
Rain delay-forming stairs, stucco	11/24/2021	12/3/3031	9
Beam delay - (inspection called in 10/1/2021-no show by Mike B and Engineer, approved via COD)	12/20/2021	12/20/2021	1
Panel Install delay per CPM Schedule 10/27/21 versus actual install date	12/3/2021	TBD	
Rain Delay	11/26/2021	2/28/2022	94
Rain Delay	1/20/2022	1/21/2022	2
Rain Delay	1/25/2022	1/25/2022	1
Rain Delay	2/4/2022	2/4/2022	1
Rain Delay	2/7/2022	2/7/2022	1
Revised Substantial Completion	TBD		
Revised Final Completion	TBD		

** Entire beam delay has been determined to be caused by defective structural plans, Change to panels and beam design

EX. B (104) - c/o 11



JG Plaza, Uptown Station
73 Eglin Parkway NE, Suite 203
Fort Walton Beach, FL 32548

PH: 850.837.2448
FX: 850.867.2450
jeicivil.com

February 24, 2022

GLC Contracting, Inc.
Attn: Joseph P. Garvie, MBA
315 Shell Avenue, S.E.
Fort Walton Beach, FL 32548

Re: Capt. Royal Melvin Park and Plaza Construction Project
City of Destin RFP No.: 20-08-REC
Contract Time Extension

Mr. Garvie:

This correspondence is being written to follow up on the completion dates for the Captain Royal Melvin Park and Plaza Construction project. Thank you for providing your additional information on February 2, 2022 regarding the contract timeline, delay log and justification for requested additional contract time. The following dates outlined below detail the original start date of the contract as well as subsequent changes to the contract timeline approved through Change Orders:

Original Signed Contract Date: September 8, 2020
Notice to Proceed Issued: January 4, 2021
Original Contract Completion Date: June 15, 2021
Original Contract Days: 210 days – Substantial Completion
240 days – Final Completion

Change Order #7 Execution: June 12, 2021
Added Days to Contract: 138 (adjustment for delay in NTP issuance)
New Contract Completion Date: October 30, 2021 – Substantial Completion
November 30, 2021 – Final Completion

We are in receipt of the Project Delay Log for the project generated by your office and updated through January 31, 2022. This delay log outlines requested additional time based on events that have occurred throughout the construction process to date. The following delays have been reviewed and recommendations for additional days to be added to the contract time are outlined below:

Delay Description	Dates	Days Requested	Days Recommended	Justification
Survey Delay	1/8/21 – 1/14/21	7	7	
Redesign the structure	1/27/21 – 2/5/21	10	10	
Temporary Easement	2/3/21 – 3/21/21	34	34	
Footer	4/13/21 – 4/26/21	14	0	Footing removal and reconstruction was required due to testing failure
Footer placed on hold to approve placement	5/11/21 – 5/20/21	10	0	Footing removal and reconstruction was required

EX. B (2 of 4)

Capt. Royal Melvin Park and Plaza Construction Project
City of Destin RFP No.: 20-08-REC

				due to testing failure
12" water main	5/31/21 – 6/18/21	19	19	
Delay wall demolition until July 6th	6/28/21 – 7/5/21	8	8	
CMU delay	7/16/21 – 9/22/21	68	0	Delay due to unacceptable workmanship
Rain Delay	10/4/21 - 10/6/21	18	18	
Ramp concrete pour delay	10/10/21 – 10/15/21	5	5	
Totals		193	101	

Following City of Destin review of the time extension requests and additional information outlined in your February 2, 2022 correspondence, it is recommended a total of 101 days be added to the contract timeline based on these requests. In an effort to provide a reasonable completion date, the suggested new completion dates are as follows:

Suggested Contract Completion Date: March 11, 2022 – Substantial Completion
April 11, 2022 – Final Completion

Please provide a formal change order request for execution by the City. We appreciate your review of this information and look forward to finishing this project in a timely manner.

Sincerely,



M. Scott Jenkins, P.E.
Jenkins Engineering, Inc.

Cc: Mike Buckingham, Jeffrey Cozadd, Lance Johnson, Noell Bell, Luis Zunguze, Kimberly Kopp, Kyle Bauman



315 Shell Avenue
Fort Walton Beach, FL 32548
P (850) 243-5554
F (850) 243-2612

February 2, 2022

Jenkins Engineering, Inc.
Mr. Scott Jenkins
73 Eglin Parkway NE, Suite 203
Fort Walton Beach, FL 32548

Dear Mr. Jenkins:

I am writing in response to your letter dated January 12, 2022, Contract Time Extension. There are a few items that need attention and correction in your letter. The original fully executed contract date was September 8, 2020, not June 15, 2020 as outlined in your letter. The original completion date was June 15, 2021 as outlined in the fully executed contract and in your letter. The work however could not begin until a Notice to Proceed was given by the City of Destin. The Notice to Proceed (NTP) date was January 4, 2021, 119 days after the contract date. To correct the completion date due to the delay in the paperwork and the delay in the NTP, Change Order seven (7) was finalized June 12, 2021, with an extension of 138 days, not 189 days as outlined in your letter. The city chose to use October 30, 2021 as the substantial completion date on the change order and we all agreed and finalized the change order, see attached Exhibit A detailing the NTP delay and substantial completion date.

We now have to finalize the construction delays that have occurred since starting the work on January 4, 2021. The delays directly affecting the critical path are as follows:

Description	Delay Days	Dates
Survey Delay:	7	1/8 – 1/14/21
*Fencing could not be installed, no work could be done until we received the corner points.		
Redesign the structure:	10	1/27 – 2/5/21
*No work could be performed on the building until the new design was completed.		
Temporary Easement:	34	2/3 – 3/21/21
*No work could be performed as the footer was 6" from the property line and 13' deep.		
Footer:	14	4/13 – 4/26/21
*CoD approved the footer. Footer was placed on hold awaiting final decision by the city to tear it out.		
Footer placed on hold to approve placement:	10	5/11 – 5/20/21
*CoD wanted to move the existing footer 9". A change order was submitted and eventually declined.		
12" water main delay:	19	5/31 – 6/18/21
*Original completion was set for 5/31/21. No work in the area until complete on 6/18/21.		
CoD request no wall demolition until 6/6/21:	8	6/28 – 7/5/21
CMU delay:	68	7/16 – 9/22/21
*CoD approved the CMU wall. Final determination to tear it down was given on 9/22/21.		
Cumulative Rain Delays:	18	(as of 1/31/22)

February 2, 2022

Ramp pour delayed: 5 11/10 – 11/15/21

*Inspection called 11/4/21. None occurred. Original concrete pour on 11/10 had to move.

Total Delay Days, outlined on the Delay Log: 193

Please see the attached time impact analysis CPM schedule dated February 2, 2022, Exhibit B, showing a substantial completion date of May 6, 2022 due to the NTP delay and the delays caused in the field.

On-going delays:

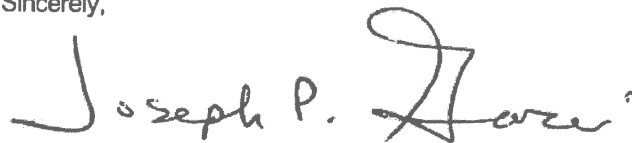
1. There has been a delay to the concrete beam construction and subsequently the entire building since 11/24/21 due to a defect in the structural design where the concrete beam holding up the roof structure is not adequate for the loads and fails. The delay to the project as of February 2, 2022 is 70 days and the costs are still to be determined but include but not limited to demolition of original beam built to the 12"x12" design, re-construction, engineering costs, delay days, any additional demolition and reconstruction, etc... to include supervisor, labor, materials and equipment costs.
2. The City of Destin has still not chosen a handrail system for the project and the manufacture and install for this work is estimated at 60 days from the time of order. The submittal for the handrail system was sent to the city as submittal 25 on April 16, 2021. Delays to the project are unknown until a selection has been made and a completion and final installation date for the item is established
3. Additional rain days from this point forward.

Your letter outlined that the City of Destin accepts 30 days of delays after June 12, 2021. We do not agree on the 30 days as it declines any days for the CMU work which was originally inspected and accepted by the City of Destin and officially turned down 68 days later. We also disagree with the 12" water main analysis as it does not consider any days prior to June 12, 2021. Finally, the beam is listed as unacceptable workmanship and now we are discovering it is a design defect and a potential deflection of responsibility by the Structural Engineer to avoid any recourse in the future.

We stand by our time impact analysis showing a substantial completion date of May 6, 2022 and reserve the right to request additional days as it pertains to the concrete beam, handrails and any additional delays outside of our control after February 2, 2022.

Please note our change order 10 submitted on October 27, 2021 requesting additional days, unexecuted by the City of Destin, is being officially withdrawn by GLC Contracting, Inc. effective immediately.

Sincerely,



Joseph P. Garvie
Vice President and Owner

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022

TYPE OF AGENDA ITEM: Action Item

AGENDA OUTLINE NUMBER: 4.D.

TO: City Council

THRU: Lance Johnson, City Manager
Krystal Strickland, Finance Director

FROM: Louis Zunguze, Community Development Director
Kimberly Kopp, Land Use Attorney

DATE: March 3, 2022

SUBJECT: Destin Cross Town Connector Retention Areas and Traffic Safety

I. BACKGROUND:

This report and attached presentation are prepared pursuant to directive of City Council on the January 18, 2022, regarding concerns that the retention area is taking away from usable park area and the need for traffic safety measures on this corridor.

II. DISCUSSION:

Based on Council directives, the requested retention area rendering, retention area options and traffic safety options were prepared by Atkins Engineering for City Council's consideration. The accompanying PowerPoint Presentation highlights these items for City Council. Atkins Engineering representatives will be in attendance at the City Council meeting to present the renderings and answer questions.

A. Link to Strategic Goals / Objectives:

Complete 2-lane section of Cross Town Connector

B. Effect on Budget (EOB): Additional effect on Budget for the requested items is a not to exceed amount of \$11,629.57. Staff recommend submittal to the FDOT TRIP grant for reimbursement. These grant funds were adopted in the FY 2022 Budget. The impact on budget is as follows:

	30554133	31554132	
	TRIP Grant	Road Impact	
		Fees	TOTAL
565000-EN615			
CIP-Xtown Connector	\$ 2,699,664	\$ -	\$ 2,699,664
FY22 Adopted Budget	2,699,664	-	2,699,664
PY Rollforwards for Open Encumbrances	-	307,009	307,009
Revised Budget	2,699,664	307,009	3,006,672
Previous Expenses/Encumbrances	(345,034)	(307,009)	(652,043)
Available Program Budget	2,354,629	-	2,354,629
This Agreement +(-)	\$ (11,630)	\$ -	\$ (11,630)
FY22 Remaining Program Budget	\$ 2,343,000	\$ -	\$ 2,343,000

C. Level of Service (LOS):

The completion of the Cross Town Connector is consistent with the Comprehensive Plan policy to construct transportation facilities to multimodal standards.

III. CONCLUSION:

After City Council's consideration of the retention area rendering, retention area options and traffic safety options for the Beach Dr to Benning Dr design plan, staff seeks Council's direction.

IV. RECOMMENDED MOTION:

I moved that the City Council direct the City Manager to authorize the continued design of the Destin Cross Town Connector to the 90% phase.

Attachments:

1. Presentation Power Point



ATKINS

Member of the SNC-Lavalin Group

Destin Cross Town Connector

Follow-up Discussion:

Architectural Renderings

Pond 2 Modifications

Traffic Calming

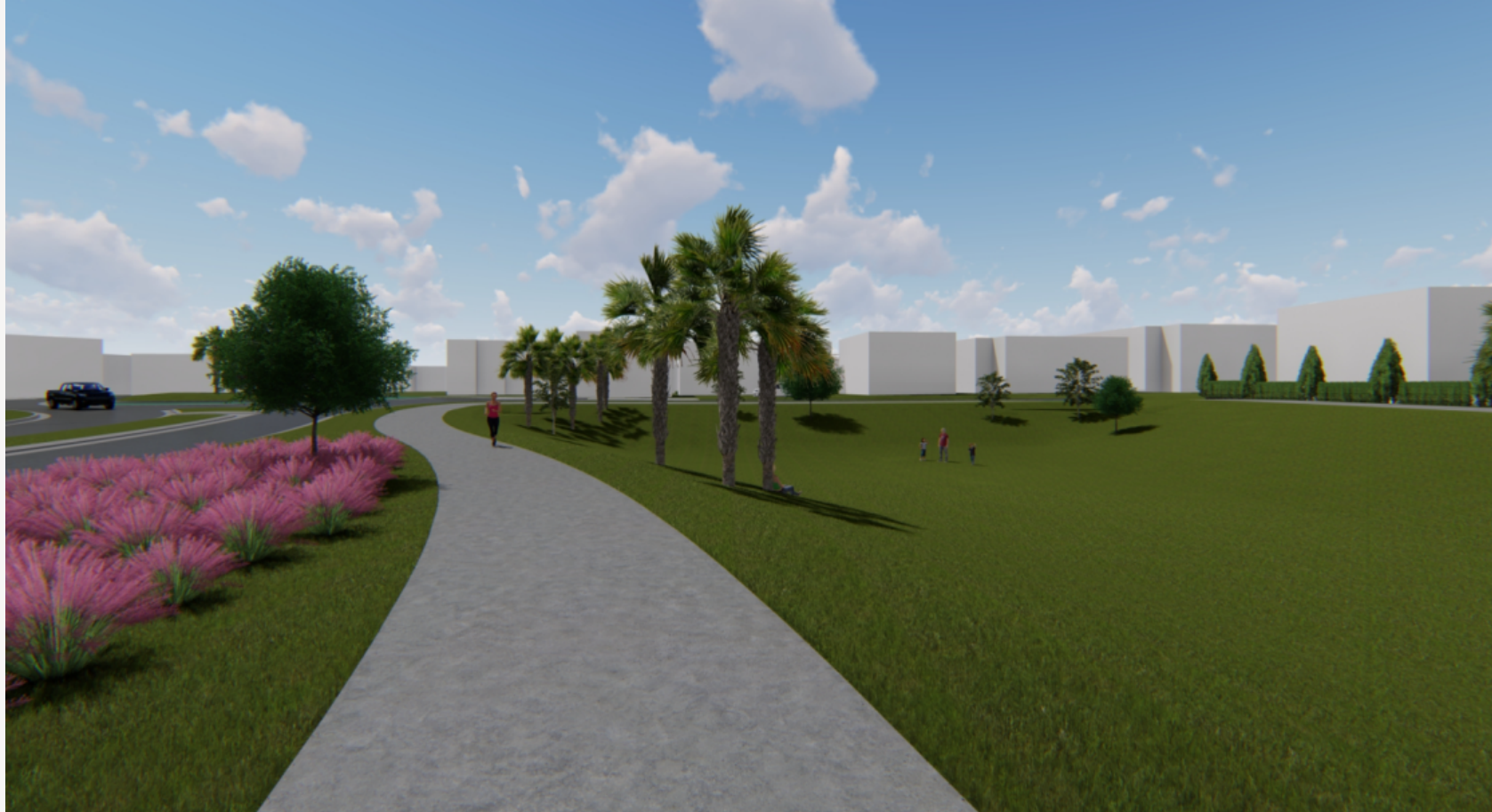
Architectural Renderings

Pond 2 Greenspace

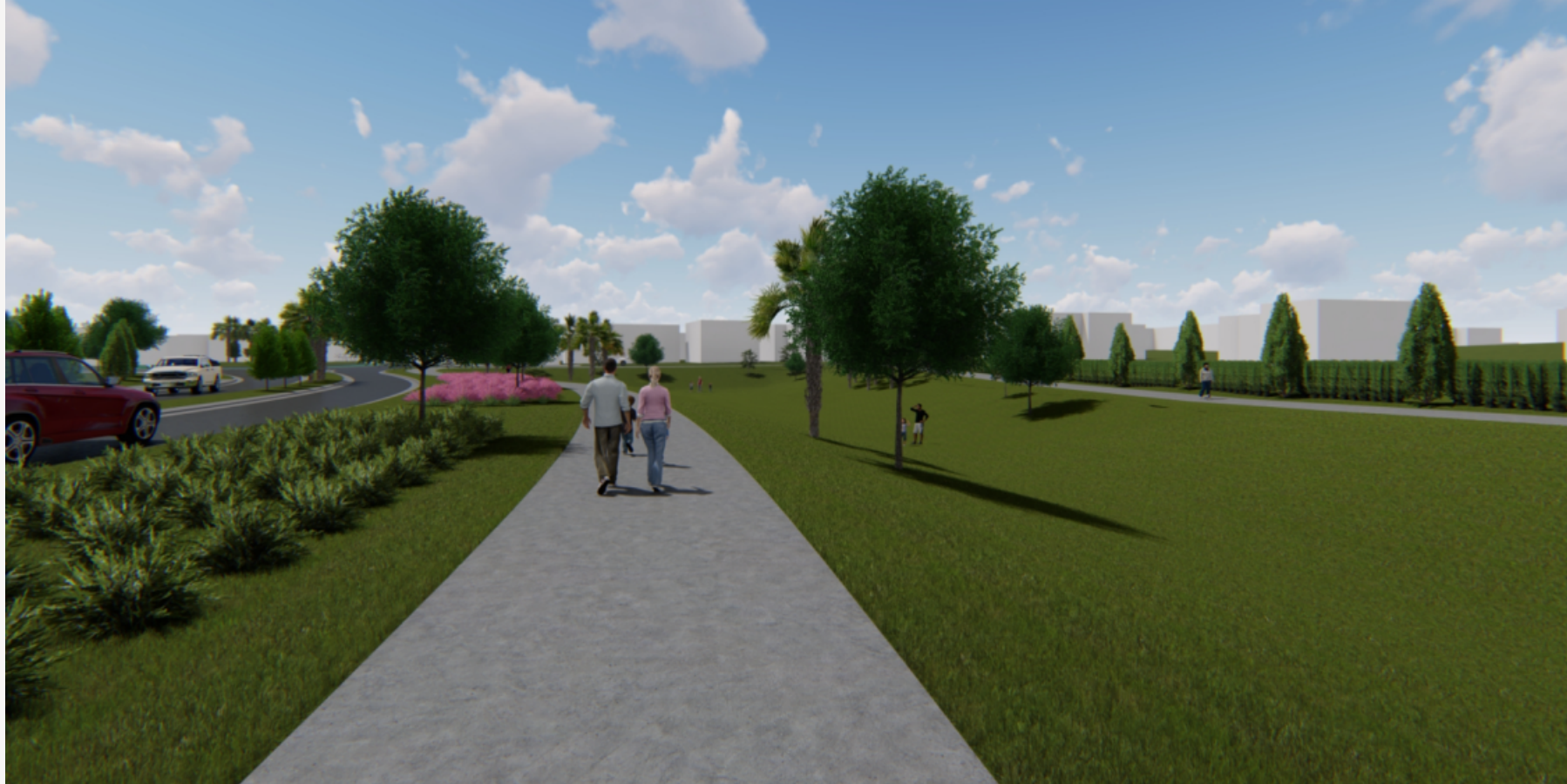
- › 3D model of current design (60%)
- › Pond 2 Renderings
- › Additional Greenspace opportunities
 - › NW of Cross Town Connector roadway
 - › NW Quadrant of roundabout (Beach and Legion)
 - › SE Quadrant of Roundabout (Beach and Legion)



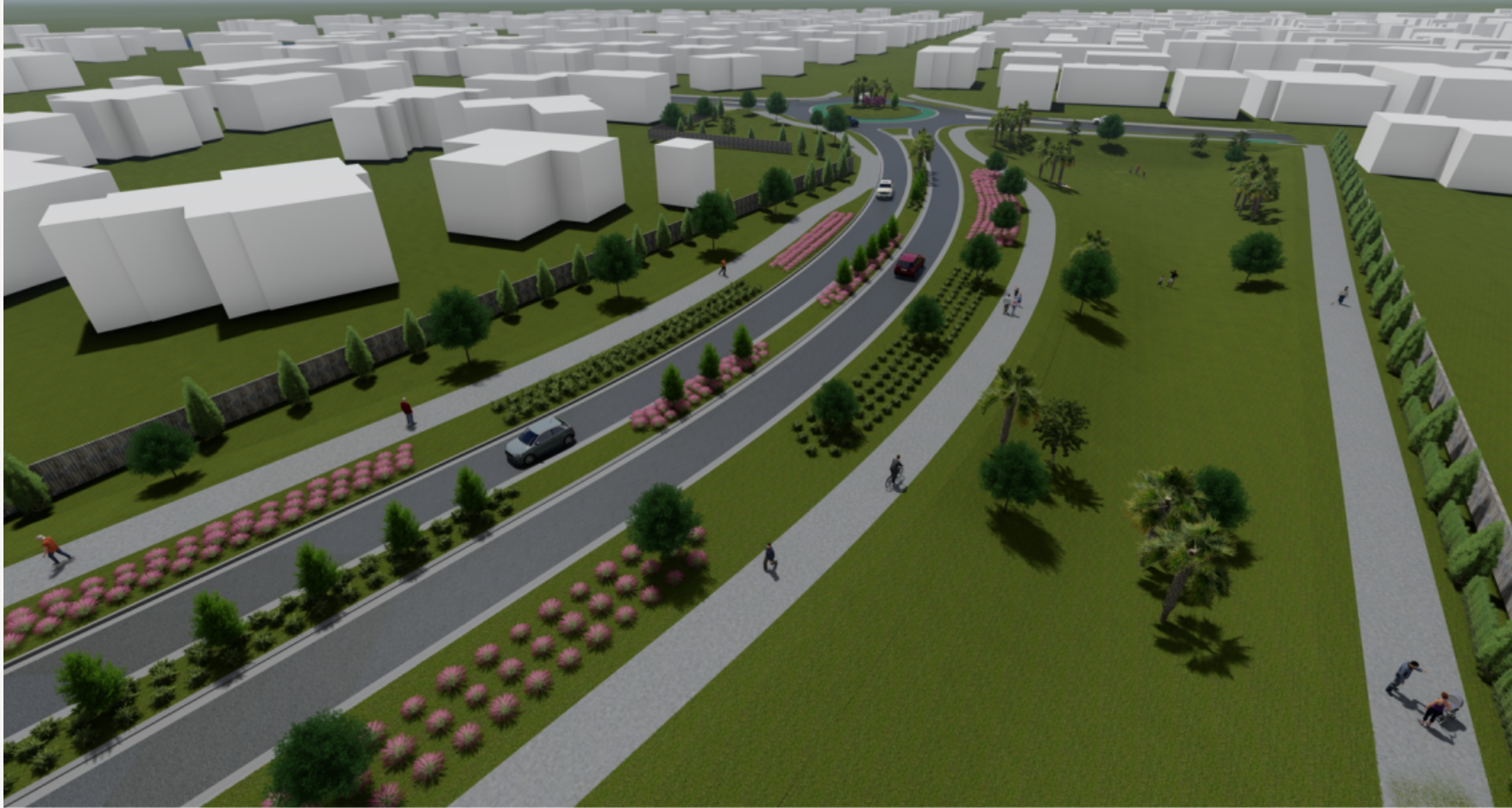
Architectural Renderings



Architectural Renderings



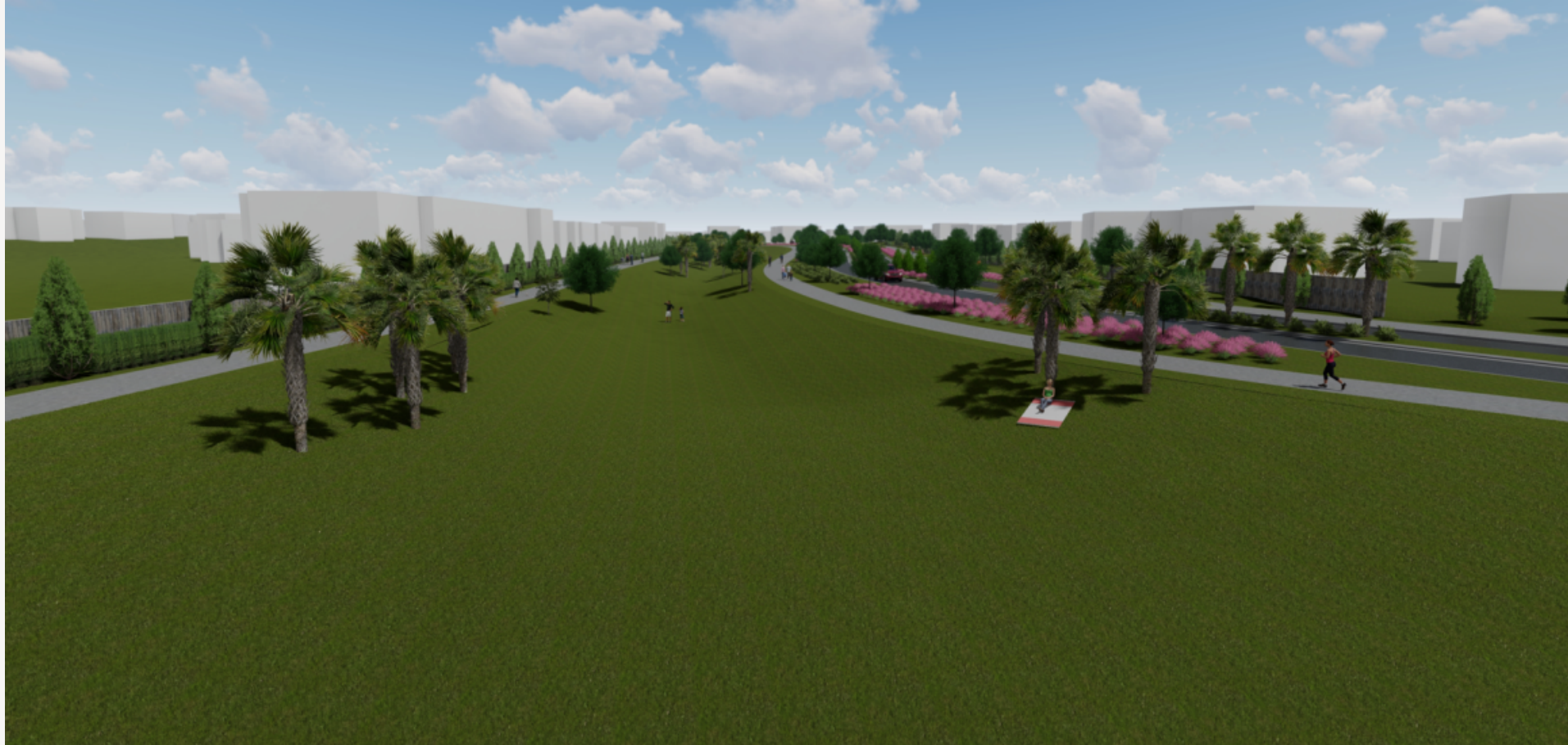
Architectural Renderings



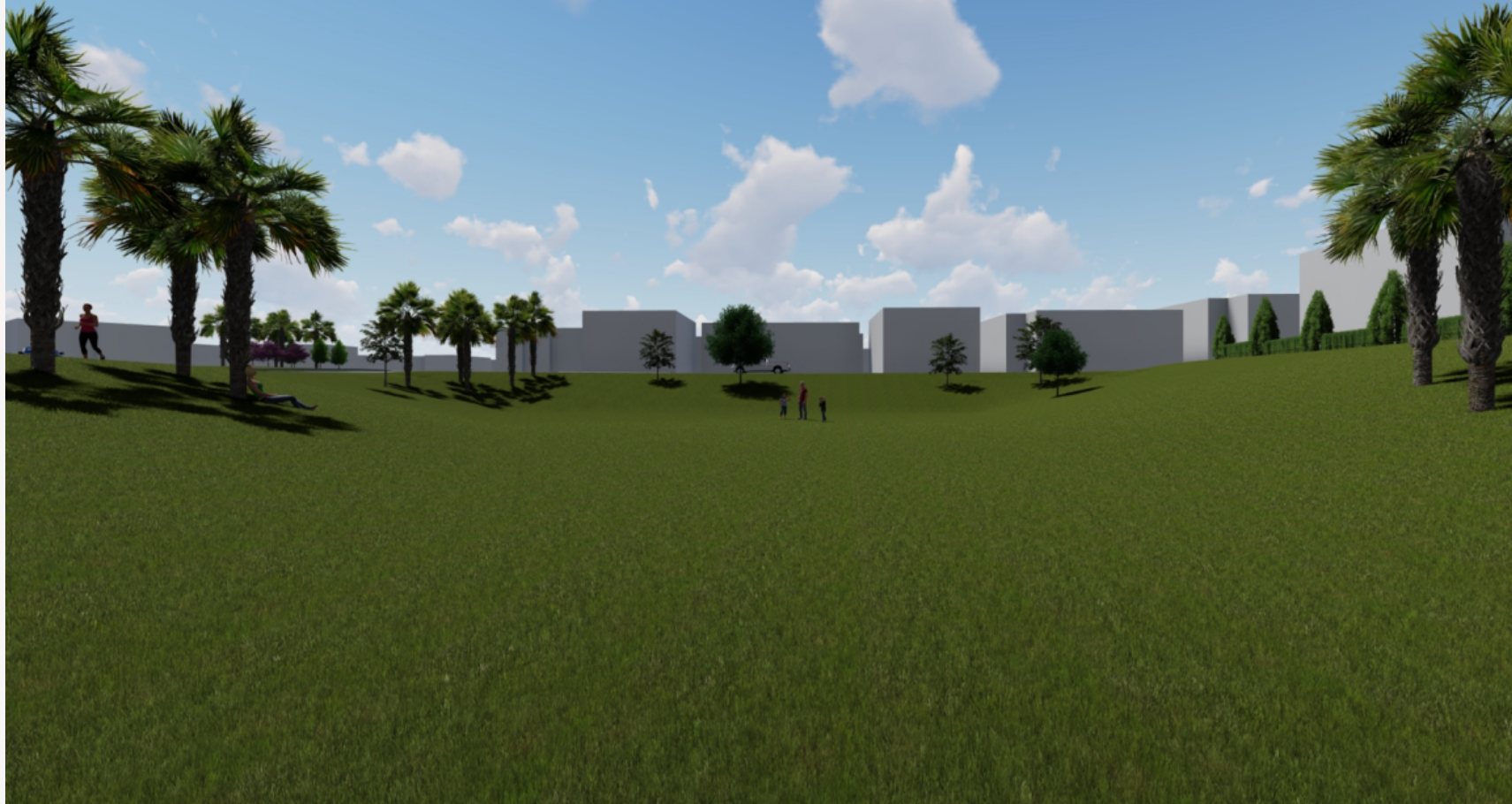
Architectural Renderings



Architectural Renderings



Architectural Renderings



Architectural Renderings

Pond 2 Greenspace

› Additional Greenspace opportunities

1) NW of DCTC (0.93 AC)

2) NW Quadrant of roundabout (Beach and Legion) (0.26 AC)

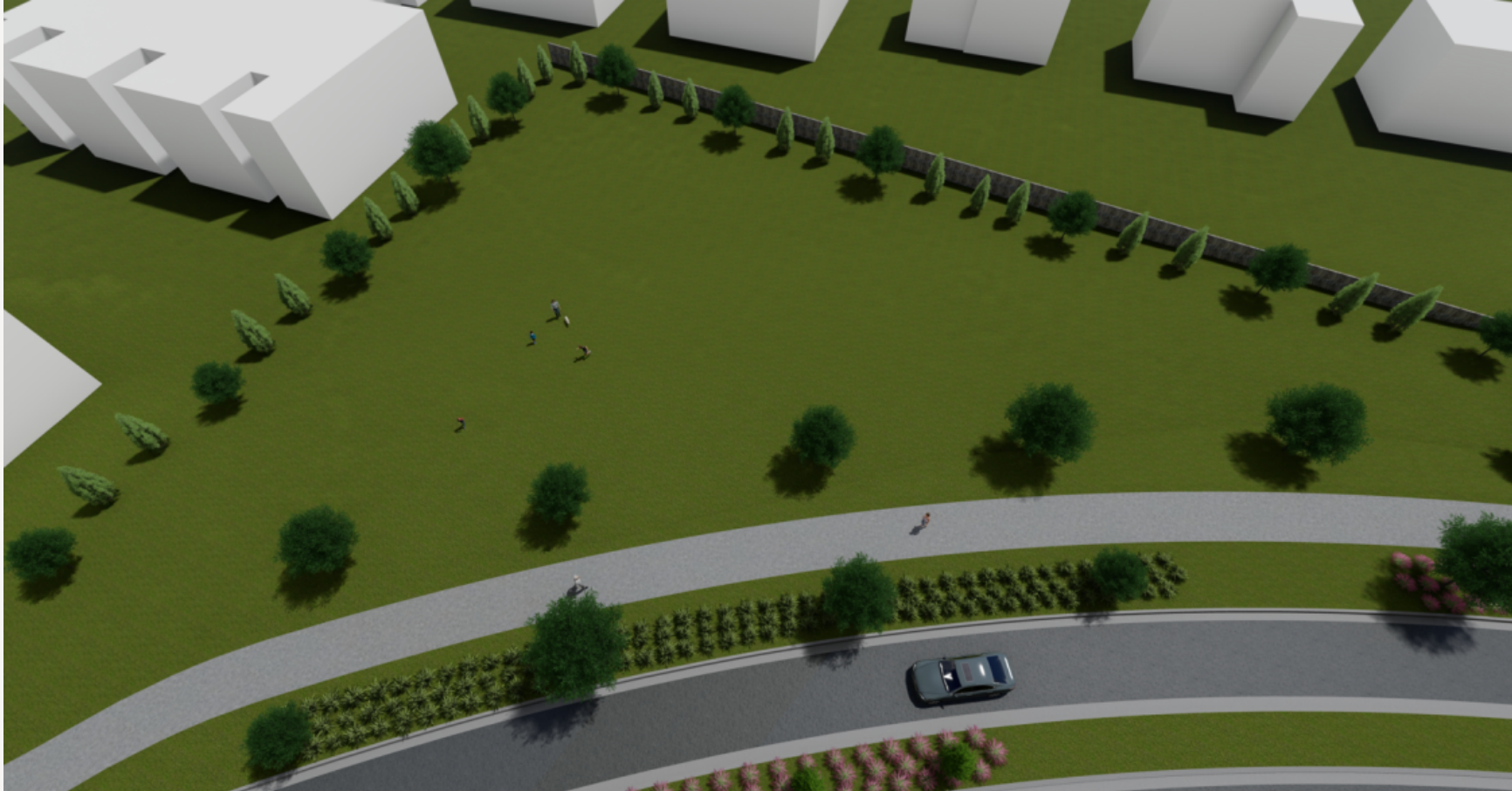
3) SE Quadrant of Roundabout (Beach and Legion) (0.20 AC)



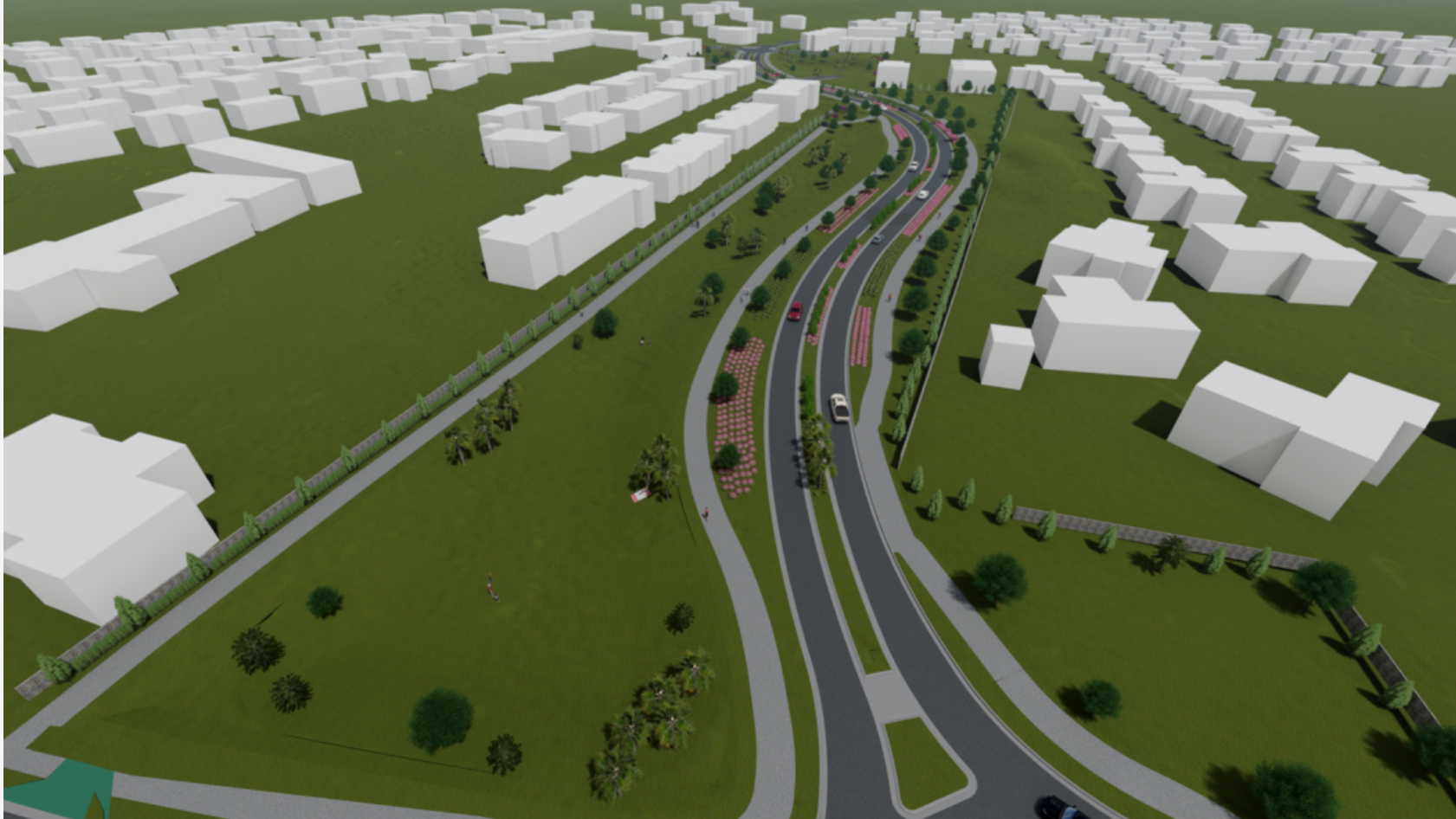
Architectural Renderings – Additional Greenspace



Architectural Renderings – Additional Greenspace



Architectural Renderings – Additional Greenspace



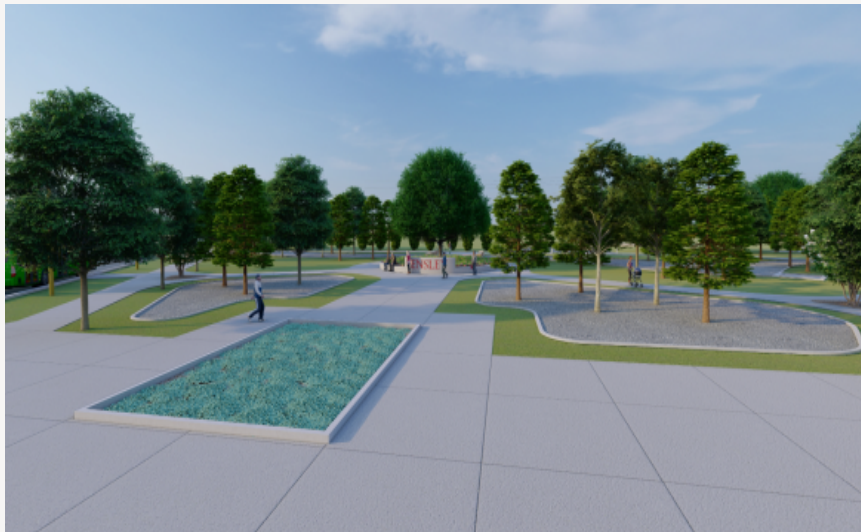
Greenspace Usage Opportunities

- › Art Walk
- › Exercise Equipment
- › Open Space Usage



Greenspace Usage Opportunities

- › Additional Greenspace opportunities
 - › Similar Project – Ensley Gateway Beautification Project, Pensacola FL
 - › 0.90 AC



Pond 2 Modifications

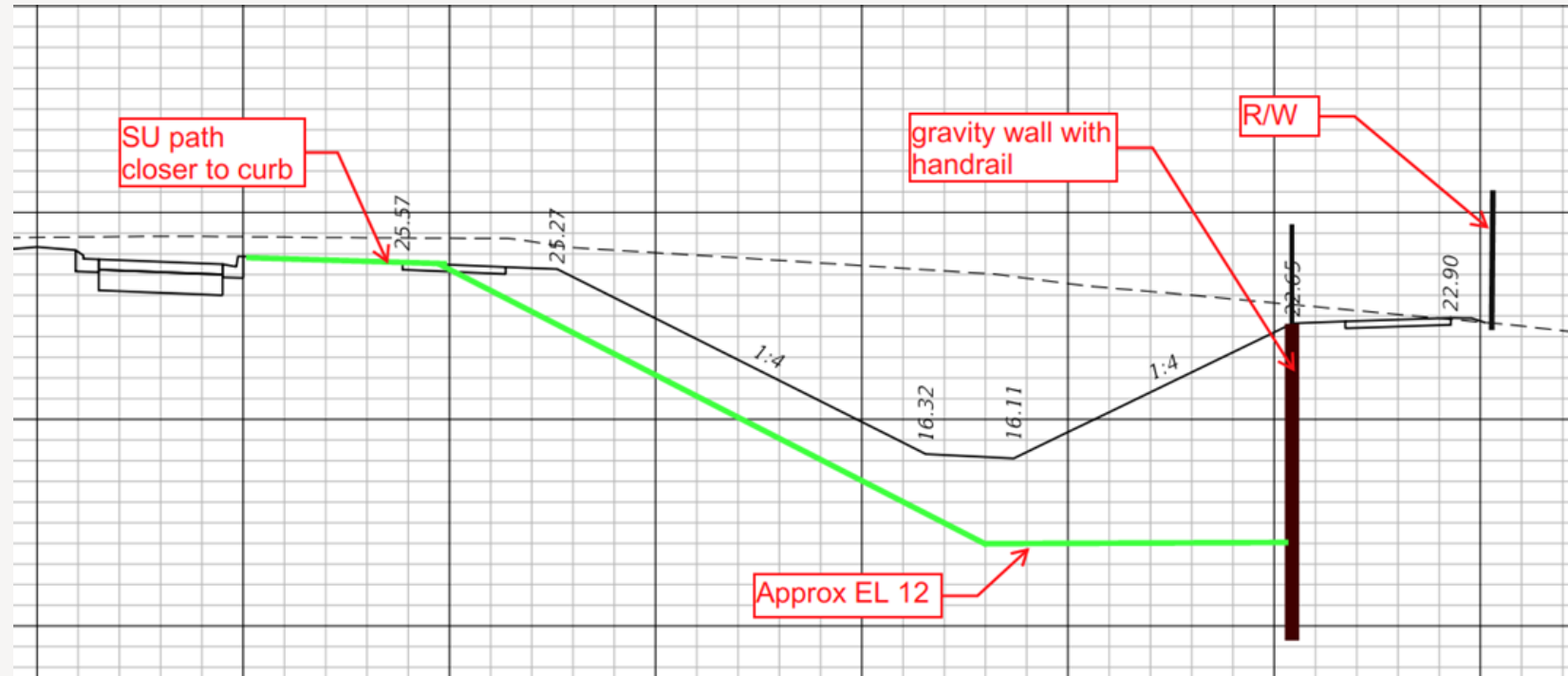
Minimum Design Criteria - 25-Year, 96-Hour Storm

- › East side of pond raised 1-2' (current depth ~7')
 - No impact to schedule or budget
- › Stepped Retaining Walls
 - High aesthetic value, added greenspace
 - Schedule & budget impacts
 - Increased construction cost
- › West side depth result of roadway profile & natural topography (current depth ~12')
 - Retaining wall required to create continuous depth, flat bottom throughout pond
 - Schedule and budget impacts
 - Increased construction costs, low aesthetics



Pond 2 Modifications

Retaining Wall Options

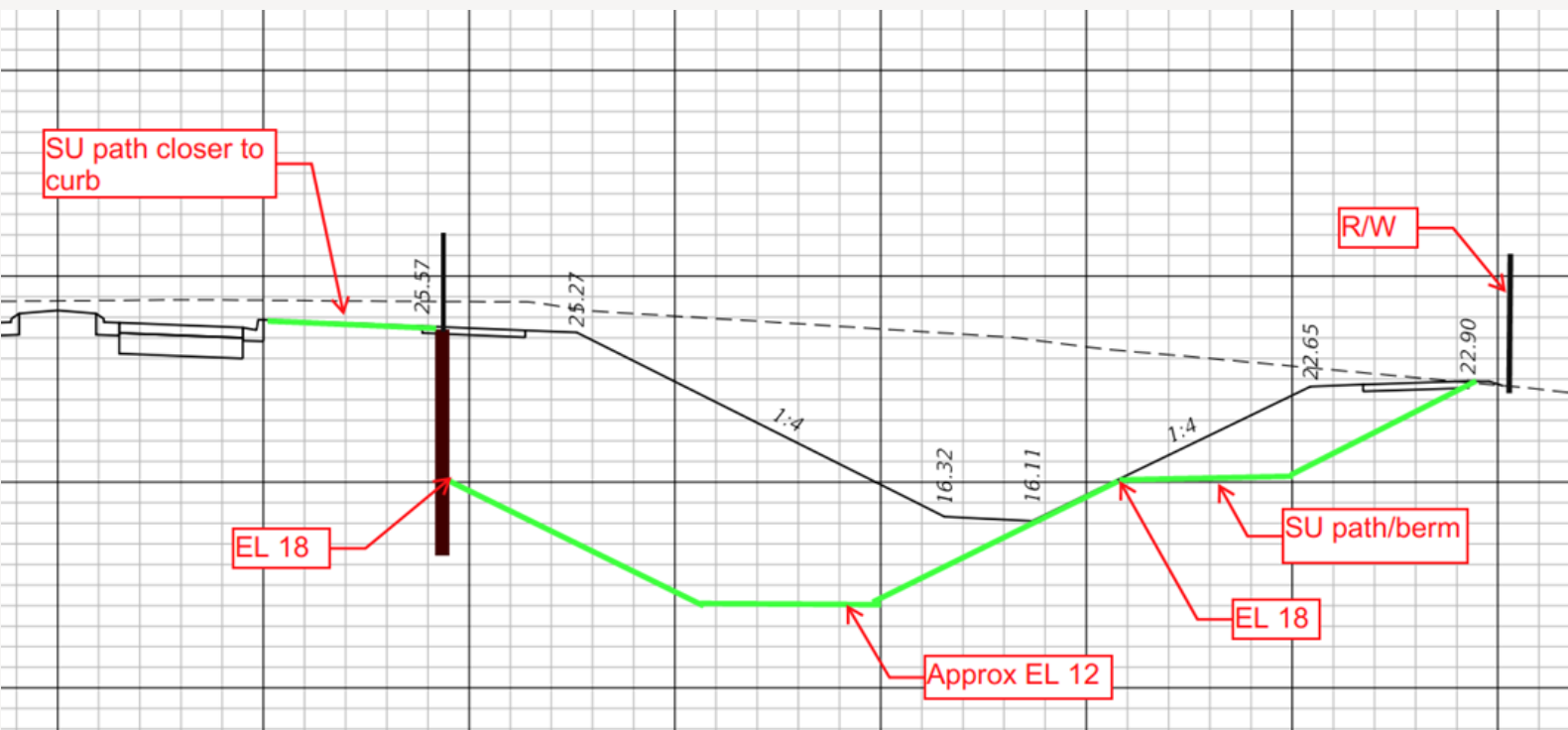


Option 1: Retaining wall on south side of pond. This option gives more flat area on bottom of pond at constant elevation but would be deeper ~14ft deep at high



Pond 2 Modifications

Retaining Wall Options

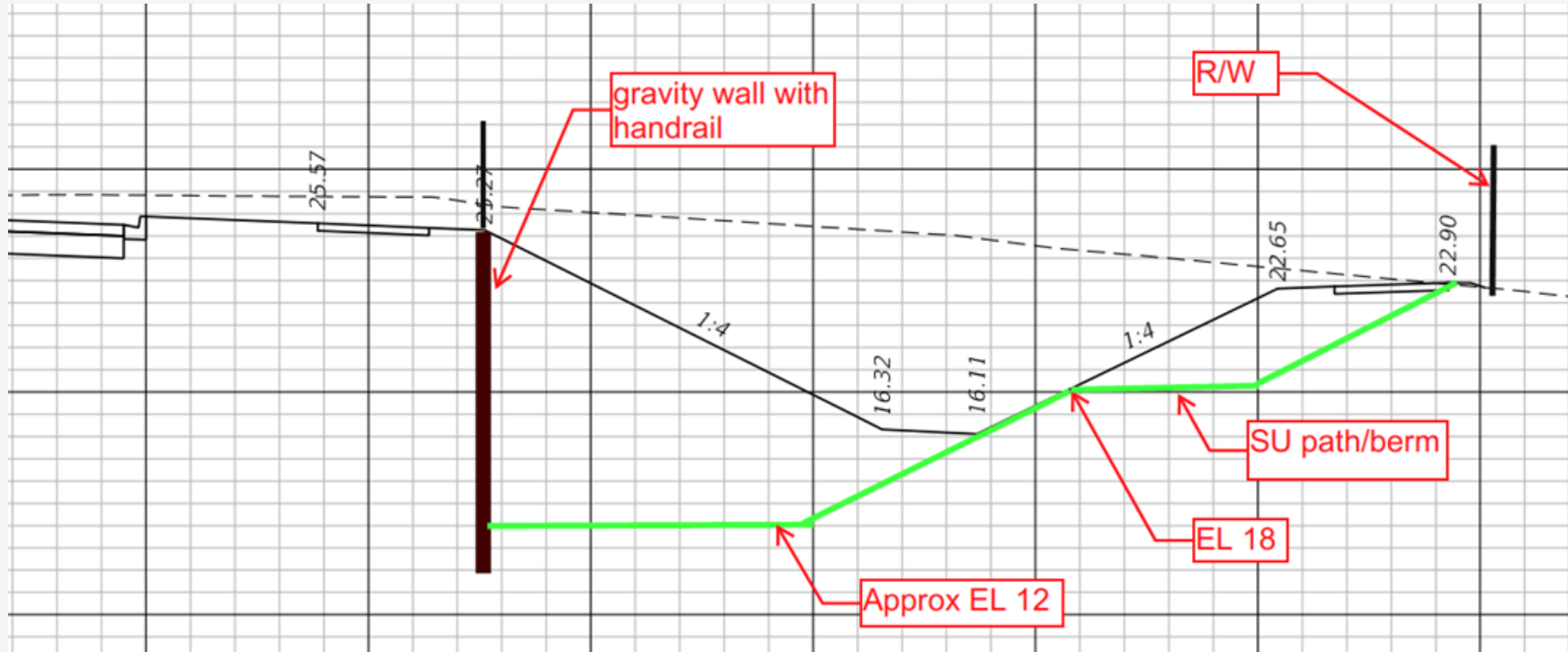


Option 2: Retaining wall on roadside with 4:1 slope to pond bottom. Retaining wall height ~ 10ft.



Pond 2 Modifications

Retaining Wall Options



Option 3: Retaining wall roadside. SU Path stays in same spot. Flat at bottom EL 12 from retaining wall. Wall height ~16 ft.



Traffic Calming

Florida Design Manual (FDM) Chapter 202.3 Speed Management Strategies

✓ Roundabouts	Vertical Deflection
✓ Lane Narrowing	Speed Feedback Signs
✓ Horizontal Deflection	✓ Islands/Medians
✓ Street Trees	✓ Terminated Vista
✓ Centerline Curvature	

- › Suitable Strategies
- › Already included in current design



Traffic Calming

› Vertical Deflection

- Raised Crosswalks
- Reduce entry speed into roundabout

› Speed Feedback Signs

- Increased awareness
- Visual feedback only
- No physical deterrent



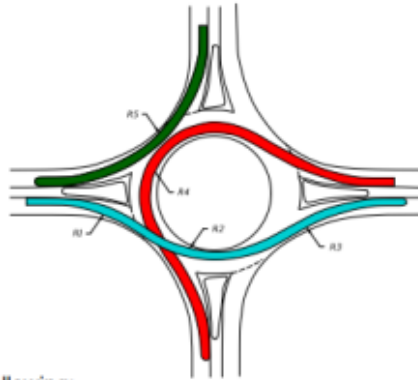
Fastest Path Analysis

213.6 Fastest Path

Controlling speeds for vehicles entering and traveling through roundabouts is a critical design objective that significantly impacts the safety and comfort of all users. A well-designed roundabout reduces vehicle speeds upon entry and encourages consistency in the relative speeds between conflicting traffic streams. The effectiveness of speed control within a roundabout can be determined by conducting a fastest path performance check.

The fastest path is defined as the radius (R1, R2, R3, R4 and R5) that provides the smoothest and flattest path possible for a single vehicle (assumed 6 feet wide) traversing the roundabout. The fastest path does not consider lane markings when determining the vehicles path; i.e., drivers will run over striping and use all available pavement. Fastest path movements are as follows:

- R1 – Entry Radius
- R2 – Circulating Radius
- R3 – Exit Radius
- R4 – Left Turn Radius
- R5 – Right Turn Radius



Fastest path speeds must adhere to the following;

- R1 and R5 entry speeds are not to exceed 25 mph for single-lane entries and 30 mph for multi-lane entries.
- R2 and R4 circulating speeds should be no more than 15 mph less than the entry speed.
- R3 exit speeds requires engineering judgement to balance the competing objectives of accommodating the design vehicle and providing a safe environment for pedestrians using the crosswalk.

Cross Town Connector Approach

R1	224.7' - 25 MPH
R2	88.90' – 18 MPH
R3	223.38' – 25 MPH
R4	51' - 15 MPH
R5	29' – 12 MPH

Beach Drive Approach

R1	227.07' - 25 MPH
R2	61.49' – 16 MPH
R3	229.37' – 25 MPH
R4	51' - 15 MPH
R5	172.9' – 23 MPH

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022

TYPE OF AGENDA ITEM: City Manager Report

AGENDA OUTLINE NUMBER: 4.E.

TO: City Council

THRU: Lance Johnson, City Manager

FROM: Webb Warren, Deputy City Manager

DATE: 3/1/22

SUBJECT: Strategic Plan FY 2023 - Strategic Goals & Council Objectives

I. BACKGROUND: On January 27th, 2022, staff and council attended the 2022 Strategic Planning and Visioning session.

On February 22, 2022, council approved the minutes for the 2022 Strategic Planning and Visioning Session.

II. DISCUSSION: Staff has reviewed the approved minutes and information from the strategic planning and visioning session and has produced a draft list of FY2023 Council Objectives and Strategic Goals.

Upon adoption staff will research items for the upcoming FY2023 budget season. Research will be performed for necessary departmental budget items, CIP items, as well as resources required to accomplish Council Objectives in the upcoming fiscal year. Staff will rely upon an approved set of Council Objectives for FY2023 to help frame their research for upcoming budget workshops with the City Council. Research information will be included in upcoming Budget Workshops for Council to consider.

A. Link to Strategic Goals / Objectives: Financially Sound City Providing Service Excellence

B. Effect on Budget (EOB):

C. Level of Service (LOS):

III. CONCLUSION: Staff has taken the information from the approved minutes of the 2022 strategic planning and visioning session and has compiled a draft list of Council Objectives and Strategic Goals for FY2023.

Staff is requesting Council's direction on any: additions, deletions, modifications or

reprioritizations that need to be incorporated prior to adopting Council's FY23 Goals & Objectives.

Staff is requesting approval for a FY2023 list of Council Objectives and Strategic Goals so that further research and resource planning can be done in alignment with Council's strategic priorities for the future. This research will help to build a proposed 2023 budget to be discussed in future budget workshops.

IV. RECOMMENDED MOTION: I move to adopt the FY2023 Council Strategic Objectives and instruct staff to begin their research and planning for future budget workshops with the City Council.

Attachments:

1. jan27 visioning session minutes
2. FY21-22 Strategic Plan Poster Adopted
07.19.21
3. Strategic Plan FY23 pp
4. FY23CouncilGoalsObjectivesNotAdopted

MINUTES
VISIONING SESSION/STRATEGIC PLAN REVIEW
DESTIN CITY COUNCIL
JANUARY 27, 2022
CITY HALL ANNEX COUNCIL CHAMBERS
8:30 AM

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

Destin City Council

Mayor Gary Jarvis (Virtual)
Councilmember Kevin Schmidt
Councilmember Bobby Wagner
Councilmember Terésa Hebert

Mayor Pro Tem Dewey Destin
Councilmember Jim Bagby
Councilmember Johnny King

Destin City Staff

City Manager Lance Johnson
City Clerk Rey Bailey
Parks & Rec. Director Lisa Firth
Finance Director Krystal Strickland (Virtual)
Library Director Wen Livingston
Deputy Code Compliance Director Kris Mercurio
Community Dev. Director Louis Zunguze
Grants/Project Manager Jeffrey Cozadd
Land Use Attorney Kim Kopp

Deputy City Manager Webb Warren
IT Manager Matthew Pace
IT Specialist James Lauria
Public Info Manager Catherine Card
Code Compliance Director Joey Forgione
Public Works Director Michael Burgess
HR Manager Nichole Rivera (Virtual)
City Attorney Kyle Bauman

Facilitator

Laura Rakas

CALL TO ORDER, INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Pro Tem Dewey Destin called the meeting to order at 8:30 AM; followed by the recitation of the Pledge of Allegiance.

Welcome and Introduction

A. Overview of the day

The City Manager and lead facilitator Laura Rakas provided a brief overview of the workshop, discussed its overall objective, and reinforced what needs to be accomplished during this time.

The City Manager provided the following presentation:



Stay the course making only the most necessary tweaks to the plan.

- Desired outcomes from the session:
 - ❖ Reaffirm current plan direction, tweaking, if necessary, the priority levels of current council objectives
 - ❖ Expanded/Clarified direction, if necessary, for any current council objectives
 - ❖ Provide direction to staff on items requiring research for consideration during the Fiscal Year 2023 Budget Cycle

Where are we as an organization - "A Year in Review"

A. Vision and the Organizations Core Values (Adopted 2018):

➤ Vision

Destin is a family-oriented beach and fishing community where people want to live, work & play, and where guests are welcomed to respectfully enjoy our community and its resources.

➤ Core Values

- Transparency
- Teamwork
- Integrity
- Professionalism
- Stewardship
- Respect

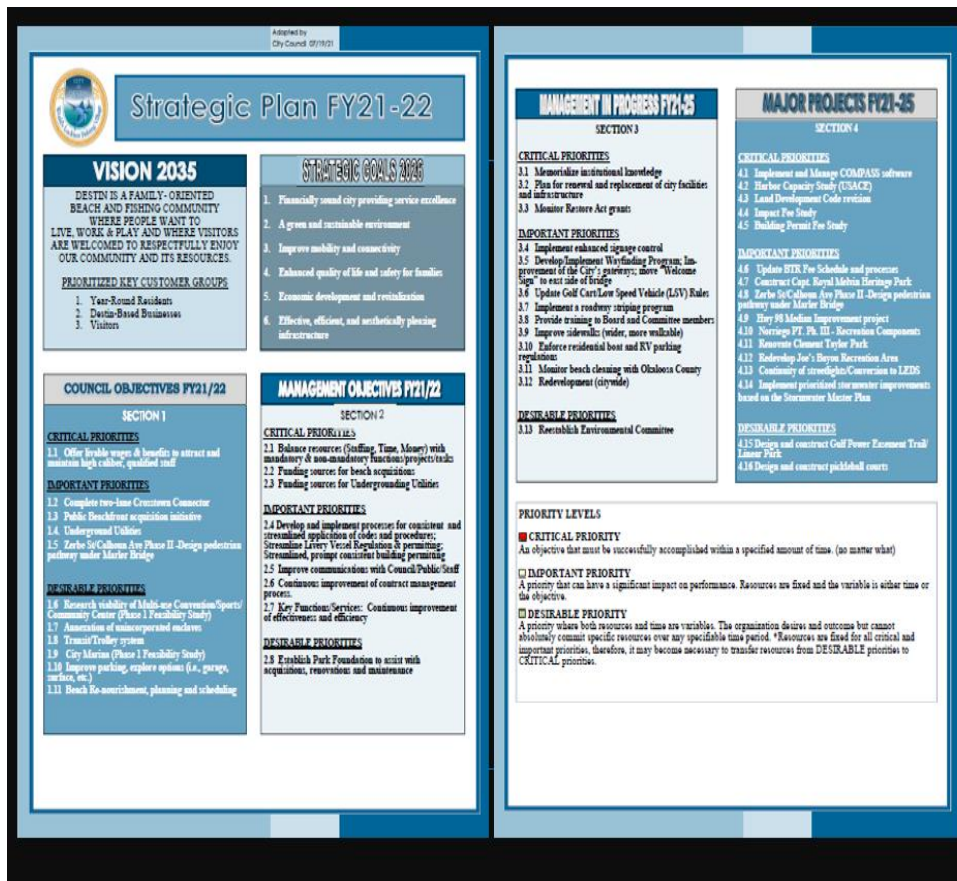
B. Prioritized Customer Groups: Residents, Businesses & Visitors (Key customers in priority order.

- Year-Round Residents
- Destin-Based Businesses
- Visitors

C. Strategic Goals 2026 (In no particular order of priority)

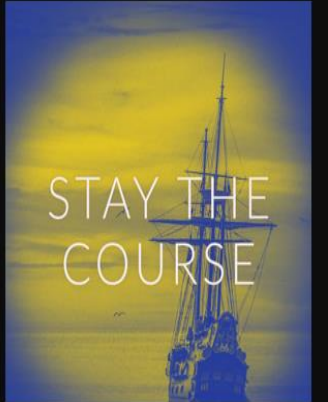
- Financially sound city providing service excellence
- A green and sustainable environment
- Improved mobility and connectivity
- Enhanced quality of life and safety for families
- Economic development and revitalization
- Effective, efficient, and aesthetically pleasing infrastructure

D. Council's Current Strategic Objectives (FY 21/22) – Listed in Priority Order



The screenshot displays the 'Strategic Plan FY21-22' document. The top section, 'VISION 2035', states: 'DESTIN IS A FAMILY-ORIENTED BEACH AND FISHING COMMUNITY WHERE PEOPLE WANT TO LIVE, WORK & PLAY AND WHERE VISITORS ARE WELCOMED TO RESPECTFULLY ENJOY OUR COMMUNITY AND ITS RESOURCES.' Below this, 'PRIORITY KEY CUSTOMER GROUPS' are listed: 1. Year-Round Residents, 2. Destin-Based Businesses, 3. Visitors. The 'STRATEGIC GOALS 2026' section lists six goals: 1. Financially sound city providing service excellence, 2. A green and sustainable environment, 3. Improve mobility and connectivity, 4. Enhanced quality of life and safety for families, 5. Economic development and revitalization, 6. Effective, efficient, and aesthetically pleasing infrastructure. The 'COUNCIL OBJECTIVES FY21/22' section is divided into two parts: SECTION 1 (CRITICAL PRIORITIES) and SECTION 2 (MANAGEMENT OBJECTIVES FY21/22). SECTION 1 lists five critical priorities: 1.1 Offer livable wages & benefits to attract and maintain high caliber, qualified staff; 1.2 Complete two-lane Crosstown Connector; 1.3 Public Beachfront acquisition initiative; 1.4 Underground Utilities; 1.5 Zerbe Street/Calhoun Ave. Phase II - Design pedestrian pathway under Marler Bridge. SECTION 2 lists five management objectives: 2.1 Balance resources (Staffing, Time, Money) with mandatory & non-mandatory functions/projects/tasks; 2.2 Funding sources for beach acquisition; 2.3 Funding sources for Underground Utilities; 2.4 Develop and implement processes for acquisition and streamlined application of codes and procedures; 2.5 Improve communications with Council/Public/Staff; 2.6 Continuous improvement of contract management process; 2.7 Key Functions/Services: Continuous improvement of effectiveness and efficiency; 2.8 Establish Park Foundation to assist with acquisitions, renovations and maintenance. The 'MANAGEMENT IN PROGRESS FY21-25' section lists three critical priorities: 3.1 Memorialize institutional knowledge; 3.2 Plan for renewal and replacement of city facilities and infrastructure; 3.3 Monitor Restore Act grants. The 'MAJOR PROJECTS FY21-25' section lists five critical priorities: 4.1 Implement and Manage COMPASS software; 4.2 Harbor Capacity Study (USACE); 4.3 Land Development Code revision; 4.4 Impact Fee Study; 4.5 Building Permit Fee Study. The 'DESIRABLE PRIORITIES' section lists three priorities: 3.13 Reestablish Environmental Committee; 4.15 Design and construct Golf Power Enhancement Trail/Lane Park; 4.16 Design and construct pickleball courts. The 'PRIORITY LEVELS' section defines three levels: CRITICAL PRIORITY (An objective that must be successfully accomplished within a specified amount of time, (no matter what)), IMPORTANT PRIORITY (A priority that can have a significant impact on performance. Resources are fixed and the variable is either time or the objective), and DESIRABLE PRIORITY (A priority where both resources and time are variables. The organization desires and outcome but cannot absolutely commit specific resources over any specifiable time period. Resources are fixed for all critical and important priorities, therefore, it may become necessary to transfer resources from DESIRABLE priorities to CRITICAL priorities).

The FY 21-22 Strategic Plan was formally adopted by City Council on July 19, 2021



CRITICAL PRIORITIES:

- 1.1 Offer livable wages & benefits to attract and maintain high caliber, qualified staff.

IMPORTANT PRIORITIES

- 1.2 Complete two-lane Crosstown Connector
1.3 Public Beachfront acquisition initiative
1.4 Underground Utilities
1.5 Zerbe Street/Calhoun Ave. Phase II – Design pedestrian pathway under Marler Bridge

DESIRABLE PRIORITIES

- 1.6 Research viability of multi-use convention/sports/community center (Phase 1 Feasibility Study)
- 1.7 Annexation of unincorporated enclave
- 1.8 Transit/Trolley System
- 1.9 City Marina (Phase 1 Feasibility Study)
- 1.10 Improve parking, explore options (i.e., garage, surface, etc.)
- 1.11 Beach re-nourishment, planning and scheduling

#1 (Critical) – Offer Livable Wages & Benefits to Attract and Maintain High Caliber, Qualified Staff

- Council approved a 5% COLA and up to a 2% merit increase to help our staff meet the rising pressure of inflation.
- Council also approved a one-time longevity award for long-term eligible employees
- New health insurance plan, providing increased benefits at more affordable rates.

#2 (Important) – Complete Two-Lane Crosstown Connector

- Since 2004, the city has worked on an alternative to US Hwy 98 for citizens to access city amenities within Destin. Atkins North America has been re-engaged to update the project design and engineering to a two-lane section with multi-use trails. Revised design and engineering is anticipated to be completed in FY 2024 after acquisition of right-of-way. The Florida Department of Transportation (FDOT) has budgeted financial support for right-of-way purchases. The city anticipates support from Okaloosa County for construction.

#3 (Important) – Public Beachfront Acquisition Initiative

- Acquiring public beach is an important priority in the city's FY 21/22 Strategic Plan. The City of Destin has pledged \$9,000,000 (voter approved ½ cent sales tax) and Okaloosa County \$13,000,000 (funded by tourism bed tax) for potential beach acquisitions to expand beach access in Destin.
- Expansion and improvements at the City's Shore at Crystal Beach Park began in April 2020.
- Park design has started. City is in active communication with 3rd parcel owner, TDD and Okaloosa BOCC.
- TPL working on other opportunities for purchase.
- Staff expects to bring an update to council on this initiative by the first meeting in March.

#4 (Important) – Underground Utilities

- Surveys – Spring 2022
- Binding Cost Estimate, Funding Research – Summer 2022
- Funding Proposals – Fall 2022
- Funding Resolution of Intent, RFP to solicit contractors – Fall/Winter 2022
- Vote on Funding – Spring 2023
- Chosen contractor continues engineering/design work – Spring 2023
- Engineering/Design – Summer 2023
- Construction Starts – Fall 2023

#5 (Important) – Zerbe Street/Calhoun Avenue Phase II – Design Pedestrian Pathway Under Marler Bridge

- The area of Calhoun Avenue from Clement Taylor Park to US Hwy 98 is identified in the Pathways Master Plan.
- Phase 1 of the project was completed during FY 2021
- Phase II of the project incorporates designing and constructing a walkway under Marler Bridge to the Harbor Boardwalk.
- Funding and sources will be reviewed again when engineering design is completed.

#6 (Desirable) – Research viability of multi-use convention/sports/community Center

- Workshop held on /February 24, 2020
- Pending council direction and resources

#7 (Desirable) – Annexation of Unincorporated Enclaves

- Staff has begun research on the annexation process.
- Staff will identify possible priorities for annexation, the sources required and will provide a report to council.

#8 (Desirable) – Transit/Trolley System

- Staff has met and gathered information from Walton County TDD about their trolley system and public/private partnerships.
- Future transit infrastructure located at paid parking lots be funded in part from paid parking funds **

** Parking resolution 2021-03 passed on October 4, 2021

#9 (Desirable) – City Marina

- Perform Phase 1 Feasibility Study to determine available options in the future as funding allows.
- \$75k budgeted in FY 22.

#10 (Desirable) – Improve parking: Explore options, garage, and surface

- Free resident parking passes are available for 2022.
 - ❖ 312 passes have been issued as of 1/20/2022
- Paid parking revenue is earmarked for future parking solutions.
- Program is freeing up parking spaces for intended use and preventing unintended use.
- Utilize Harbor Study/Recommendations.
- Zerbe Parking Lot improvements in 2022.

#11 Beach Renourishment, Planning and Schedule

- 2020 dredging operations provided emergency sand placement of approximately 193,310 cubic yards on Holiday Isle beaches.
- County contractors have compiled data from Sally storm/beach erosion assessment, report is forthcoming.
- Although no immediate and comprehensive renourishment plan is in place, the TDC and BOCC are researching options and is in regular communication with city administration.

Partnerships

A. Comments from Strategic Partners

- Okaloosa County Sheriff's Office – Sheriff Eric Aden

Okaloosa County Sheriff Eric Aden reported that common crimes has dropped in 2021 for the City of Destin; however, violent crimes such as aggravated assaults and murder have increased. The pandemics may have played a role since this is quite an easy place to get to, with the Governor not being too restrictive resulting in maintaining the number of visitors in the area. Most everyone is aware that the moral fabric of their society in general has declined, so too are the clientele that use to come in this area which probably exacerbated the violent crimes.

Also, according to Sheriff Aden, a lot of money is being spent during late night hours and that businesses have the right to stay open late at night. Trends show most violent crimes occur after midnight. DUI cases are also high because of people excessively drinking through the midnight hours. They work with local bars and restaurants to see what they need and how they can deter violent crimes. One idea that was given was to have armed security in establishments that want to

stay open late. Some of the establishments are already utilizing deputy armed security relying on off-duty officers to work the off-duty details.

Councilmember Bagby inquired as to the cost of a detail and whether there is a minimum number of hours for off duty officers to perform it.

According to Sheriff Aden, they have to attract their officers to come to work by offering them more money. It starts at \$30 per hour, the second tier at \$40 per hour, the third tier at \$50. His staff works side by side with many state law enforcement officers that are getting paid the state contract and getting paid a lot more making it unattractive for their local law enforcement officers to perform the detail. Depending on the venue, they typically require two officers or more. All the officers are paid the same amount of money regardless of rank. They used to have a two-hour minimum; it has been increased to 4-hour minimum to incentivize the officers to perform the work. The venue determines the price range. He also stated that they have not been competitive with the market area. A lot of other places, such as those in Tallahassee, are paying their officers a lot more and so they are having less problems fulfilling those details. They need to be more competitive since this is a tourist area.

Councilmember Schmidt asked if they would have staffing issues trying to fulfill an ordinance requiring businesses to have armed security detail.

Sheriff Aden stated the ordinance may have no enforcement capability. They are about 18 percent short in staffing at this time. They will be asking businesses to implement something they may not be able to fulfill, giving them a reason not to adhere to regulation. He continued there is a lot the city can do with their ordinance. The establishments also have the option to utilize private security. The city can word their ordinance to their advantage by requiring either public or private security. They could be more restrictive on late-night establishments; citing the owner of the establishment to make them more responsible. Potentially having their licensed pulled or penalizing them for violating regulations.

Okaloosa County Commissioner Mel Ponder, speaking on behalf of the county, stated that partnerships between the city and county have been great. The county has always been striving for the opportunity to partner with Destin on things like beach access, to give residents and tourists alike access to the beach. The Destin Cross Town Connector has been in the planning stages for quite some time, and they hope they can move forward with it soon. There is a dedicated stream of funds that could be used. He also stated the county just signed the Joint Use Agreement, signing a 40-year agreement with the military. They have conducted a workshop session and discussed possible usage for this money. Using these funds to make a difference on some things in which they were deficient as a county is really important. The bed tax money is a good win especially for the Destin community. There is funding in the county budget, and they have also petitioned Tallahassee for a multi-purpose trail on Okaloosa Island that would benefit a lot of residents. It will part of the pedestrian trail going all

the way down the length of Okaloosa Island. As a BOCC Chairman, he would like to focus on affordable workforce housing. Identifying parcels will be quite a task but he will be trying to work with local organizations and see what they could do to put this vision out there.

Mr. Shane Moody, President and CEO of Destin Chamber of Commerce, spoke next. He urged the council to speed up construction of the Destin Cross Town Connector as traffic is getting worse and worse; and to move the parking garages in the priority list. He stated that traffic in the harbor is bad not due to the number of vehicles on the road but for lack of a place to park those vehicles. They may also be able to build affordable workforce housing on top of those parking garages. He stated that the community center is on the list of the city's priorities, and that he would like the city to expand that vision to include the Town Center CRA. He continued there is some activity in the Old Time Pottery property. He and the mayor have been trying to confirm whether an earnest money has been put down by a major corporation. It has been reported they only intend to use about a third of the property. There may be a chance for a public-private partnership in that regard. There are adjacent properties that may also be up for sale. He concluded by saying that Destin is a small town with big city issues. They are a town of 14,000 people, and a region of about 24,000 people. They could have about 75,000 to 100,000 on any given day during the summertime, especially during the holiday weekends.

Mr. Ronnie Bell of Waste Management discussed the level of service they provide they provide for the City of Destin. He stated they appreciate the opportunity to serve the city. It is a good place to live and work. Under the contract they provide twice a week garbage pickup for all residents, once a week for recycle, and once a week for yard waste. In 2021, the amount of residential garbage in Destin was 8,920 tons, and commercial was 23,972 tons. It was 9% and 29% increase respectively from 2020 to 2021. Garbage will continue to grow because of the growth of the community. They value their partnership with the City of Destin.

Mr. Lockwood Wernet, General Manager of the Destin Water Users, water and sewer provider for the City of Destin, noted they have some expansions they need to make in their sewer capacity. It is a 20-year time frame, but they have already started working on it. He stated they have a great working relationship with city staff. They share resources and they appreciate their partnership with the city. They have completed some projects together – i.e., the Morgan Sports Complex which started in 1998 as well as a recent project at the Destin Elementary School, which saved the city \$500,000 in cost of irrigation and re-sodding. They have other projects they plan to collaborate in the future. As their partner, they are asking the city to coordinate with them on big projects such as the undergrounding of utilities. They have utilities and waterlines underground they are planning on possibly upgrading. As far as the cross-town connector, they see that project as an opportunity for them to increase connectivity of their system. They appreciate the partnership and the support they receive from the city, and that they are willing to provide same.

Mr. Joe Janazzo, Destin Elementary School Principal, noted that the school is at a 120 percent capacity. They have a 3-to-5-year plan to grow. He asked the city to keep this in mind as they discuss growth and affordable workforce housing and consider their impacts.

Mr. Phil Dorn, Destin High School Athletic Director, stated that they are very excited about their growth as a school, and that the City of Destin has been very supportive. As they grow, they are trying to implement a school-based community comprehensive high school projecting about 500 students in the fall of 2022. They are currently at 310 students. They are trying to provide 22 sports, but they also realize they are branching out in a community that is very tight on space and facilities. He urges the council to include some thoughts on multi-use facility from which the high school could also benefit in the future as they go forward with their strategic plan.

Ms. Sandy Trammell, prior member of the council and current member of the Harbor CRA Advisory Committee and Parks and Recreation Committee, addressed volunteer coordination. She reported that they have had some issues with the committees not having a quorum to consistently meet on a monthly basis. She feels the committees need more training. The new members of the council also need to be trained on the purpose of the volunteer committees and what they can do for them. She also mentioned that when the Public Works and Safety Committee Chair brought forth an item to council at a previous meeting, some members of the council lauded the chair for doing so and expressed the desire for committees to do it more often. She stated that her committees want to do the same. Council and staff have worked hard in the past to give volunteer committees the impetus to bring items before the council and not just rely on council reviewing their meeting minutes. Right now, they do not feel they are allowed to do so. They think they had to contact a member of the council to bring these items up. It stagnates the committees and does not give them the purpose as a committee. She offers to provide some assistance to help train the committees as she had done so in the past as a member of the council. They would also like the City Attorney to continue providing training on the Sunshine Law and Public Records Law.

Ms. Trammell also addressed the parking issue. She urges the council to look at determining how big a parking lot should be before it has to go vertical. They currently do not have an ordinance that can provide the criteria for it. She added they do not have big enough lands to accommodate a big surface lot similar to that of a Wal-Mart parking lot.

Ms. Trammell also stated they have added great looking parks in the city; however, they have not done anything to improve required maintenance, or additional staffing for these parks. She urges council to consider this issue at the next budget cycle.

Next, Ms. Trammell stated that it is expensive to recycle, but the city needs to work with Waste Management to do something to incentivize their businesses to recycle. It will go along way towards achieving one of their strategic goals of having a green and sustainable environment.

Mr. Jim Wood, prior member of the council and current member of the Public Works and Safety Committee and Local Planning Agency, addressed pedestrian safety.

He reported being hit by a car while walking on a city street. Luckily, it was not severe as the car was making a right-hand turn and failed to look to his right before turning. He stated that a lot of their residents sit in traffic all year round and most of them are always in a hurry anxious to go as soon as the light turns green, or even run a red light. They need to change this behavior by issuing more citations than warnings, as the latter does not do much to change people's behavior.

Mr. Wood noted that the city Strategic Plan sheet refers to the term "golf carts." He stated that people associate this term with low-speed vehicles, which is a lot different than golf carts. Golf carts are used on the golf course while low-speed vehicles are equipped to be able to be driven on the road.

Also, according to Mr. Wood, the subject of annexation is very important to him going back when he was a member of the council. He continued it is very hard to annex a territory or enclave into the city if they do not have anything to offer to people in that community that would incentivize them to do so. Affordable workforce housing, which they have been discussing recently, could be one of the tools they could use to encourage annexation.

Mr. Wood stated that they need to replace some of the street signage around the city, specifically the signs by the gas station on Airport Road and Main Street intersection. Main Street used to have two signs – a stop sign and right-turn only sign. Both signs have been gone for over a year. It is working well in Pensacola

Public Comments

Mr. Claude Perry, a Destin resident and business owner, stated that it would be a tremendous benefit to the city if they move Objective 1.8 – *Transit/Trolley System* from the Desirable Priorities to the Critical Priorities category. They have to deal with the serious traffic problem in the city and one way to reduce traffic is through the trolley system. It is working well in Pensacola, and Walton County has already approved the conceptual plan for the transit system, and they are in the verge of making it a reality for that county.

Mr. Perry stated that they have problems with violent crimes lately, as the sheriff alluded to earlier; however, this council should consider other options to address late hour crimes other than penalizing certain businesses by reducing their operating hours. Tourists are important to this town because many people rely on the hospitality industry. Late hours armed security is one option with the limitation the sheriff laid out.

Mr. Steven Franco, a Destin resident and business owner, stated that he has been communicating with Mayor Jarvis and Mr. Shane Moody of the Destin Chambers regarding some of the ideas for a city center. Both the mayor and Mr. Moody have some great ideas. He has a vast amount of experience in the commercial real estate and redevelopment of commercial properties. He is volunteering to assist in this initiative. As a Destin resident, he would like nothing but the best for this community. There are a lot of things they could do to enhance it. He encourages the city to move forward with this initiative, and that he looks forward to participating in this process with the city.

Mr. Todd Buhr, a Destin resident, pointed out that one of the city's strategic goals is Economic Development and Revitalization. However, the city's comprehensive plan Section 1.1 states that *Quality Development and Revitalization is one of five strategic goals identified by the City Council for 2020. Quality development should be efficient to service, promote development, enhance quality of life for current and future residents, and encourage stable or improving neighborhoods and center.* He stated that "quality", "stable", and "improving" are very important words. He encourages the council to look back and examine if they are really accomplishing this with their strategic plan. To determine the direction and how their visioning is working through into the objectives to enhance quality of life for residents. He continued that their prioritized customer groups are year-round residents, Destin-based businesses, and visitors. They need to think about whether this is translated into perception from their actual full-time residents. His neighborhood in Crystal Beach has the perception that Crystal Beach is the number 3 priority for a good part of the year. Businesses and visitors have a higher priority depending on who has more money to spend. This perception is formed by a lot of things such as noise from late night parties, with less than satisfactory resolution. It does not form a perception from residents, especially those with young children and are working full time, that they are the number one priority. The perception is not matching the goals. They need to make people accountable for their action. They need to examine how to convert these goals to objectives, and then to directions.

Updates & Requests

A. Department Updates, Ideas & Requests

1. Parks and Recreation Department (Lisa Firth, Director)

Parks

- Adjust staffing levels to account for increased recreational facilities.

Morgan Sports Center

- Replacement of sports turf which is nearing or at the end of its useful life (20+ years).
- Converting sports lighting to a new LED automated system.
- Addition of restrooms and equipment storage near the multipurpose fields to accommodate demand.

Community Center

- Window replacement (\$200k)
- Stucco repairs (\$150k)
- Foyer repairs, internal (\$100k)
- Stage replacement (\$8k)

Administrative

- Replacement of existing management software to improve public interactions including registrations and payments as well as better record keeping.
- Gymnasium use at the community center is at or near capacity. With demand increasing, expansion should at least be considered to maintain service levels especially for our youth.
- Sports field use at Morgan Sports Center is at or near capacity during peak season. Expansion should be considered to maintain service levels, especially for our youth.
- Continued focus/improvement on the cleanliness of our beaches in partnership with Okaloosa County needs to remain a department priority.
- The establishment of the Destin High School is adding and is projected to continue to add demand for sports/recreation facilities in Destin.

2. Library (Wen Livingston, Director)

Staffing

- High turnover of part-time staff

Collection Development Funding

- Nonfiction materials are very dated and need to be replaced
- eBook and e-audio book demand is increasing, and these materials are typically double or triple the cost of print materials; new demand for streaming video services.

Building Limitations

- The building is close to 20 years old and was not designed for future needs. The large meeting room is too small for some events. Children's Storytime room is not soundproofed, and the programs disturb people in the library.
- Library needs outdoor programming area and medium size meeting rooms to allow for social distancing.

3. Community Development Department (Louis Zunguze, Director)

Customer Service:

- Compass/Energov Software
 - ❖ Make full use of the system's capabilities
 - ❖ Streamlining development review processes – to improve turnaround times

Economic Development and Revitalization:

- Land Development Code (LDC) Update
 - ❖ Complete re-write of the LDC to align with Comprehensive Plan
- Harbor Capacity Study
 - ❖ Enhance the economic vitality and safety of the Destin Harbor

Improved Mobility and Connectivity:

- Mobility Plan
 - ❖ To replace Multi Modal Transportation District (MMTD)
- Cross Town Connector
 - ❖ The project is now at the 60% design stage

Sound Operational Sustainability:

- Impact Fee Study
 - ❖ To update the current Impact Fee Schedule which was last updated in 2008
- Permit Fee Study
 - ❖ Determine appropriate level of permit fees for Building Code Applications

Enhanced Quality of Life:

- Stormwater Master Plan Implementation
 - ❖ Implement the priority list of projects identified in the Master Plan and approved by council to address flood prone areas in the city

Public Engagement Initiative:

- Involve the public in the implementation of the city's major initiatives

4. Code Compliance Department (Joey Forgione, Director)

Proposed Community Outreach Initiative:

- Implement a pilot bicycle patrol program during peak season day shift.

- ❖ Will provide community outreach and education like the community policing concept
- ❖ Will contribute to ease of mobility for officers in highly congested areas during peak season.
- ❖ Will provide daily opportunities for officers to be in direct contact with residents, businesses, and visitors.
- ❖ Will contribute to the health and welfare of code officers.
- ❖ If desired, staff can bring back budget options for consideration. This may be achievable during the current fiscal year.

Future Staffing Consideration:

- Addition of a new officer who would assist in several areas including:
 - ❖ Allowing for two officers on weekends, evening shifts during the season.
 - ❖ Will provide a safer environment for staff and address their concerns
 - ❖ Will be used to cover for vacations, time-off, and sick leave to maintain service levels.
 - ❖ Will be used to temporarily assist when high demand is present in certain areas.
 - ❖ If desired, staff can bring back budget options for consideration during the FY 2023 budget process.

Future Technology Considerations:

- There are several services and strategic partner data sets that can potentially assist us in identifying short-term rentals (STR) that are not complying with local, state, and federal mandates.
 - ❖ They can potentially identify STRs that have not registered with the city.
 - ❖ They can potentially identify STRs who are not paying the required bed-tax.
 - ❖ They can potentially identify potential changes in occupancy for specific STRs.
 - ❖ If desired, staff can bring back budget options for consideration during the FY 2023 budget process
- Provide ongoing staff training regarding the COMPASS System so the organization can continue striving to use the system to its fullest capacity. Staff continues to budget for this training.

5. Public Works Department (Michael Burgess, Director)

Departmental Staffing Needs:

- Median Maintenance/Sidewalk/Concrete Repairs/ADA Compliance
- Six full-time staff members plus equipment
- Ability to return several services in-house, increase levels of service, responsiveness, and accountability
- Public Works will bring back budgetary options for consideration during the FY 2023 budget process

Departmental Budgetary Needs (Operational):

- Pavement Management (roads) R&R – \$1.2 million per year (15-yr)
- Sidewalks R&R - TBD, based on ADA Transition Plan Engineer's estimates
- Stormwater R&R - \$250,000 per year (repairs, deep cleaning)
- Safety Improvements Budget - \$100,000 per year
- City-wide Pavement Assessment - \$250,000 (based on recent quote)
- Facilities Conditions and Needs Assessment – TBD, in-process
- City-Wide Stormwater System Survey – FY 2023 Project
- Implementation of Asset Management Software

Departmental Budgetary Needs (Capital Purchases):

- Brush Chipper (existing unit is 20 years old) - \$80,000
- Mini-Excavator - \$80,000
- Storm Sewer Cleaning Truck, Vac-Con or equivalent - \$350,000
- New Building at Maintenance Facility – TBD
- Hardened Structure for Emergency Operations - TBD

6. Human Resources (Nichole River, Director)

Future Staffing Needs

- Upgrade current HR part-time position to full-time to manage increased demands on the HR Department
- If desired, staff can bring back budget options for consideration. This may be achievable during the current fiscal year.

Compensation & Job Satisfaction

- Ensuring total benefits are competitive with our public and private sector peers
- Enhance training initiatives and communication
- Compensation study with Evergreen Solutions is nearing completion. This study aims to address wages, compensation and accurate job descriptions.

Highly Competitive Market

- High turnover
- Enhancing recruitment practices & new hire onboarding experience

7. City Clerk Department (Rey Bailey, City Clerk)

Implementing New Cemetery Records Management Software

- User-friendly and offers robust computing, searching, and plotting feature to manage cemetery data more effectively

Growing Overall Number of Public Records Requests (PRR) and Increasing Complexity of Requests Fulfillment

- CY 2020: 388 PRRs / CY 2021: 502 PRRs / 29% increase
- Social media, text messages, emails
- Training Regimen
- Technology plays a key part in allowing us to meet the challenge, be more efficient and provide quicker/more accurate response to PRRs

Creating a training plan for committees

8. Information Technology Department (Matthew Pace, Director)

EnerGov (COMPASS) and MUNIS Software

- Upgrade to latest versions
- Migration to Software as a Service (SaaS) solution with Tyler Technologies to increase organization efficiency
- Continue to assist departments in streamlining functions and processes

Network and Information Technology Growth Within the Organization

- Consolidation of hardware to accommodate technology use on and off site

- Cloud-based initiatives continue to be a priority across all departments and services provided by the city.
- Software and hardware upgrades (from workstations to servers)
- Best-in-suite systems for consolidation of services
 - ❖ I.e., Microsoft, CivicPlus and Tyler Technologies
- New and improved equipment to maintain high levels of service
- Maintain and Manage Wireless Phone and Data Services (Federally Regulated Service Provider Access)

Network and Data Cybersecurity Measures

- End-user Training and Awareness
- Continued Advanced Threat Protection measures within our current systems
- Enhance network and wireless equipment to handle more secure and sustainable communications

9. Public Information (Catherine Card, Manager)

New website launched – March 2021

Website and Social Media Metrics:

- In 2021, there were over 368,000 visits to the City of Destin website / over 15,000 likes on Facebook / 1,088 public engagement posts / 109 press releases distributed / 172 stories covered by local and regional media.

Instagram Launch – October 2021

Future Staff Need:

- Digital Media Specialist or 3rd Party Partnership
 - ❖ Continue to strengthen and engage citizens by creating and administering proactive content on the city's social media platforms and website
 - ❖ Support social media strategy by creating strong digital content for the city
 - ❖ Create video library for city achievements, high-level projects, council and staff Q&A

10. Grant, Projects and Contracts (Jeff Cozadd, Manager)

American Rescue Plan Act

- Stormwater improvements

- IT projects

Infrastructure Bill

- Undergrounding

TDC Funding Agreement

- Capital projects
- Beach acquisition

City Procurement Policy

- Increase efficiency

Grants/Projects

- Active – 15 / over \$11 million
- Pending – 4 / over \$2.2 million

Externally Funded and Managed Projects

- Active – 6 / over \$18 million

Active Contracts – 30

Capital Project Management RFQ

11. Finance Department (Krystal Strickland, Director)

Operational Sustainability

- Updating fee schedules
- Investing in technology
- Maximizing use of external sources for capital projects to relieve pressure on the General Fund
- Long-range planning (i.e., facilities)

Better Matching Funding Sources for Top 3 Capital Projects

- Cross Town Connector
- Beach Acquisition/Development
- Undergrounding

12. Deputy City Manager (Webb Warren)

Implement technology and best practices to improve processes and to implement Council's objectives

- MUNIS Financial/HR System
- COMPASS
- CivicRec

Partnerships

- Okaloosa County
- Tourist Development Department
- Okaloosa County Sheriff's Office
- Destin Fire District

Beach Acquisition

Paid Parking System

13. City Manager (Lance Johnson)

#1. Keeping the organization constantly moving towards achieving the city's vision and strategic objectives in the most efficient and effective method possible

- Continuously strive to improve communications with Council, Residents, Businesses, Visitors and Staff members.
- Professionally execute the City Council's adopted Strategic Priorities and Policies.
- Provide staff with the resources they need to execute City Council's adopted Strategic Priorities & Policies.
- Remove barriers preventing staff from executing City Council's Strategic Priorities and Policies.
- Oversee the stewardship of the City's; fiscal resources, human resources, & physical resources.
- Ensure the Organization's knowledge is being memorialized in processes and procedures.
- Foster a team-oriented culture of Continuous Quality Improvement that strives to exceed expectations.

B. Council and Mayor Key Initiatives and Projects

At this time, Ms. Rakas presented the information that she received during her one-on-one meeting with some of the members of the city council; noting that the council responded to the following questions posed to them during that session:

Are there any council objectives on the current plan the council would like to see re-prioritized?

Are there any future projects they would like staff to research for the Fiscal Year 2023 budget process, and which can be considered for inclusion in the strategic plan?

**** Are there any projects or initiatives that are not rising to the level of inclusion that they would like to see in the strategic plan, and which they would like to see implemented within the next couple of years (short term)?*

Ms. Rakas shared the results of the interview. She asked the council to clarify or add anything to the information they already provided, to answer questions, and/or provide any new information.

1. Councilmember Bagby

- Strategic goals. Councilmember Bagby recommends making the following changes to the list:
 - ❖ Move #2 (A Green and Sustainable Environment) to position #6
 - ❖ Move #4 (Enhanced Quality of Life and Safety for Families) to position #2
 - ❖ Move #5 (Economic Development and Revitalization) to position #3
- Council Objectives (FY 21/22)
 - ❖ Councilmember Bagby agrees with the order of priorities as listed. Though he may not necessarily agree with Desirable Priority 1.6 – *Research Viability of Multi-Use Convention/Sports/Community Center – Phase 1 Feasibility Study*), he does not object to the feasibility study being conducted.
 - ❖ Improving the culture of the council is of paramount importance to Councilmember Bagby.
- Future projects and initiatives: Councilmember Bagby recommends:
 - ❖ Add the Four Prong Lake Flooding Mitigation project in FY 2023 budget process; and to include any other areas of the city that has flooding problems
 - ❖ Emphasize priority for parks improvements and developments
- New projects or initiatives ***
 - ❖ Changing the culture, improving relationships of council and staff, staff with the citizens
 - ❖ To have a designated legislative sponsor/champion among the council members for any initiatives (Providing information in the agenda cover sheet for the legislative sponsor).
 - ❖ Update many of the city's policies, i.e., investment/procurement
 - ❖ Examine and implement staff and council training; especially training staff on continuous improvement processes.

DISCUSSION:

Councilmember Bagby spoke about empowering the committees and staff, which would include providing professional training, with the City Attorney giving the committees training in the Sunshine Law, and staff providing other necessary training to individual committees.

Councilmember Destin recommends the council indicates which things they support and bring forward as each member discusses their priorities since they are in a workshop session and cannot take any formal actions.

Councilmember Bagby explained the reasons behind his recommendation for realignment of the strategic goals. He stated that *A Green and Sustainable Environment* is listed as their #2 strategic goal; however, as he looked at the council's objectives and all the initiatives and projects they are trying to accomplish, he did not see a single green and sustainable project, such as putting solar panels on top of the community center or other city facilities. He also noted that the council has discussed purchasing natural gas vehicles for the city about 10 years ago, but it did not happen. He added that becoming a green and sustainable environment should not be high on their priority list if they are not currently doing anything to reach that point.

Councilmember Schmidt pointed out that the strategic goals are not supposed to be in any particular order of priority.

The City Manager confirmed these are the adopted strategic goals by the council, but they are not currently listed in priority order.

Ms. Rakas asked if there are any comments or objections to Councilmember Bagby's other recommendations. She asked whether there were any specific items the council would like to provide additional support and they would like to see researched by staff for consideration for FY 2023.

Councilmember Hebert supports moving forward with designating legislative sponsor among the council for any city initiatives.

Councilmember Destin noted that the council passed a resolution about 10 years ago requiring legislative sponsor for any city initiatives.

Ms. Rakas announced there is full support for the legislative sponsor idea.

Councilmember Bagby addressed the "Right-Turn Only" sign off west bound US Hwy 98 to Airport Road, stating that a lot of motorists are frequently missing those signs and then attempting to change lane in heavy traffic. He continued there are currently 3 signs that are located very close to each other. They should ask FDOT to place these signs at a maximum distance from each other as the state's manual requires.

At this time, the mayor recommends giving each member of the council a chance to speak and provide their input before making any type of adjustment to the plan in terms of priorities or compiling a "wish" list.

According to the City Manager, the main reason for this session was to have conversation and improve communications so that staff knows what the council wants. He encourages the council to focus on high level items.

Councilmember Schmidt agrees with the recommendation in terms of committee and staff training. He suggests putting more emphasis on the responsibility of the staff liaisons to these committees and whether they are doing the job they should be doing.

The City Manager noted that Training is listed on the management plan for this year and that staff is currently working on it.

2. Mayor Jarvis

Mayor's recommendations:

- Accelerate the completion of the Destin Cross Town Connector.
- Controlled growth and development
 - ❖ Undergrounding of US Hwy 98
 - ❖ Creation of new comprehensive plan
 - ❖ Development of city center – to serve the community needs within the next 20 to 30 years. They are quite inept in some of their facilities and capabilities for their residents.
 - The event center that was initially recommended has grown to something much bigger. They would need a property big enough to incorporate a new community center, a new city hall with a hardened emergency management facility
 - Need to work with the private sector in developing a gateway to the CRA that would not only be aesthetically pleasing but that would take the CRA, which has been in high debt since 2005, get out of debt, create a tax base, and improve the quality of life for the community.
 - Need to create a list on the status of the CRA and what it would take to improve it
 - Create a 3-dimensional idea on what a city center might look like
 - Create a private citizen board with visionary members and experts in development
 - Current CRA Board explore places such as Silver Springs, Georgia and observe current development there and learn its history. Compare what it used to look like and what it looks like now and bring that idea back to the community and start developing that vision.
- Proponent of improving the direction of the citizen advisory groups
 - ❖ Give each group a charter
 - ❖ Make sure they have people in that panel with professional experience or visionary approach to their position and can come up with well-thought out, practical, doable, visionary ideas

DISCUSSION:

According to Councilmember Bagby, there were Town Center renderings back in 2004, just before he became a member of the council for the first time, where all the parking was internalized, and all the building were on the outside perimeter. He continued that the plan was similar to Rosemary Beach, and it may or may not include a public component. He added it would be a good place to start if they could locate those renderings.

The City Manager commented that the initial plan to build an event center has potentially transformed into an even bigger initiative such as the city center as alluded to by the mayor. Staff will need some guidance from the council on whether to add additional components to this plan and shift some funding from other areas into a feasibility study that would include other components such as an additional city hall facility or hardened facility as the mayor suggested.

The mayor recommends allowing him to get some clarity on the piece of property the council authorized him to investigate before giving further direction to staff. He would inform the council of his findings, and they could possibly schedule a public workshop to discuss this matter, and then the council could give direction on how to proceed.

Councilmember Destin agrees that providing directions to staff will be quite premature at this time. He recommends allowing the mayor to find out whether they have a chance to obtain that property since another entity reportedly expressed interest in obtaining it.

Councilmember Bagby stated that since they have already appropriated the money to conduct the feasibility study for the event center they should go ahead and move forward with it. It could run parallel to the city center which the mayor was talking about that would include a new city hall and gateway to the CRA. They could conduct the study, re-prioritize, and make some adjustments, if necessary.

Ms. Rakas stated there seemed to be an agreement at least for conducting a feasibility study for Desirable Priority 1.6 – *Research viability of Multi-use Convention/Sports/Community Center (Phase 1 Feasibility Study)*. She mentioned that Councilmember Schmidt has expressed his desire to move it up to Critical Priority level.

Councilmember Schmidt explained that Objective 1.6 may need to be elevated to a Critical Priority, but it may also need to be restructured since the event center has grown to something much bigger as the mayor has indicated. He also stated that the status of the Town Center is of critical importance. But he also feels spending the money to conduct a feasibility study is a little premature at this time.

Council members Hebert and Destin recommend postponing making any decisions on this matter until the mayor has a chance to examine the situation regarding the property in question.

Ms. Rakas stated there seemed to be a consensus to have future discussion on possible re-adjustment or re-structuring of Objective 1.6.

3. Councilmember Schmidt

- Move Objective 1.6 to a Critical Priority and restructure.
- New projects or initiatives ***
 - ❖ Citywide street safety / Safer streets project
 - Making streets safer for pedestrians, bicyclist, motorists, etc.
 - Staff to research prior to FY 2023 budget process and consider for 2023 strategic plan.
 - ❖ Fee schedules updates – to be completed soon
 - ❖ Clement Taylor Park Renovation – to commence soon
 - ❖ Focus on Management Objective 2.4 – *Develop and implement processes for consistent and streamlined application of codes and procedures; streamline livery vessel regulations and permitting; streamlined, prompt, consistent building permitting.*
 - ❖ Contract Project Manager/Consultant position – making hiring someone a priority

DISCUSSION:

Councilmember Bagby inquired as to the status of the safety program initiated by the previous City Engineer.

Mr. Zunguze noted it is being worked on and should be presented to the council in approximately two months.

Councilmember Bagby requests the plan be vetted through the Public Works/Safety Committee.

4. Councilmember Wagner

- Emphasize importance of mobility
 - ❖ Specifically making it easier to stay on sidewalks
 - ❖ Creating sidewalks that do not abruptly end
- Continue theme of responsible development
 - Create net-zero buildings
 - Longevity/sustainability
- Move undergrounding utilities to Critical Priority for the current strategic plan
- New projects or initiatives ***
 - ❖ Expanding undergrounding project
 - Consider aesthetic implications
 - Landscape projects
 - Laying 5G fiber at the same time utilities are being buried
 - Consider underground aesthetics, landscaping beautification
 - ❖ Emphasize connectability/mobility
 - Making it easier to get around the city

- ❖ Recycling/green initiatives
 - Keeping carbon footprint low
- ❖ Cleanup of the harbor and waterways
- ❖ Annexation of unincorporated enclaves

DISCUSSION

Ms. Rakas asked if there was council support for moving undergrounding utilities to Critical Priority.

Councilmember Hebert stated she does not think they can do anything more than what they have already done. This project has been in motion for over 10 years. They are at the stage now that they are paying for it and working together with the utility company.

Councilmember Destin agrees they should leave undergrounding utilities in its present position. They have enough money at their franchise fee increase to pay for phase 1. They need to stay at their present position until they determine how to pay for the subsequent phases.

Councilmember Wagner stated it is important to consider all avenues as that project is getting underway the next couple of years. The critical part is not for moving faster but for taking advantage of every opportunity.

5. Councilmember Hebert

Ms. Rakas stated that in her conversation with Councilmember Hebert, she indicated to her she was happy where things stand at this point. She has no desired changes with regards to reprioritization mainly because she does not want to disrupt current efforts.

Councilmember Hebert stated that the big projects and initiatives they really wanted the past several years are starting to come to fruition, with everything falling into place. Though she agrees with other council members' ideas and thoughts, she does not see any major reasons to reprioritize. She wants staff to be able to focus on the jobs at hand and continue to make progress.

6. Councilmember Destin

Councilmember Destin feels they are on the right course, and that prioritization of strategic plan is not necessary at this time. He recommends adding in their capital projects list charging stations for electric vehicles. The Marler Street parking lot which have now been utilized more than ever is a perfect location. This is also a clear support of their green initiative.

Councilmember Destin seeks other council members opinion about continuing to pursue Objective 1.5 – *Zerbe Street/Calhoun Avenue Phase II – Design pedestrian pathway under Marler Bridge*, which is currently listed under important priorities. He stated he would still like to pursue it, even though he does not have a complete consensus among residents in his neighborhood.

Councilmember Hebert noted they have had multiple discussions about this matter in the past, and they have been presented 3 different designs by their engineer, each of which has its pros and cons. She would still like to move forward with it and for the council to decide on the design sooner rather than later. It is a safety issue as there a lot of pedestrians crossing US Hwy 98 especially during the summertime.

Councilmember Schmidt stated that the presentation was very confusing to him, and that the overall objective of the project was not very clear. He personally needs to have the history of it to have a better understanding as what they expect to achieve from it. He also pointed out there are a lot of potential activities going on around that area, including one that involves the community center parcel, that could affect this particular project. Also, there is a study underway on the Stahlman Avenue and US Hwy 98 intersection that could potentially affect the Town Center area. He supports keeping this objective at its present location.

Councilmember Bagby pointed out that the original goal was to connect parking with the festive marketplace. His original idea was to place tunnels underneath US Hwy 98 as he believes it would be the most used tunnels in Northwest Florida even though not many thought it was possible. He agrees to keeping this objective at its current location.

Councilmember Wagner supports the idea of placing tunnels underneath US Hwy 98 to prevent pedestrians from having to cross the busy highway.

The City Manager announced that the previous council had instructed staff to look at the different safe crossing options at Stahlman Avenue. Those options have been analyzed and their recommendations will be provided to FDOT when they ask the city for their ideas during their PD&E Study from Airport Road to Marler Bridge, which should be taking place very soon.

7. Councilmember King

Councilmember King expressed his support for staying the course to avoid any potential disruptions to several projects already underway and to all the other initiatives they have established. He would like the council and staff to focus on the current priorities. He would also like for everyone to ensure that year-round residents remain the #1 key customer group in the City of Destin.

Council desired changes to priorities established in the current adopted strategic plan

In summary, Ms. Rakas stated that based on comments by the council members in today's session, it seemed there were no sweeping changes to the existing plan at this time; just some refocusing, reemphasizing, or getting movement on certain initiatives. There are new items for FY 2023 that were brought up as well as the desire for further discussion about either reprioritization, adjustment, or both for the feasibility study for the community center/city center.

Projects/Initiatives for staff to research for upcoming budgeting season (Fiscal Year 2023)

The City Manager stated they will be bringing back suggestions as they interpreted them from today's session. They will be doing research for potential budget items for Fiscal Year

2023. There may be potential swap of the current budget to get things started before the hundred days of summer.

ADJOURNMENT

Having no further business at this time, the meeting was adjourned at 2:45 PM.

Gary Jarvis, Mayor

ATTEST:

Rey Bailey, City Clerk



Strategic Plan FY21-22

VISION 2035

DESTIN IS A FAMILY- ORIENTED BEACH AND FISHING COMMUNITY WHERE PEOPLE WANT TO LIVE, WORK & PLAY AND WHERE VISITORS ARE WELCOMED TO RESPECTFULLY ENJOY OUR COMMUNITY AND ITS RESOURCES.

PRIORITIZED KEY CUSTOMER GROUPS

1. Year-Round Residents
2. Destin-Based Businesses
3. Visitors

STRATEGIC GOALS 2026

1. Financially sound city providing service excellence
2. A green and sustainable environment
3. Improve mobility and connectivity
4. Enhanced quality of life and safety for families
5. Economic development and revitalization
6. Effective, efficient, and aesthetically pleasing infrastructure

COUNCIL OBJECTIVES FY21/22

SECTION 1

CRITICAL PRIORITIES

- 1.1 Offer livable wages & benefits to attract and maintain high caliber, qualified staff

IMPORTANT PRIORITIES

- 1.2 Complete two-lane Crosstown Connector
- 1.3 Public Beachfront acquisition initiative
- 1.4 Underground Utilities
- 1.5 Zerbe St/Calhoun Ave Phase II -Design pedestrian pathway under Marler Bridge

DESIRABLE PRIORITIES

- 1.6 Research viability of Multi-use Convention/Sports/Community Center (Phase 1 Feasibility Study)
- 1.7 Annexation of unincorporated enclaves
- 1.8 Transit/Trolley system
- 1.9 City Marina (Phase 1 Feasibility Study)
- 1.10 Improve parking, explore options (i.e., garage, surface, etc.)
- 1.11 Beach Re-nourishment, planning and scheduling

MANAGEMENT OBJECTIVES FY21/22

SECTION 2

CRITICAL PRIORITIES

- 2.1 Balance resources (Staffing, Time, Money) with mandatory & non-mandatory functions/projects/tasks
- 2.2 Funding sources for beach acquisitions
- 2.3 Funding sources for Undergrounding Utilities

IMPORTANT PRIORITIES

- 2.4 Develop and implement processes for consistent and streamlined application of codes and procedures; Streamline Livery Vessel Regulation & permitting; Streamlined, prompt consistent building permitting
- 2.5 Improve communications with Council/Public/Staff
- 2.6 Continuous improvement of contract management process.
- 2.7 Key Functions/Services: Continuous improvement of effectiveness and efficiency

DESIRABLE PRIORITIES

- 2.8 Establish Park Foundation to assist with acquisitions, renovations and maintenance

MANAGEMENT IN PROGRESS FY21-25

SECTION 3

CRITICAL PRIORITIES

- 3.1 Memorialize institutional knowledge
- 3.2 Plan for renewal and replacement of city facilities and infrastructure
- 3.3 Monitor Restore Act grants

IMPORTANT PRIORITIES

- 3.4 Implement enhanced signage control
- 3.5 Develop/Implement Wayfinding Program; Improvement of the City's gateways; move "Welcome Sign" to east side of bridge
- 3.6 Update Golf Cart/Low Speed Vehicle (LSV) Rules
- 3.7 Implement a roadway striping program
- 3.8 Provide training to Board and Committee members
- 3.9 Improve sidewalks (wider, more walkable)
- 3.10 Enforce residential boat and RV parking regulations
- 3.11 Monitor beach cleaning with Okaloosa County
- 3.12 Redevelopment (citywide)

DESIRABLE PRIORITIES

- 3.13 Reestablish Environmental Committee

MAJOR PROJECTS FY21-25

SECTION 4

CRITICAL PRIORITIES

- 4.1 Implement and Manage COMPASS software
- 4.2 Harbor Capacity Study (USACE)
- 4.3 Land Development Code revision
- 4.4 Impact Fee Study
- 4.5 Building Permit Fee Study

IMPORTANT PRIORITIES

- 4.6 Update BTR Fee Schedule and processes
- 4.7 Construct Capt. Royal Melvin Heritage Park
- 4.8 Zerbe St/Calhoun Ave Phase II -Design pedestrian pathway under Marler Bridge
- 4.9 Hwy 98 Median Improvement project
- 4.10 Norriego PT. Ph. III - Recreation Components
- 4.11 Renovate Clement Taylor Park
- 4.12 Redevelop Joe's Bayou Recreation Area
- 4.13 Continuity of streetlights/Conversion to LEDS
- 4.14 Implement prioritized stormwater improvements based on the Stormwater Master Plan

DESIRABLE PRIORITIES

- 4.15 Design and construct Gulf Power Easement Trail/Linear Park
- 4.16 Design and construct pickleball courts

PRIORITY LEVELS

■ CRITICAL PRIORITY

An objective that must be successfully accomplished within a specified amount of time. (no matter what)

□ IMPORTANT PRIORITY

A priority that can have a significant impact on performance. Resources are fixed and the variable is either time or the objective.

■ DESIRABLE PRIORITY

A priority where both resources and time are variables. The organization desires and outcome but cannot absolutely commit specific resources over any specifiable time period. *Resources are fixed for all critical and important priorities, therefore, it may become necessary to transfer resources from DESIRABLE priorities to CRITICAL priorities.



Strategic Planning



(Review) Priority Levels Defined

CRITICAL PRIORITY

An objective that must be successfully accomplished within a specified amount of time.

IMPORTANT PRIORITY

A priority that can have a significant impact on performance. Resources are fixed and the variable is either time or the objective.

DESIRABLE PRIORITY

A priority where both resources and time are variables. The organization desires and outcome but cannot absolutely commit specific resources over any specifiable time period.

*Resources are fixed for all CRITICAL and IMPORTANT priorities, therefore, it may become necessary to transfer resources from DESIRABLE priorities to CRITICAL priorities.



Current Council Objectives for FY22

CURRENT COUNCIL OBJECTIVES FY22

CRITICAL PRIORITIES

1.1 Offer livable wages & benefits to attract and maintain high caliber, qualified staff

IMPORTANT PRIORITIES

1.2 Complete two-lane Crosstown Connector

1.3 Public Beachfront acquisition initiative

1.4. Underground Utilities

1.5 Zerbe St/Calhoun Ave Phase II -Design pedestrian pathway under Marler Bridge

-
-

DESIRABLE PRIORITIES

1.6 Research viability of Multi-use Convention/Sports/Community Center (Phase 1 Feasibility Study)

1.7 Annexation of unincorporated enclaves

1.8 Transit/Trolley system

1.9 City Marina (Phase 1 Feasibility Study)

1.10 Improve parking, explore options (i.e., garage, surface, etc.)

1.11 Beach Re-nourishment, planning and scheduling



Strategic Plan FY23

Strategic Goals

- I. Financially sound city providing service excellence
- II. Enhanced quality of life and safety for families
- III. Economic development and revitalization
- IV. Effective, efficient, and aesthetically pleasing infra structure
- V. Improve mobility and connectivity
- VI. A green and sustainable environment

COUNCIL OBJECTIVES

CRITICAL PRIORITIES:

- 1.1 Offer livable wages & benefits to attract and maintain high caliber, qualified staff (I.).
- 1.2 Research viability of Multi-use Convention/Sports/Community Center (Phase 1 Feasibility Study), (II., III.).

COUNCIL OBJECTIVES (Cont.)

IMPORTANT PRIORITIES:

- 1.3 Complete two-lane Crosstown Connector (II., V.)
- 1.4 Public Beachfront acquisition (II., III., IV., VI.)
- 1.5 Underground Utilities (II., IV., VI.)

COUNCIL OBJECTIVES (Cont.)

IMPORTANT PRIORITIES (cont.):

~~1.6 Zerbe St./Calhoun Ave. Phase II Design
Pedestrian pathway under Marler Bridge~~



**REDIRECT RESOURCES TO
STAHLMAN/98 INTERSECTION or
TABLE THE ITEM DUE TO FDOT
CONCERNS?**

COUNCIL OBJECTIVES (Cont.)

DESIRABLE PRIORITIES:

- 1.6 Annexation of unincorporated enclaves (I.)
- 1.7 Transit/Trolley System(v.)
- 1.8 City Marina (Phase 1 Feasibility Study) (v.)
- 1.9 Improve parking, explore options
(surface/garage), (V.)
- 1.10 Beach Re-nourishment, planning &
scheduling (Partnership w/County & State) (II., VI).

? ADDITIONS

? DELETIONS



? MODIFICATIONS

? REPRIORITIZATIONS

Council Discussion & Direction



Strategic Plan FY23

STRATEGIC GOALS

Re-Ordered
Goals

- I. Financially sound city providing service excellence
- II. Enhanced quality of life and safety for families
- III. Economic development and revitalization
- IV. Effective, efficient, and aesthetically pleasing infrastructure
- V. Improve mobility and connectivity
- VI. A green and sustainable environment

COUNCIL OBJECTIVES

SECTION 1

CRITICAL PRIORITIES

1.1 Offer livable wages & benefits to attract and maintain high caliber, qualified staff (I.).

1.2 Research viability of Multi-use Convention/Sports/Community Center (Phase 1 Feasibility Study), (II., III.).

IMPORTANT PRIORITIES

1.3 Complete two-lane Crosstown Connector (V., II.).

1.4 Public Beachfront acquisition initiative (II., III., IX., VI.).

1.5 Underground Utilities (II., IV., VI.).

1.6 ~~Zerbe St/Calhoun Ave Phase II Design pedestrian pathway under Marler Bridge~~

DESIRABLE PRIORITIES

1.7 Annexation of unincorporated enclaves (I.).

1.8 Transit/Trolley system (V.)

1.9 City Marina (Phase 1 Feasibility Study), (III, V.).

1.10 Improve parking, explore options (i.e., garage, surface), (V.).

1.11 Beach Re-nourishment, planning and scheduling (II., VI.)

Moved to CRITICAL
from DESIRABLE

Table or Reallocate?

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022
TYPE OF AGENDA ITEM: City Manager Report
AGENDA OUTLINE NUMBER: 4.F.

TO: City Council

THRU: Nichole DeVito, Human Resources Manager
Krystal Strickland, Finance Director
Lance Johnson, City Manager

FROM: Webb Warren, Deputy City Manager

DATE: 3/1/22

SUBJECT: Compensation Study

I. BACKGROUND: Council voted to make the top critical priority in the FY22 Strategic Plan, to "Offer livable wages and benefits to attract and maintain high caliber, qualified staff". As part of this project, Council authorized staff to engage Evergreen Solutions to perform a compensation study for the City of Destin.

The City's FY22 personnel budget was increased to provide a potential mid-year implementation of a compensation study.

II. DISCUSSION: The compensation study has been completed. Dr. Jeff Ling of Evergreen Solutions will be providing a brief update on the methodology and results of the study.

A. Link to Strategic Goals / Objectives: FY22 Critical Priority #1 - Offer livable wages & benefits to attract and maintain high caliber, qualified staff

B. Effect on Budget (EOB):

C. Level of Service (LOS): Increased Level of Service

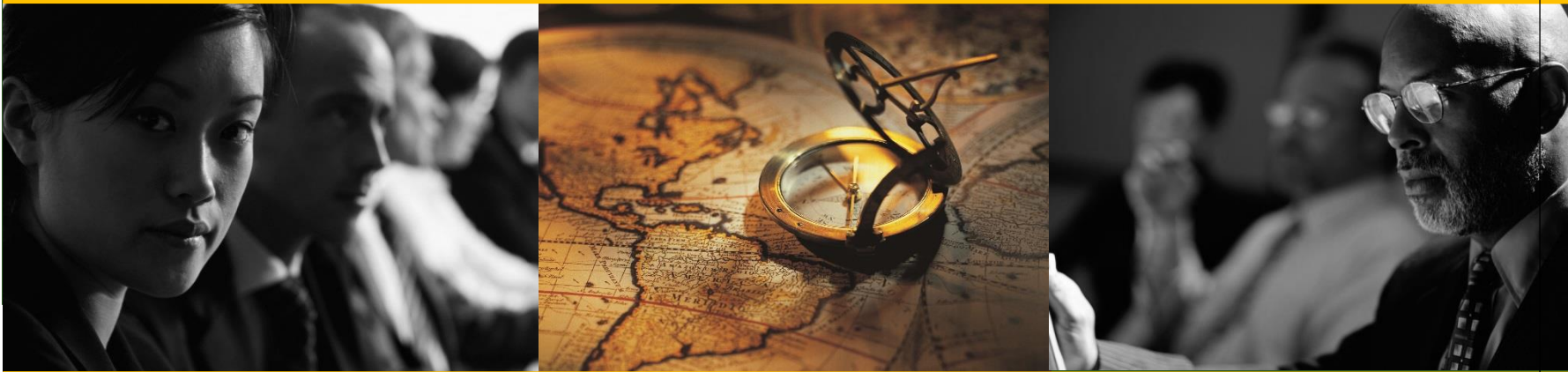
III. CONCLUSION: Staff is working with Evergreen Solutions to develop recommendations that will fall within the allocated compensation funds for FY2022 and to be sustainable for future years. It is the staff's intention, if agreeable with Council, to schedule individual council briefings on this matter and bring the best recommendation back to Council for consideration at their next meeting.

IV. RECOMMENDED MOTION: Informational only, no recommended motion.

Attachments:

1. Compensation Study

Classification and Compensation Study Project Summary Presentation City of Destin, FL



**Presented by:
Jeff Ling, PhD**



March 7th, 2022

Overview

- **Study Goals**
- **Project Phases**
- **Employee Meetings**
- **Current System Review**
- **Compensation Survey**
- **Next Steps**

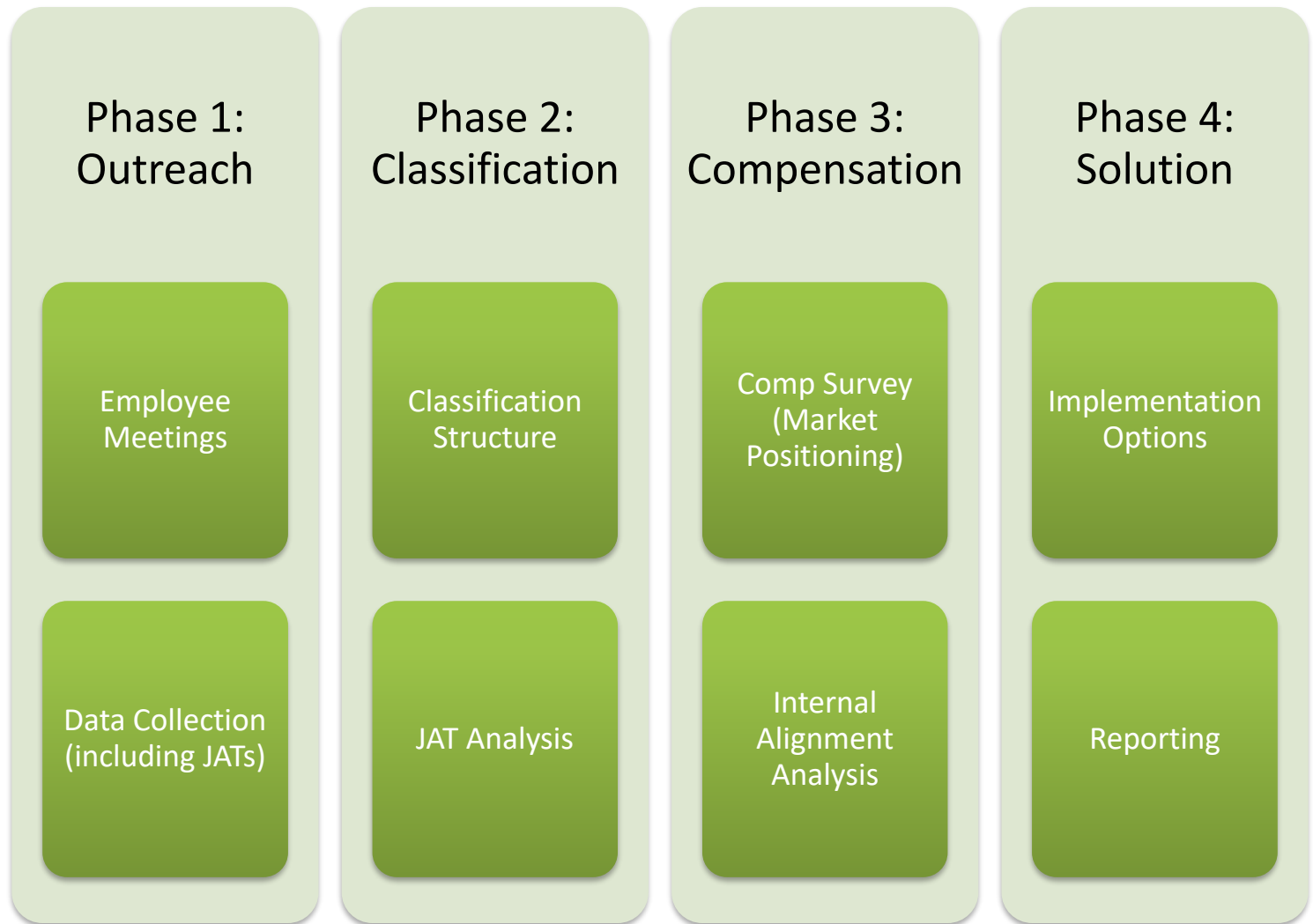


Study Goals

- **Review current classification and compensation system to ensure internal equity**
- **Survey peer organizations to ensure external equity**
- **Produce recommendations to provide the organization with a classification and compensation system that is equitable, both internally and externally**



Project Phases



Employee Meetings

Comments - Positive

- **Benefits** – Employees expressed that the benefits package, specifically the health care coverage and retirement, played a positive role in affecting morale.
- **Culture** – Several employees described the quality of people they work with as the number one reason they've stayed with the organization. Many also cited having a wonderful relationship with their direct supervisor as a key reason for staying.
- **Location** – Most employees expressed that the biggest draw to working for the City of Destin was the location of the city, emphasizing how Destin is a very desirable place to live.
- **Schedule** – Many employees expressed their appreciation for the flexibility of hours, especially by having weekends off as well as designated paid time off.



Employee Meetings

Comments - Concerns

- **External Equity** – Feedback on the competitiveness of pay in the City was unanimous for the most part, with most employees sharing that their starting pay is lower than in other municipalities, and that there is not much opportunity to move up.
- **Internal Equity** – Many departments had concerns that subordinates were more highly paid and had a higher earning potential compared to their supervisor. There was a belief among employees that new hires were being hired in at rates above those of tenured employees, and that drove morale down among the employees who expressed this concern.
- **Professional Development** – Many employees indicated that there is not much of a “career ladder” within positions. They expressed concerns of having no opportunities for advancement within their positions, emphasizing the need for a “tier structure” within positions with different levels of pay based on experience.



Current System Review

- **Strength:**

- The City has moved employees through their pay ranges and does not have a significant portion of employees at the minimum of the pay range.
- The City has a clean and easy to understand pay plan with consistent range spreads and midpoint progressions.

- **Weakness:**

- The City has approximately three-quarters of its employees in the top half of their current pay ranges. This can be a sign of ranges that are significantly below the market.
- There appears to be some compression in some pay ranges between employees and supervisors.



Comp Survey

- Salary and benefits survey resulted in 12 responses.
- All responses are adjusted for cost of living differentials.
- Salary ranges and average actuals were collected from the respondents.
- A total of 62 jobs were benchmarked representing all participating parties.

Market Peers

City of Destin, FL
Cocoa Beach
Fernandina Beach
Fort Walton Beach
Marco Island
Naples
New Smyrna Beach
Okaloosa County
Panama City
Panama City Beach
Pensacola
Safety Harbor
Vero Beach



Market Results

Unadjusted Results (no cost-of-living adjustment)			Adjusted Results (cost-of-living adjusted)		
Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
-19.4%	-19.1%	-18.8%	-17.4%	-16.9%	-16.4%

- A negative differential indicates the City is behind at that market position on average.
- While cost-of-living adjustments make the City slightly more comparable than an evaluation without an adjustment, the City is significantly behind the market at the minimum, midpoint, and maximum of the range.
- When considering benefits, most peers are within +/- 1 percent.



Key Recommendations

1. Adopt an adjusted pay plan with fewer pay grades. The newly recommended pay plan has consistent range spreads and progression between the grades.
2. Reassign pay grades to positions based on internal equity and the market results. Some positions will see larger adjustments than others due to the market response.
3. Place employees within their newly recommended pay grades. Select an implementation methodology that aligns with the compensation philosophy and financial means of the City.



Implementation Options

- **Compa Ratio** – sets an employee's salary in the recommended range so that their compa ratio is unchanged. Compa ratio is a ratio between an employee's salary and their range midpoint. Therefore, if an employee is at midpoint before the study, they would remain at the midpoint after the study. If they are 5% below the midpoint in their current pay grade, they would be placed 5% below the midpoint of their newly recommended pay range as well.
- **Compa Ratio to Midpoint** – uses the compa ratio methodology, but does not adjust employees who are above the midpoint. Therefore, an employee who is at the midpoint currently would remain at the midpoint in their new pay range, but an employee who is 5% above their midpoint currently may fall to the midpoint of their new grade.



Proposed Market Position

- Implementing the new pay plan and slotting employees will move the average minimum 1.5 percent, midpoint 4.6 percent, and maximum 6.4 percent above the 2021 market values.
- Predicted market change for 2022 is between 4.0 and 6.0 percent.
- Some classifications will move more or less than the marketplace average; however, the proposed solution provides a strong basis to compete.



Next Steps

- Finalize implementation plan – March 2022
 - Select alternative
 - Communicate alternative
 - Address concerns
 - Submit written report
- Revised class descriptions – April 2022
 - Create new class descriptions
 - Revise current class descriptions



CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022**TYPE OF AGENDA ITEM:** Action Item**AGENDA OUTLINE NUMBER:** 4.G.**TO:** City Council**THRU:** Louis Zunguze, Community Development Director
Krystal Strickland, Finance Director
Kyle Bauman, City Attorney
Lance Johnson, City Manager**FROM:** Jeffrey Cozadd, Grants Manager**DATE:** 2/23/22**SUBJECT:** Utility Undergrounding - Utility Consultants of Florida - Task Order 2

I. BACKGROUND: The undergrounding of utilities project is an initiative identified as part of the City's Strategic Plan. On April 19, 2021, City Council approved Task Order 1 for Utility Consultants of Florida. Task Order 1 served as a scope of service for the first-year activities. These activities included the development of an Opinion of Probable Cost for Phase 1 and the sequencing of subsequent phases. The Opinion of Probable Cost was completed in December 2021 and presented to the council in January 2022.

II. DISCUSSION: Task Order 2 is for a not to exceed amount of \$244,524 to accomplish the following scope of service items:

1. Coordination meetings with CITY staff and other Key Stakeholders to discuss project advancement, funding initiatives, timeline, and next steps.
2. Discussions & coordination with CITY staff, FPL, AT&T, CenturyLink, and Cox), and other Key Stakeholders on overall process for the City's Phase 1 UG Project.
3. Establish estimated timelines and sequencing/phasing of Phase 1 of the Destin UG Project.
4. Collection of survey data required by FPL for their design.
5. Initiate design efforts and deposits when required for Phase 1. Work with the respective utility owners during their design and review preliminary design.
6. Identify equipment locations of FPL's facilities within Phase 1.
7. Coordinate with Utilities, FDOT, local governmental authorities, and other potential agencies to review any potential work plans within Phase 1.
8. Coordinate and assist CITY with procurement plan for Phase 1 undergrounding.

Establish potential qualified undergrounding contractors, meetings & discussions on advertisement, timeline, project delivery, support RFQ/RFP, and plans package.

9. Discussions and field verification of existing facilities prior to engagement with communication utility owners to identify all aerial utility involvement needed within Phase 1.
10. Attend and/or support Council Meetings.

A. Link to Strategic Goals / Objectives: Council Objective 1.4 Underground Utilities

B. Effect on Budget (EOB): Task order#2 is for a not-to-exceed amount of \$244,524. This includes \$42,369 that we need to pay to FPL for their survey. Okaloosa Half Penny funds have been committed to support the Undergrounding project.

	TOTAL
12953931-565000-UNDER	
Oka Half Penny-Capital Proj- Undergrounding	\$ 250,000
FY22 Adopted Budget	<u>250,000</u>
Budget Amendments/Txfrs (Rollforwards)	<u>114,105</u>
Revised Budget	<u>364,105</u>
Previous Expenses/Encumbrances	<u>(114,389)</u>
Available Program Budget	<u>249,716</u>
This Agreement +(-)	<u>\$ (244,524)</u>
FY22 Remaining Program Budget	<u><u>\$ 5,192</u></u>

C. Level of Service (LOS): Level of Service will increase as the undergrounding of utilities will bring the following benefits to the City:

- * Improved safety
- * Reduced maintenance
- * Better aesthetics
- * Potential increase in economic development.

III. CONCLUSION: City staff and legal counsel believe this Task Order will allow the undergrounding of utilities in Phase 1 to move forward and advance the council objective.

IV. RECOMMENDED MOTION: I move that the City Manager execute Task Order 2 of the Destin Utility Undergrounding Project Management Agreement with Utility Consultants of Florida.

Attachments:

1. Task Order 2 UCoF 3 2022



**Office of the
City Manager**

Phone: 850-837-4242

Fax: 850-837-3267

TASK ORDER

DATE:

TO: Utility Consultants of Florida (via email)

FROM: Jeff Cozadd, Projects/Grants/Contracts Manager

SUBJECT: TASK ORDER 2, Utility Undergrounding

The City of Destin (City) has reviewed and approved your proposal to perform Task Order 1 consistent with the Agreement for 20-03-CD Destin Utility Undergrounding Project Management, attached scope of services and fee proposal (Exhibits A & B).

Scope of Work:

TASK ORDER 2 – See Exhibits A & B

Services Fee:

Not to Exceed

\$244,524.00

For the City:

Jeff Cozadd, Projects/Grants/Contracts Manager

Date

Lance A. Johnson, City Manager

Date

Exhibit A

SCOPE OF SERVICES FOR UNDERGROUNDING PROJECT MANAGEMENT

Project Management (TASK ORDER 2)

1. Coordination meetings with CITY staff and other Key Stakeholders to discuss project advancement, funding initiatives, timeline, and next steps.
2. Discussions & coordination with CITY staff, FPL, AT&T, CenturyLink, and Cox), and other Key Stakeholders on overall process for the City's Phase 1 UG Project.
3. Establish estimated timelines and sequencing/phasing of Phase 1 of the Destin UG Project.
4. Collection of survey data required by FPL for their design.
5. Initiate design efforts and deposits when required for Phase 1. Work with the respective utility owners during their design and review preliminary design.
6. Identify equipment locations of FPL's facilities within Phase 1.
7. Coordinate with Utilities, FDOT, local governmental authorities, and other potential agencies to review any potential work plans within Phase 1.
8. Coordinate and assist CITY with procurement plan for Phase 1 undergrounding. Establish potential qualified undergrounding contractors, meetings & discussions on advertisement, timeline, project delivery, support RFQ/RFP, and plans package.
9. Discussions and field verification of existing facilities prior to engagement with communication utility owners to identify all aerial utility involvement needed within Phase 1.
10. Attend and/or support Council Meetings.

EXHIBIT B FEE SCHEDULE

Project Management "TASK 2"		
TASK 2	Consultants Costs	
CITY OF DESTIN UNDERGROUNDING PROJECT MANAGEMENT		
Project Management	Scope	Fee
Sr Project Manager	1 ~ 10	\$ 51,300.00
Project Manager	1 ~ 10	\$ 124,575.00
Assistant PM/ Project Administrator	1 ~ 10	\$ 20,480.00
Scheduler		TBD/If Needed
Funding Specialist		TBD/If Needed
Public Information		TBD/If Needed
FPL Survey		\$ 42,369.00
Inspector		TBD/If Needed
Administrative	1 ~ 10	\$5,800.00
		\$244,524.00

These are forecast projections and may fluctuate based on project needs.

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022**TYPE OF AGENDA ITEM:** Resolution**AGENDA OUTLINE NUMBER:** 4.H.**TO:** City Council**THRU:** Webb Warren, Deputy City Manager
Kyle Bauman, City Attorney
Lance Johnson, City Manager**FROM:** Krystal Strickland, Finance Director**DATE:** March 2, 2022**SUBJECT:** Adoption of Resolution 22-05 Investment Policy

I. BACKGROUND: In accordance with Ordinance 133, City surplus funds may be invested in financial instruments. City surplus funds are defined as funds which are not reasonably contemplated to be needed for the purposes intended within a reasonable time from the date of such investment. City surplus funds exclude pension funds and funds related to debt which are governed under other policies and indentures. The primary objectives of investing public funds are Safety and Liquidity. Yield may be achieved only after the primary objectives have been met. (See attached article from the February 2021 edition of Quality Cities FLC "Protecting Public Funds".) Ordinance 133 (attached) states that the City shall adopt investment policies by resolution. Resolution 22-05 is a new investment policy intended to replace resolutions 12-12 Investment of Surplus Fund Dollars, 13-04 Investment of City Fund Balance, and 18-07 Investment of Funds for the City of Destin.

II. DISCUSSION: Resolution 22-05 intends to replace current resolutions and investment policy with one comprehensive policy. This revised policy is organized to more clearly show compliance with Florida Statute 218.415 Local Government Investment Policy. This revised policy maintains the maximum average maturity at 5 years. Although this new policy does not require four separate investment accounts to address our fund balance policy (12-20), we will continue to maintain the spirit of the fund balance policy by keeping the minimum reserve balances outlined in that policy as committed fund balance in a very safe, highly liquid investment account.

This new investment policy gives more guidance on each type of authorized investment regarding ratings, maximum percentage of total investment portfolio, and limits of

individual issuers. For example, no more than 75% of the portfolio may be comprised of US Government Securities, and no more than 5% of the investment portfolio may be invested in one particular issuer of municipal bonds. We are also increasing the ratings required for commercial paper from a Standard & Poor's BBB to only A-1+.

Section XV of this policy lists two performance benchmarks. Section XVI has updated reporting requirements to include comparison of our investment portfolio to the stated benchmarks, and also to report the weighted average maturity of the investment portfolio.

Attachments to this agenda item include

- Resolution 22-05 with the new investment policy embedded therein as Exhibit A
- The article "Protecting Public Funds"
- Florida Statute 218.415 Local Government Investment Policy
- GFOA Best Practices - Investment Policy
- Ordinance 133 Municipal Investments
- Resolution 12-12 Investment of Surplus Fund Dollars (to be superseded by Resolution 22-05)
- Resolution 13-04 Investment of City Fund Balance(to be superseded by Resolution 22-05)
- Resolution 18-27 Investment of Funds for the City of Destin (to be superseded by Resolution 22-05)
- 2018 Investment Policy (exhibit A to resolution 18-27, to be superseded by Resolution 12-05)
- Resolution 12-20 Designation of Fund Balance (to be maintained)

A. Link to Strategic Goals / Objectives: Financially sound city providing service excellence

B. Effect on Budget (EOB): No effect on budget.

C. Level of Service (LOS): Improves quarterly reports and the new outline facilitates compliance audits.

III. CONCLUSION: Staff recommend adoption of resolution 22-05 with the revised investment policy therein attached as Exhibit A.

IV. RECOMMENDED MOTION: I move that Resolution 22-05 Investment Policy be adopted.

Attachments:

1. Resolution 22-05 -- Revised Investment Policy
2. Protecting Public Funds Feb 2021 Quality Cities FLC
3. FS 218.415 Local Govt Investment Policy
4. GFOA Best Practices Investment

- Policy
- 5. Ordinance 133 Municipal Investments
- 6. Resolution 12-12 Investment of
Surplus Fund Dollars
- 7. Resolution 13-04 Investment of City
Fund Balance
- 8. Resolution 18-27 Investment of Funds
for the City of Destin
- 9. 2018 Investment Policy
- 10. Resolution 12-20 Designation of Fund
Balance

RESOLUTION NO. 22-05

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DESTIN, FLORIDA, AUTHORIZING THE INVESTMENT OF FUNDS OF THE CITY OF DESTIN; ADOPTING THE CITY OF DESTIN'S REVISED INVESTMENT POLICY; REQUIRING QUARTERLY REPORTS; PROVIDING FOR SEVERABILITY; SUPERCEDING ALL CONFLICTING RESOLUTIONS AND POLICIES; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, under the provisions of § 218.415, Florida Statutes, the investment activity of a local government must be consistent with a written investment policy providing guidance for the investment of its funds; and

WHEREAS, in accordance with the requirements of § 218.415, Florida Statutes, the City of Destin City Council (the "City Council") has adopted and periodically revised and updated the City of Destin Investment Policy through the adoption of Resolution Number 12-12, Resolution Number 13-04, and most recently, Resolution Number 18-27; and

WHEREAS, in accordance with sound practice, the City Council now wishes to revise, update, and supplant Resolutions 12-12, 13-04, and 18-27, through the adoption of the City of Destin's Investment Policy as set forth in Exhibit "A," attached hereto and hereafter referred to as the "Revised Investment Policy"; and

WHEREAS, the objective of the Revised Investment Policy is to balance the safety of capital, liquidity of funds, and investment income while obtaining a reasonable rate of return on said funds until such time as they are needed for City purposes; and

WHEREAS, the purpose of the Revised Investment Policy is to set forth the investment objectives and parameters for the management of public funds accumulated by the City and the Revised Investment Policy is designed to ensure the prudent management of the City's public funds and maintain an investment return that is competitive with comparable funds and financial market indices; and

WHEREAS, in accordance with § 218.415, Florida Statutes, and as described further in the Investment Policy, it applies to all financial assets of the City with the exception of pension

funds and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds; and

WHEREAS, except where specifically directed by the State Constitution, statutes, or regulations, the general investment policies of the City are guided by the “prudent person” rule, meaning that investments should be made with judgment and care, under circumstances then prevailing, which person of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering first the probable safety and liquidity of their capital; and secondly, the probably income to be derived from the investment; and

NOW, THEREFORE, The City Council of the City of Destin, Florida, does hereby declare and establish the following:

Section 1. Recitals.

1. The foregoing recitals are true and correct, and incorporated into this Resolution.

Section 2. Adopting the City of Destin, Florida’s Revised Investment Policy

2. The City Council hereby adopts the City’s Revised Investment Policy attached hereto as Exhibit “A,” is hereby adopted in its totality.

Section 3. Quarterly Reports Required.

3. The City Manager through the City’s Finance Director is responsible for reporting invest results at least quarterly. Such reports are to include securities in the portfolio by class/type, book value, and market value as of the date of the report and are to be made publicly available for review.

Section 4. Inconsistent and Conflicting Resolutions and Policies Superseded.

4. This Resolution shall supersede all inconsistent or conflicting Resolutions or policies to the extent these Resolutions or policies are inconsistent or conflicting for the time this Resolution is in effect.

Section 5. Severability.

5. If any portion of this Resolution is determined by any Court to be invalid, the invalid portion shall be stricken, and such striking shall not affect the validity of the remainder of this Resolution.

Section 6. Effective Date.

6. This Resolution shall be effective immediately upon adoption. The Investment Advisor firm shall bring the current portfolio into full compliance with this revised investment policy by October 1, 2022.

**PASSED AND DULY ADOPTED BY THE CITY COUNCIL OF THE CITY OF DESTIN,
FLORIDA THIS ___TH DAY OF MARCH, 2022.**

GARY JARVIS, MAYOR

ATTEST:

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY FOR THE CITY OF DESTIN

REY BAILEY, CITY CLERK

KYLE S. BAUMAN, ESQ., CITY ATTORNEY

EXHIBIT A

City of Destin Investment Policy

Updated March 7, 2022



CITY COUNCIL

Gary Jarvis, Mayor

Dewey Destin, Mayor Pro Tern
Jim Bagby, Councilmember
Rodney Braden, Councilmember
Teresa Hebert, Councilmember
Johnny King, Councilmember
Kevin Schmidt, Councilmember
Bobby Wagner, Councilmember

CITY MANAGER

Lance Johnson

FINANCE DIRECTOR

Krystal Strickland CPA, CGFO

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Investment Policy City of Destin, Florida

I. PURPOSE

The purpose of this policy is to set forth the investment objectives and parameters for the management of public funds of the City of Destin, Florida (hereinafter "City"). These policies are designed to safeguard the City's funds, provide for the availability of operating and capital funds when needed, and promote an investment return competitive with comparable funds and financial market indices.

II. SCOPE

In accordance with Section 218.415, Florida Statutes, this investment policy applies to all cash and investments held or controlled by the City with the exception of the City's employee pension funds, all its deferred compensation plans and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Additionally, any future revenues which have statutory investment requirements conflicting with this Investment Policy, and funds held by state agencies, are not subject to the provisions of this policy.

III. INVESTMENT OBJECTIVES

Safety of Capital

The foremost objective of the City's investment program is to ensure the safety of capital. Investment transactions shall seek to avoid capital losses, whether they are from securities defaults (credit risk) or erosion of market value (interest rate rise). To attain this objective, investments are limited to securities that are of very high quality and considered safe and conservative. Section XIII of this policy specifies authorized investments, portfolio composition, and establishes terms and conditions to ensure the safety of capital. Items to consider in this regard are:

Interest Rate Risk

The City will minimize the interest rate risk, which is the risk that the value of the securities in the investment portfolio will fall due to changes in interest rates, by:

- Structuring the portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity.
- Investing operating funds in primarily short-term securities, money market mutual funds, or similar investment pools and limiting the weighted average maturity (Macaulay duration) of the portfolio.
- Limiting the price sensitivity (modified or effective duration) of the investments in the portfolio.

Credit Risk

The City will limit credit risk, which is the risk of loss due to default by the issuer, by:

- Limiting investments to investment-grade securities as rated by Moody's, Standard & Poor's, Fitch or an other nationally recognized rating agency in the United States.
- Diversifying the investment portfolio to reduce the impact of potential losses from any one type of security, or an individual issuer or backer.

Liquidity of Funds

The City's investment portfolio shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Periodic cash flow analyses will be completed in order

to ensure that the portfolios are positioned to provide sufficient liquidity. By maintaining liquidity, the portfolio will inherently reinforce the safety of capital requirement. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (known as static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist primarily of securities with an active secondary or resale market (known as dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or similar investment pools which offer same-day liquidity for short-term funds. To facilitate this, the portfolio may be partitioned into a Short-term Portfolio focusing on cash equivalent or other investments with maturities of less than one year, and a Long-term Portfolio focusing on higher yielding investments having maturities of greater than one year. Section X of this policy establishes specific maturity and liquidity requirements to meet this objective.

Investment Income

The City's investment portfolio shall be designed with the objective of maximizing a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. The City shall maintain the level of investment of all idle bank balances as close to 100% as practical and shall actively manage its investment portfolio to the greatest extent practical within the constraints of safety and liquidity to take advantage of prevailing or anticipated market conditions. Return on investment is of tertiary importance compared to the safety and liquidity objectives described above. The core of investments shall be limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities will generally be held until maturity with the following exceptions:

- A security with declining credit or a downgrade below the rating requirements stated later in this Policy may be sold early to minimize loss of principal.
- A security swap would improve the quality, yield or target duration in the portfolio.
- Liquidity needs of the portfolio require that a security be sold.

IV. DELEGATION OF AUTHORITY

No person may engage in an investment transaction except as authorized under the terms of this investment policy. In accordance with City Ordinances, the responsibility for providing oversight and direction regarding the management of the investment program resides with the City's Finance Director (hereinafter "Director"). The Director is initially designated as the Investment Officer of the City and is responsible for investment decisions and activities. The day-to-day administration of the cash management program is handled by the Director, under the direction of the City Manager. The Director shall hold primary responsibility for assuring compliance with the City's Investment Policy. The City may reassign the designation of Investment Officer to an independent Investment Manager approved by the City Council following Section XI. If the City employs an Investment Manager to assist in managing City funds, such Investment Manager must be registered under the Investment Advisors Act of 1940. The Director shall establish written procedures consisting of a system of internal accounting and administrative controls to regulate the City's investment activities.

V. STANDARDS OF PRUDENCE

The "Prudent Person" standard shall be applied in the context of managing the overall investment program. The Investment Officer/Manager acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectation are reported to the City Manager in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. The "Prudent Person" rule states the following:

Investments should be made with judgment and care, under circumstances then prevailing, which persons of

prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.

VI. ETHICS AND CONFLICTS OF INTEREST

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Also, employees involved in the investment process shall disclose to the City Manager any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the City's investment program. Employees shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

VII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES

The Director shall establish a system of internal controls and operational procedures regarding the City's investment program in writing and be made a part of the City's public funds management program. The internal controls should be designed to protect the City's assets and prevent the loss of funds which might arise from fraud, embezzlement, error, mismanagement, or misrepresentation by City employees or by third parties. The written procedures should include, at a minimum, reference to safekeeping, repurchase agreements, separation of transaction authority from accounting and recordkeeping, wire transfer agreements, banking service contracts, collateral/depository agreements, and "delivery-vs-payment" procedures.

The Director shall assign competent staff in the Finance Department to reconcile the City's general depositor account monthly by comparing the City's general ledger with the applicable bank statements. The reconciliation would reveal any difference in investment transaction recording and the actual movement of funds. The Director shall assign competent accounting staff to reconcile investments reflected in the custodial statements with the City's records. The reconciliation will be reviewed each month by the Director and the City Manager. Independent auditors as a normal part of the annual financial audit or any other audit initiated by the City shall conduct a review of the system of internal controls to ensure compliance with policies and procedures.

VIII. CONTINUING EDUCATION

In accordance with § 218.415(14), Florida Statutes, the Director and appropriate staff shall annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.

IX. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

The City or its Investment Manager, if any, will only buy and sell securities using broker/dealers registered with the Federal Reserve Bank of New York's list of "Primary Government Securities Dealers" and from banks and savings and loan associations (including their wholly owned subsidiaries or their parent companies' wholly owned subsidiaries established to provide institutional brokerageservices) that are included on the list of "qualified public depositories" issued by the State of Florida. These entities must

qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule). No depository will operate without at least \$100 million in collateral or insurance coverage on the City's accounts. The Investment Officer or the Investment Manager, if any, will be responsible for operating within the guidelines of this policy and will be responsible for the selection of "Primary Government Securities Dealers".

X. MATURITY AND LIQUIDITY REQUIREMENTS

To the extent practical, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements.

Maturity Requirements

Securities purchased by or on behalf of the City shall have an average portfolio maturity of not more than five (5) years.

Liquidity Requirements

In order to have an available source of funds to meet unexpected cash requirements, a minimum of the equivalent of three months of projected payroll and operating expenses (hereinafter "emergency expenses") will be invested with cash or cash equivalents or vehicles that provide daily liquidity. The balance of the City's funds will be available for investment according to the guidelines incorporated within this policy. The City shall purchase only investments with an active secondary market, with the exception of non-negotiable Certificates of Deposit and other time and savings deposits.

XI. COMPETITIVE SELECTION OF INVESTMENT MANAGER

If the Investment Officer in consultation with the City Manager or the City Council determine that an Investment Manager is desirable, then a minimum of three (3) qualified broker/dealers must be contacted and asked to provide bids/offers in writing to manage the City's investments. Bids/offers will be held in confidence until the bid/offer deemed to best meet the City's objectives is determined and selected by the City Council following the City's normal bidding procedures.

XII. SOCIALLY RESPONSIBLE INVESTING

The City of Destin encourages investments in socially responsible entities that support community well-being through safe, clean and environmentally sound practices, and that promote equality of rights regardless of race, religion, color, ancestry, age, national origin, gender, marital status, sexual orientation, disability or place of birth.

XIII. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION

Investments should be made subject to the City's cash flow needs and such cash flows are subject to revisions as market conditions and the City's needs change. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the Investment Officer/Manager may sell the investment at the then-prevailing market price.

The City shall actively manage its investment portfolio to the greatest extent practical within the constraints of

safety and liquidity to take advantage of prevailing or anticipated market conditions. The following are the investment requirements and allocation limits on security types, issuers, and maturities as established by the City. Diversification strategies within the established guidelines shall be reviewed and revised periodically as presented in Section XX. The percentage allocation requirements for investment types and issuers are calculated based on the original cost of each investment. The maximum percentage allocation requirements and any minimum ratings requirements apply at the time the investment is made. Investments not listed in this policy are prohibited. In cases where a minimum rating from rating agencies is called for and where one of the ratings is at a lower grade than a second, the lower rating shall govern.

United States Government Securities

1. Purchase Authorization

The Investment Officer/Manager may invest in negotiable, full faith and credit, direct obligations of the United States Government. Such securities will include:

- Cash Management Bills
- Treasury Securities - State and Local Government Series ("SLGS") Treasury Bills
- Treasury Bonds
- Treasury TIPS

2. Portfolio Composition

A maximum of 75% of the portfolio market value may be invested in the United States Government Securities.

United States Government Agencies

1. Purchase Authorization

The Investment Officer/Manager may invest in bonds, debentures, or notes issued or guaranteed by United States Government agencies, provided such obligations are backed by the full faith and credit of the United States Government and have an active secondary market. Such securities will include:

- United States Export - Import Bank
- Direct obligations or fully guaranteed certificates of beneficial ownership Federal Housing Administration
- Government National Mortgage Association (GNMA) Small Business Administration
- United States Department of Housing and Urban Development

1. Portfolio Composition

A maximum of 75% of the portfolio market value may be invested in United States Government agencies.

Federal Instrumentalities (United States Government Sponsored Enterprises)

1. Purchase Authorization

The Investment Officer/Manager may invest in bonds, debentures, or notes issued or guaranteed by United States Government sponsored agencies (Federal Instrumentalities) which do not carry the full faith and credit of the U.S. Government limited to the following:

- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank or its City banks (FHLB) Federal National Mortgage Association (FNMA)
- Federal Home Loan Mortgage Corporation (Freddie-Macs) including Federal Home Loan Mortgage

Corporation participation certificates

2. Portfolio Composition

A maximum of 75% of the portfolio market value may be invested in Federal Instrumentalities.

3. Limits on Individual Issuers

A maximum of 25% of the portfolio market value may be invested in any one issuer.

Interest Bearing Certificates of Deposit, Demand Deposit Accounts, Saving Accounts, NOW Checking Accounts or Money Market Accounts

1. Purchase Authorization

The Investment Officer/Manager may deposit public funds in non-negotiable interest bearing certificates of deposit, (including through the Certificate of Deposit Account Registry Service, or CDARS), demand deposit accounts, savings accounts, NOW checking accounts and money market accounts in banks organized under the laws of this state and/or in national banks organized under the laws of the United States and doing business and situated in the State of Florida, provided that such banks are qualified public depositories, and any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

2. Portfolio Composition

A maximum of 75% of the portfolio market value may be invested in non-negotiable interest-bearing deposits secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, as described herein.

3. Limits on Individual Issuers and Maturities

A maximum of 20% of the portfolio market value may be deposited with any one financial institution, except for deposits with the City's primary treasury depository institution or deposits in the **CDARS** program.

The maximum maturity on any deposit shall be no greater than five (5) years from the date of purchase.

Commercial Paper

2. Purchase Authorization

The Investment Officer/Manager may invest in commercial paper of any United States company that is rated, at the time of purchase, "Prime-I" by Moody's and "A-1+" by Standard & Poor's (highest grade commercial paper), with preference for those with backup lines of credit to support their commercial paper programs. These lines of credit are in place to guard against the unlikely event that the issuer is unable to redeem or rollover a maturing security.

3. Portfolio Composition

A maximum of 20% of the portfolio market value may be directly invested in prime commercial paper.

4. Limits on Individual Issuers

A maximum of 5% of the portfolio market value may be invested with any one issuer.

Corporate Bonds and Asset Backed Securities

1. Purchase Authorization

The Investment Officer / Manager may invest in corporate bonds that have a minimum rating of A. The Investment Officer / Manager may invest in asset backed securities with a rating that have a minimum rating of AAA.

2. Portfolio Composition

A maximum of 60% of the portfolio may be invested in corporate bonds and asset backed securities.

3. Limits on Individual Issuers

A maximum of 5% of the portfolio market value may be invested with any one issuer of this asset.

Government Money Market Funds

1. Purchase Authorization

The Investment Officer/Manager may invest in shares in open-end and no-load government money market funds provided such funds are registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. § 270.2a-7, which stipulates that money market funds must have an average weighted maturity of 90 days or less. Must be rated in the highest tier by a nationally recognized rating agency and whose portfolios consist of only dollar denominated securities.

2. Portfolio Composition

A maximum of 75% of the portfolio market value may be invested in money market funds.

3. Limits of Individual Issuers

A maximum of 20% of the portfolio market value may be invested with any one money market fund.

Municipal Bonds

1. Investment Authorization

The Investment Officer/Manager may invest in state and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds. Such bonds must be rated at least “AA” from Standard and Poor’s or “Aa” from Moody’s or comparable rating from Fitch.

2. Portfolio Composition

A maximum of 25% of the portfolio market value may be invested in obligations of state and local governments.

3. Limits on Individual Issuers and Maturities

A maximum of 5% of the portfolio market value may be invested in any one issuer. The maximum maturity on any obligation shall be no greater than ten (10) years from the date of purchase.

Florida Municipal Investment Trust

1. Investment Authorization

The Investment Officer/Manager may invest in the Florida Municipal Investment Trust Fixed Income Portfolios that align with this Investment Policy.

2. Portfolio Composition

A maximum of 25% of available funds may be invested in the Trust.

The Florida Local Government Surplus Funds Trust Fund (Florida Prime/SBA)

1. Investment Authorization

The Investment Officer/Manager may invest in the Florida Prime.

1. Portfolio Composition

A maximum of 75% of available funds may be invested in the Florida Prime Trust Fund.

XIV. UNAUTHORIZED INVESTMENTS

Investments in any derivative products or the use of reverse repurchase agreements are prohibited. A “derivative” is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values.

All other investments not specifically stated under “Allowable Investments” are prohibited. This includes common or preferred stock, convertible corporate bonds, commodities, options, futures, derivatives, limited partnerships, GICs, negotiable Certificates of Deposit, uninsured deposits, mortgage pass through certificates, non-commercial collateralized mortgage obligations, investments that are denominated in any currency but U.S. dollars, adjustable rate securities, bond swaps, obligations of the Student Loan Market Association and supra-national institutions such as the World Bank or International Monetary Fund.

XV. PERFORMANCE MEASUREMENTS

In order to assist in the evaluation of the portfolio's performance, the City's investment performance goal is to regularly exceed the average rate of return on the ICE BOA Merrill Lynch 1-Year US Treasury Index or three month annualized net participant yield for Florida Prime, whichever is higher, or another established benchmark mutually agreed upon by the City and the Investment Advisor and adopted by motion of the City Council. These two indices are considered benchmarks for riskless investment transactions and are a minimum standard for the portfolio's overall rate of return. The Investment Officer/Manager shall seek to obtain returns over and above this minimum standard, consistent with the City's safety and liquidity objectives.

XVI. ACCOUNTING AND REPORTING

Investments will be carried at book value and marked to market value. Gains or losses from investments will be credited or charged to investment income at the time of sale. Premiums or discounts on securities may be

amortized over the life of the securities. The City shall comply with Generally Accepted Accounting Principles ("GAAP") and Government Accounting Standard Board ("GASB") standards.

The Director and/or Investment Manager shall prepare a Quarterly Investment Report which shall be presented to the City Manager and the City Council. The quarterly investment report is available to the public upon request.

Schedules in the quarterly report will include the following:

- A listing of investments by type, book value, and market value as of the report date as well as portfolio activity during the period.
- Weight, by percentage, of each security type within the investment portfolio.
- Investment balance at end of quarter.
- Income earned for the quarter and year-to-date.
- Comparison of quarterly and calendar year-to-date performance to authorized performance benchmarks.
- Weighted average maturity of the investment portfolio.

The Investment Officer/Manager shall report any occurrences of non-compliance with this policy in writing to the City Manager as soon as reasonably possible once he or she is aware of the occurrence.

XVII. THIRD-PARTY CUSTODIAL AGREEMENTS

Securities, with the exception of certificates of deposits and overnight repurchase agreements (one business day), shall be held with a third-party custodian; and all securities purchased by, and all collateral obtained by, the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider's safekeeping department for the term of the deposit.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by the Director and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, from safekeeping, shall be permitted unless by such a duly authorized person.

The custodian shall provide the Director with safekeeping receipts that provide detail information on the securities held by the custodian. In addition, the custodian shall report at least quarterly, and the Investment Officer/Manager shall verify the reports. Settlement transactions between a broker/dealer and the custodian on behalf of the City that involve a settlement of investments purchased or sold by the Investment Officer or Investment Manager must be made on a "delivery vs. payment" basis to ensure that the custodian will have the security or money, as appropriate, in hand on behalf of the City at the conclusion of the transaction. Securities held as collateral shall be held free and clear of any liens.

XVIII. MUNICIPAL ADVISOR RULE

Brokers and dealers who execute investment trades for the City of Destin portfolio typically require a form to be signed stating they are not acting in a Municipal Advisor Role. The Director shall be authorized to sign

these forms for the City's authorized broker/dealers.

XIX. RISK DIVERSIFICATION

There are risks inherent in investing; however, every investment portfolio should include a specific diversification strategy to minimize risk of loss resulting from the over-concentration of assets in a specific maturity, issuer or class of securities. The investments shall be diversified by:

- Limiting investments to avoid over-concentration in securities from a specific issuer or of a specific type.
- Staggering investment maturities to avoid undue concentration in a specific maturity sector.
- Limiting the duration (price sensitivity and maturity) of the investment portfolio.
- Investing in only high-grade securities with low credit risk.
- Maintaining a portion of the portfolio in readily available funds such as state investment pools, money market mutual funds, or overnight repurchase agreements.

XX. INVESTMENT POLICY ADOPTION, REVIEW AND AMENDMENTS

This Investment Policy is official upon its adoption by the City Council. The Director shall present this policy for review by the City Council at least every three years and the City Council shall re-approve or modify the policy at that time. The Director may also prepare any proposed amendments to the Investment Policy and submit them to the City Manager and the City Council for review and approval at any time.

GLOSSARY OF KEY INVESTMENT TERMS

Accrued Interest. Interest earned but which has not yet been paid or received.

Agency. See "Federal Agency Securities."

Ask Price. Price at which a broker/dealer offers to sell a security to an investor. Also known as "offered price."

Asset Backed Securities (ABS). A fixed-income security backed by notes or receivables against assets other than real estate. Generally issued by special purpose companies that "own" the assets and issue the ABS. Examples include securities backed by auto loans, credit card receivables, home equity loans, manufactured housing loans, farm equipment loans and aircraft leases.

Bankers' Acceptance (BA's). A draft or bill of exchange drawn upon and accepted by a bank. Frequently used to finance shipping of international goods. Used as a short-term credit instrument, bankers' acceptances are traded at a discount from face value as a money market instrument in the secondary market on the basis of the credit quality of the guaranteeing bank.

Basis Point. One hundredth of one percent, or 0.01%. Thus 1% equals 100 basis points.

Bearer Security. A security whose ownership is determined by the holder of the physical security. Typically, there is no registration on the issuer's books. Title to bearer securities is transferred by delivery of the physical security or certificate. Also known as "physical securities."

Benchmark Bills: In November 1999, FNMA introduced its Benchmark Bills program, a short-term debt securities issuance program to supplement its existing discount note program. The program includes a schedule of larger, weekly issues in three- and sixth-month maturities and biweekly issues in one-year for Benchmark Bills. Each issue is brought to market via a Dutch (single price) auction. FNMA conducts a weekly auction for each Benchmark Bill maturity and accepts both competitive and non-competitive bids through a web based auction system. This program is in addition to the variety of other discount note maturities, with rates posted on a daily basis, which FNMA offers. FNMA's Benchmark Bills are unsecured general obligations that are issued in book-entry form through the Federal Reserve Banks. There are no periodic payments of interest on Benchmark Bills, which are sold at a discount from the principal amount and payable at par at maturity. Issues under the Benchmark program constitute the same credit standing as other FNMA discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

Benchmark Notes/Bonds: Benchmark Notes and Bonds are a series of FNMA "bullet" maturities (non-callable) issued according to a pre-announced calendar. Under its Benchmark Notes/Bonds program, 2, 3, 5, 10 and 30-year maturities are issued each quarter. Each Benchmark Notes new issue has a minimum size of \$4 billion, 30-year new issues having a minimum size of \$1 billion, with reopenings based on investor demand to further enhance liquidity. The amount of non-callable issuance has allowed FNMA to build a yield curve in Benchmark Notes and Bonds in maturities ranging from 2 to 30 years. The liquidity emanating from these large size issues has facilitated favorable financing opportunities through the development of a liquid overnight and term repo market. Issues under the Benchmark program constitute the same credit standing as other FNMA issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Benchmark. A market index used as a comparative basis for measuring the performance of an investment portfolio. A performance benchmark should represent a close correlation to investment guidelines, risk tolerance and duration of the actual portfolio's investments.

Bid Price. Price at which a broker/dealer offers to purchase a security from an investor.

Bond Market Association (BMA). The bond market trade association representing the largest securities markets in the world. In addition to publishing a Master Repurchase Agreement, widely accepted as the industry standard document for Repurchase Agreements, the BMA also recommends bond market closures and early closes due to holidays.

Bond. Financial obligation for which the issuer promises to pay the bondholder (the purchaser or owner of the bond) a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Entry Securities. Securities that are recorded in a customer's account electronically through one of the financial markets electronic delivery and custody systems, such as the Fed Securities wire, OTC and PTC (as opposed to bearer or physical securities). The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors' concerns about the certificates themselves. The vast majority of securities are now book entry securities.

Book Value. The value at which a debt security is reflected on the holder's records at any point in time. Book value is also called "amortized cost" as it represents the original cost of an investment adjusted for amortization of premium or accretion of discount. Also called "carrying value." Book value can vary over time as an investment approaches maturity and differs from "market value" in that it is not affected by changes in market interest rates.

Broker/Dealer. A person or firm transacting securities business with customers. A "broker" acts as an agent between buyers and sellers, and receives a commission for these services. A "dealer" buys and sells financial assets from its own portfolio. A dealer takes risk by owning inventory of securities, whereas a broker merely matches up buyers and sellers. See also "Primary Dealer."

Bullet Notes/Bonds. Notes or bonds that have a single maturity date and are non-callable.

Call Date. Date at which a call option may be or is exercised.

Call Option. The right, but not the obligation, of an issuer of a security to redeem a security at a specified value and at a specified date or dates prior to its stated maturity date. Most fixed-income calls are at par, but can be at any previously established price. Securities issued with a call provision typically carry a higher yield than similar securities issued without a call feature. There are three primary types of call options (1) European - one-time calls, (2) Bermudan - periodically on a predetermined schedule (quarterly, semi-annual, annual), and (3) American - continuously callable at any time on or after the call date. There is usually a notice period of at least 5 business days prior to a call date.

Callable Bonds/Notes. Securities, which contain an imbedded call option giving the issuer, has the right to redeem the securities prior to maturity at a predetermined price and time.

Certificate of Deposit (CD). Bank obligation issued by a financial institution generally offering a fixed rate of return (coupon) for a specified period of time (maturity). Can be as long as 10 years to maturity, but most CDs purchased by public agencies are one year and under.

Collateral. Investment securities or other property that a borrower pledges to secure repayment of a loan, secure deposits of public monies, or provide security for a repurchase agreement.

Collateralized Mortgage Obligation (CMO). A security that pools together mortgages and separates them into short, medium, and long-term positions (called tranches). Tranches are set up to pay different rates of interest depending upon their maturity. Interest payments are usually paid monthly. In "plain vanilla" CMOs, principal is not paid on a tranche until all shorter tranches have been paid off. This system provides interest and principal in a more predictable manner. A single pool of mortgages can be carved up into numerous tranches each with its own payment and risk characteristics.

Commercial Paper. Short term unsecured promissory note issued by a company or financial institution.

Issued at a discount and matures for par or face value. Usually, a maximum maturity of 270 days, and given a short-term debt rating by one or more NRSROs.

Corporate Note. A debt instrument issued by a corporation with a maturity of greater than one year and less than ten years.

Counterparty. The other party in a two party financial transaction. "Counterparty risk" refers to the risk that the other party to a transaction will fail in its related obligations. For example, the bank or broker/dealer in a repurchase agreement.

Coupon Rate. Annual rate of interest on a debt security, expressed as a percentage of the bond's face value.

Current Yield. Annual rate of return on a bond based on its price. Calculated as (coupon rate/ price), but does not accurately reflect a bond's true yield level.

Custody. Safekeeping services offered by a bank, financial institution or trust company, referred to as the "custodian." Service normally includes the holding and reporting of the customer's securities, the collection and disbursement of income, securities settlement and market values.

Delivery Versus Payment (DVP). Settlement procedure in which securities are delivered versus payment of cash, but only after cash has been received. Most security transactions, including those through the Fed Securities Wire system and DTC, are done DVP as a protection for both the buyer and seller of securities.

Depository Trust Company (OTC). A firm through which members can use a computer to arrange for securities to be delivered to other members without physical delivery of certificates. A member of the Federal Reserve System and owned mostly by the New York Stock Exchange, the Depository Trust Company uses computerized debit and credit entries. Most corporate securities, commercial paper, CDs and BAs clear through DTC.

Derivative. A financial instrument whose value is based on or determined by another security, financial instrument or index.

Designated Bond. FFCB's regularly issued, liquid, non-callable securities that generally have a 2 or 3 year original maturity. New issues of Designated Bonds are \$1 billion or larger. Reopenings of existing Designated Bond issues are generally a minimum of \$100 million. Designated Bonds are offered through a syndicate of two to six dealers. Twice each month the Funding Corporation announces its intention to issue a new Designated Bond, reopen an existing issue, or to not issue or reopen a Designated Bond. Issues under the Designated Bond program constitute the same credit standing as other FFCB issues; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Discount Notes. Unsecured general obligations issued by Federal Agencies at a discount. Discount notes mature at par and can range in maturity from overnight to one year. Very large primary (new issue) and secondary markets.

Discount Rate. Rate charged by the system of Federal Reserve Banks on overnight loans to member banks. Changes to this rate are administered by the Federal Reserve and closely mirror changes to the "fed funds rate."

Discount Securities. Non-interest bearing money market instruments that are issued at discount and redeemed at maturity for full face value. Examples include U.S Treasury Bills, Federal Agency Discount Notes, Bankers' Acceptances and Commercial Paper.

Discount. The amount by which a bond or other financial instrument sells below its face value. See also "Premium."

Diversification. Dividing investment funds among a variety of security types, maturities, industries and issuers offering potentially independent returns.

Dollar Price. A bond's cost expressed as a percentage of its face value. For example, a bond quoted at a

dollar price of 95 ½ would have a principal cost of \$955 per \$1,000 of face value.

Duff & Phelps. One of several NRSROs that provide credit ratings on corporate and bank debt issues.

Duration. The weighted average maturity of a security's or portfolio's cash flows, where the present values of the cash flows serve as the weights. The greater the duration of a security/portfolio, the greater its percentage price volatility with respect to changes in interest rates. Used as a measure of risk and a key tool for managing a portfolio versus a benchmark and for hedging risk. There are also different kinds of duration used for different purposes (e.g. MacAuley Duration - a measure of the weighted average term to maturity of the cash flows of a fixed income asset or portfolio, Modified Duration - a common gauge of the price sensitivity of a fixed income asset or portfolio to a change in interest rates).

Fannie Mae. See "Federal National Mortgage Association."

Fed Money Wire. A computerized communications system that connects the Federal Reserve System with its member banks, certain U. S. Treasury offices, and the Washington D.C. office of the Commodity Credit Corporation. The Fed Money Wire is the book entry system used to transfer cash balances between banks for themselves and for customer accounts.

Fed Securities Wire. A computerized communications system that facilitates book entry transfer of securities between banks, brokers and customer accounts. Used primarily for settlement of U.S. Treasury and Federal Agency securities.

Fed. See "Federal Reserve System."

Federal Agency Security. A debt instrument issued by one of the federal agencies. Federal agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

Federal Agency. Government sponsored/owned entity created by the U.S. Congress, generally for the purpose of acting as a financial intermediary by borrowing in the marketplace and directing proceeds to specific areas of the economy considered to otherwise have restricted access to credit markets. The largest Federal Agencies are GNMA, FNMA, FHLMC, FHLB, FFCB, SLMA, and TVA.

Federal Deposit Insurance Corporation (FDIC). Federal agency that insures deposits at commercial banks, currently to a limit of \$100,000 per depositor per bank.

Federal Farm Credit Bank (FFCB). One of the large Federal Agencies. A Government Sponsored Enterprise (GS) system that is a network of cooperatively-owned lending institutions that provides credit services to farmers, agricultural cooperatives and rural utilities. The FFCBs act as financial intermediaries that borrow money in the capital markets and use the proceeds to make loans and provide other assistance to farmers and farm-affiliated businesses. Consists of the consolidated operations of the Banks for Cooperatives, Federal Intermediate Credit Banks, and Federal Land Banks. Frequent issuer of discount notes, agency notes and callable agency securities. FFCB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and agricultural industry. Also issues notes under its "designated note" program.

Federal Funds (Fed Funds). Funds placed in Federal Reserve Banks by depository institutions in excess of current reserve requirements, and frequently loaned or borrowed on an overnight basis between depository institutions.

Federal Funds Rate (Fed Funds Rate). The interest rate charged by a depository institution lending Federal Funds to another depository institution. The Federal Reserve influences this rate by establishing a "target" Fed Funds rate associated with the Fed's management of monetary policy.

Federal Home Loan Bank System (FHLB). One of the large Federal Agencies. A Government Sponsored Enterprise (GSE) system, consisting of wholesale banks (currently twelve district banks) owned by their member banks, which provides correspondent banking services and credit to various financial institutions, financed by the issuance of securities. The principal purpose of the FHLB is to add liquidity to the mortgage

markets. Although FHLB does not directly fund mortgages, it provides a stable supply of credit to thrift institutions that make new mortgage loans. FHLB debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its "global note" and "TAP" programs.

Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac"). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides stability and assistance to the secondary market for home mortgages by purchasing first mortgages and participation interests financed by the sale of debt and guaranteed mortgage backed securities. FHLMC debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its "reference note" program.

Federal National Mortgage Association (FNMA or "Fannie Mae"). One of the large Federal Agencies. A government sponsored public corporation (GSE) that provides liquidity to the residential mortgage market by purchasing mortgage loans from lenders, financed by the issuance of debt securities and MBS (pools of mortgages packaged together as a security). FNMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and housing market. Frequent issuer of discount notes, agency notes, callable agency securities and MBS. Also issues notes under its "benchmark note" program.

Federal Reserve Bank. One of the 12 distinct banks of the Federal Reserve System.

Federal Reserve System (the Fed). The independent central bank system of the United States that establishes and conducts the nation's monetary policy. This is accomplished in three major ways: (1) raising or lowering bank reserve requirements,

(2) raising or lowering the target Fed Funds Rate and Discount Rate, and (3) in open market operations by buying and selling government securities. The Federal Reserve System is made up of twelve Federal Reserve District Banks, their branches, and many national and state banks throughout the nation. It is headed by the seven member Board of Governors known as the "Federal Reserve Board" and headed by its Chairman.

Fiscal Agent/Paying Agent. A bank or trust company that acts, under a trust agreement with a corporation or municipality, in the capacity of general treasurer. The agent performs such duties as making coupon payments, paying rents, redeeming bonds, and handling taxes relating to the issuance of bonds.

Fitch Investors Service, Inc. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

Floating Rate Security (FRN or "floater"). A bond with an interest rate that is adjusted according to changes in an interest rate or index. Differs from variable-rate debt in that the changes to the rate take place immediately when the index changes, rather on a predetermined schedule. See also "Variable Rate Security."

Freddie Mac. See "Federal Home Loan Mortgage Corporation".

Ginnie Mae. See "Government National Mortgage Association".

Global Notes: Notes designed to qualify for immediate trading in both the domestic U.S. capital market and in foreign markets around the globe. Usually large issues that are sold to investors worldwide and therefore have excellent liquidity. Despite their global sales, global notes sold in the U.S. top U.S. investors are typically denominated in U.S. dollars.

Government National Mortgage Association (GNMA or "Ginnie Mae"). One of the large Federal Agencies. Government-owned Federal Agency that acquires, packages, and resells mortgages and mortgage purchase commitments in the form of mortgage-backed securities. Largest issuer of mortgage pass-through

securities. GNMA debt is guaranteed by the full faith and credit of the U.S. government (one of the few agencies that is actually full faith and credit of the U.S.).

Government Sponsored Enterprise (GSE). Privately owned entity subject to federal regulation and supervision, created by the U.S. Congress to reduce the cost of capital for certain borrowing sectors of the economy such as students, farmers, and homeowners. GSEs carry the implicit backing of the U.S. Government, but they are not direct obligations of the U.S. Government. For this reason, these securities will offer a yield premium over Treasuries. Some consider GSEs to be stealth recipients of corporate welfare. Examples of GSEs include: FHLB, FHLMC, FNMA and SLMA.

Government Sponsored Enterprise Security. A security issued by a Government Sponsored Enterprise. Considered Federal Agency Securities.

Index. A compilation of statistical data that tracks changes in the economy or in financial markets.

Interest-Only (IO) STRIP. A security based solely on the interest payments from the bond. After the principal has been repaid, interest payments stop and the value of the security falls to nothing. Therefore, IOs are considered risky investments. Usually associated with mortgage-backed securities.

Inverse Floater. A floating rate security structured in such a way that it reacts inversely to the direction of interest rates. Considered risky as their value moves in the opposite direction of normal fixed-income investments and whose interest rate **Investment Advisor.** A company that provides professional advice managing portfolios, investment recommendations and/or research in exchange for a management fee.

Investment Grade. Bonds considered suitable for preservation of invested capital; bonds rated a minimum of Baa3 by Moody's, BBB- by Standard & Poor's, or BBB- by Fitch. Although "BBB" rated bonds are considered investment grade, most public agencies cannot invest in securities rated below "A."

Liquidity. Relative ease of converting an asset into cash without significant loss of value. Also, a relative measure of cash and near-cash items in a portfolio of assets. Also, a term describing the marketability of a money market security correlating to the narrowness of the spread between the bid and ask prices.

Market Value. The fair market value of a security or commodity. The price at which a willing buyer and seller would pay for a security.

Mark-to-market. Adjusting the value of an asset to its market value, reflecting in the process unrealized gains or losses.

Master Repurchase Agreement. A widely accepted standard agreement form published by the Bond Market Association (BMA) that is used to govern and document Repurchase Agreements and protect the interest of parties in a repo transaction.

Maturity Date. Date on which principal payment of a financial obligation is to be paid.

Medium Term Notes (MTN's). Used frequently to refer to corporate notes of medium maturity (5-years and under). Technically, any debt security issued by a corporate or depository institution with maturities from 1 to 10 years and issued under an MTN shelf registration. Usually issued in smaller issues with varying coupons and maturities and underwritten by a variety of broker/dealers (as opposed to large corporate deals issued and underwritten all at once in large size and with a fixed coupon and maturity).

Money Market Account. An investment vehicle that allows for the pooling and investing of funds in traditional money market instruments, typically U.S. Government Securities and Instrumentalities.

Money Market Mutual Fund (MMF). A type of mutual fund that invests solely in money market

instruments, such as Treasury bills, commercial paper, bankers' acceptances, and repurchase agreements. Money market mutual funds are registered with the SEC under the Investment Company Act of 1940 and are subject "rule 2a-7" which significantly limits average maturity and credit quality of holdings. MMF's are managed to maintain a stable net asset value (NAV) of \$1.00. Many MMFs carry ratings by a NRSRO.

Moody's Investors Service. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

Mortgage Backed Securities (MBS). Mortgage-backed securities represent an ownership interest in a pool of mortgage loans made by financial institutions, such as savings and loans, commercial banks, or mortgage companies, to finance the borrower's purchase of a home or other real estate. The majority of MBS are issued and/or guaranteed by GNMA, FNMA and FHLMC. There are a variety of MBS structures, some of which can be very risky and complicated. All MBS have reinvestment risk as actual principal and interest payments are dependent on the payment of the underlying mortgages which can be prepaid by mortgage holders to refinance and lower rates or simply because the underlying property was sold.

Mortgage Pass-Through Securities. A pool of residential mortgage loans with the monthly interest and principal distributed to investors on a pro-rata basis. Largest issuer is GNMA.

Municipal Note/Bond. A debt instrument issued by a state or local government unit or public agency. The vast majority of municipals are exempt from state and federal income tax, although some non-qualified issues are taxable.

Mutual Fund. Portfolio of securities professionally managed by a registered investment company that issues shares to investors. Many different types of mutual funds exist (bond, equity, money fund); all except money market funds operate on a variable net asset value (NAV).

National Association of Securities Dealers (NASD). Organization of brokers and dealers who trade securities in the United States, supervised by the SEC, and which provides regulatory exams for industry participants.

Negotiable Certificate of Deposit (Negotiable CD). Large denomination CDs (\$100,000 and larger) that are issued in bearer form and can be traded in the secondary market.

NOW Checking Account (Negotiable Order of Withdrawal account). Deposit account on which checks may be drawn that pays a higher interest rate than savings accounts.

NRSRO. A "Nationally Recognized Statistical Rating Organization." A designated rating organization that the SEC has deemed a strong national presence in the U.S. NRSROs provide credit ratings on corporate and bank debt issues. Only ratings of a NRSRO may be used for the regulatory purposes of rating. Includes Moody's, Standard & Poor's, Fitch and Duff & Phelps.

Offered Price. See also "Ask Price."

Open Market Operations. Federal Reserve monetary policy tactic entailing the purchase or sale of government securities in the open market by the Federal Reserve System from and to primary dealers in order to influence the money supply, credit conditions, and interest rates.

Par Value. Face value, stated value or maturity value of a security.

Physical Delivery. Delivery of readily available underlying assets at contract maturity.

Portfolio. Collection of securities and investments held by an investor.

Premium. The amount by which a bond or other financial instrument sells above its face value. See also "Discount."

Primary Dealer. Any of a group of designated government securities dealers designated by to the Federal Reserve Bank of New York. Primary dealers can buy and sell government securities directly with the Fed. Primary dealers also submit daily reports of market activity and security positions held to the Fed and are subject to its informal oversight. Primary dealers are considered the largest players in the U.S. Treasury securities market.

Prime Paper. Commercial paper of high quality. Highest rated paper is A-1+/A-1 by S&P and P-1 by Moody's.

Principal. Face value of a financial instrument on which interest accrues. May be less than par value if some principal has been repaid or retired. For a transaction, principal is par value times price and includes any premium or discount.

Prudent Investor Standard. Standard that requires that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. More stringent than the "prudent person" standard as it implies a level of knowledge commensurate with the responsibility at hand.

Range Note. A type of structured note that accrues interest daily at a set coupon rate that is tied to an index. Most range notes have two coupon levels; a higher accrual rate for the period the index is within a designated range, the lower accrual rate for the period that the index falls outside the designated range. This lower rate may be zero and may result in zero earnings.

Rate of Return. Amount of income received from an investment, expressed as a percentage of the amount invested.

Rating. An evaluation of credit quality of a company's debt issue. Investors and analysts use ratings to assess the risk characteristics of an investment. Ratings can also be an evaluation of a entity's creditworthiness or ability to repay, taking into consideration its estimated percentage default rate and probability of default. The City may use the following rating agencies: Moody's, Standard and Poor's, and Fitch Investors Service.

AAA or Aaa rating - the best quality, reliable and stable; judged to be of the highest quality, with minimal credit risk.

AA or Aa rating - quality, a bit higher risk than AAA/Aaa; judged to be of high quality and are subject to very low credit risk.

A rating- considered upper-medium grade quality; subject to low credit risk.

Realized Gains (Losses). The difference between the sale price of an investment and its book value. Gains/losses are "realized" when the security is actual sold, as compared to "unrealized" gains/losses which are based on current market value. See "Unrealized Gains (Losses)."

Reference Bills: FHLMC's short-term debt program created to supplement its existing discount note program by offering issues from one month through one year, auctioned on a weekly or on an alternating four-week basis (depending upon maturity) offered in sizeable volumes (\$1 billion and up) on a cycle of regular, standardized issuance. Globally sponsored and distributed, Reference Bill issues are intended to encourage active trading and market-making and facilitate the development of a term repo market. The program was designed to offer predictable supply, pricing transparency and liquidity, thereby providing alternatives to Treasury bills. FHLMC's Reference Bills are unsecured general corporate obligations. This program supplements the corporation's existing discount note program. Issues under the Reference program constitute the same credit standing as other FHLMC discount notes; they simply add organization and liquidity to the short-term Agency discount note market.

Reference Notes: FHLMC's intermediate-term debt program with issuances of 2, 3, 5, 10 and 30-year maturities. Initial issuances range from \$2 - \$6 billion with reopenings ranging \$1 - \$4 billion. The notes are high-quality bullet structures securities that pay interest semiannually. Issues under the Reference program constitute the same credit standing as other FHLMC notes; they simply add organization and liquidity to the intermediate- and long-term Agency market.

Repurchase Agreement (Repo). A short-term investment vehicle where an investor agrees to buy securities from a counterparty and simultaneously agrees to resell the securities back to the counterparty at an agreed upon time and for an agreed upon price. The difference between the purchase price and the sale price represents interest earned on the agreement. In effect, it represents a collateralized loan to the investor, where the securities are the collateral. Can be DVP, where securities are delivered to the investor's custodial bank, or "tri-party" where the securities are delivered to a third party intermediary. Any type of security can be used as "collateral," but only some types provide the investor with special bankruptcy protection under the law. Repos should be undertaken only when an appropriate BMA approved master repurchase agreement is in place.

Reverse Repurchase Agreement (Reverse Repo). A repo from the point of view of the original seller of securities. Used by dealers to finance their inventory of securities by essentially borrowing at short-term rates. Can also be used to leverage a portfolio and in this sense, can be considered risky if used improperly.

Safekeeping. Service offered for a fee, usually by financial institutions, for the holding of securities and other valuables. Safekeeping is a component of custody services.

Sallie Mae. See "Student Loan Marketing Association."

Savings Account. An interest bearing account offered by banks and financial institutions.

Secondary Market. Markets for the purchase and sale of any previously issued financial instrument.

Securities Lending. An arrangement between an investor and a custody bank that allows the custody bank to "loan" the investor's investment holdings, reinvest the proceeds in permitted investments, and shares any profits with the investor. Should be governed by a securities lending agreement. Can increase the risk of a portfolio in that the investor takes on the default risk on the reinvestment at the discretion of the custodian.

Sinking Fund. A separate accumulation of cash or investments (including earnings on investments) in a fund in accordance with the terms of a trust agreement or indenture, funded by periodic deposits by the issuer (or other entity responsible for debt service), for the purpose of assuring timely availability of moneys for payment of debt service. Usually used in connection with term bonds.

Spread. The difference between the price of a security and similar maturity Treasury investments, expressed in percentage terms or basis points. A spread can also be the absolute difference in yield between two securities. The securities can be in different markets or within the same securities market between different credits, sectors, or other relevant factors.

Standard & Poor's. One of several NRSROs that provide credit ratings on corporate and municipal debt issues.

STRIPS (Separate Trading of Registered Interest and Principal of Securities). Acronym applied to Treasury securities that have had their coupons and principal repayments separated into individual zero-coupon Treasury securities. The same technique and "strips" description can be applied to non-Treasury securities (e.g. FNMA strips).

Structured Notes. Notes that have imbedded into their structure options such as step-up coupons or derivative-based returns.

Student Loan Marketing Association (SLMA or "Sallie Mae"). One of the large Federal Agencies. A federally-chartered public corporation (GSE) created to provide liquidity and a secondary market for lenders for loans to students and educational institutions. In 1997, SLMA initiated a process of unwinding its status as a

GSE; however, until the process is complete, all debt issued will be considered GSE debt until maturity. SLMA debt is not an obligation of, nor is it guaranteed by the U.S. government, although it is considered to have minimal credit risk due to its importance to the U.S. financial system and education sector. Frequent issuer of discount notes, agency notes and callable agency securities. Also issues notes under its "global note" program.

TAP Notes: Federal Agency notes issued under the FHLB TAP program. Launched in 6/99 as a refinement to the FHLB bullet bond auction process. In a break from the FHLB's traditional practice of bringing numerous small issues to market with similar maturities, the TAP Issue Program uses the four most common maturities and reopens them up regularly through a competitive auction. These maturities (2,3,5 and 10 year) will remain open for the calendar quarter, after which they will be closed, and a new series of TAP issues will be opened to replace them. This reduces the number of separate bullet bonds issued but generates enhanced awareness and liquidity in the marketplace through increased issue size and secondary market volume.

Tennessee Valley Authority (TVA). One of the large Federal Agencies. A wholly owned corporation of the United States government that was established in 1933 to develop the resources of the Tennessee Valley region in order to strengthen the regional and national economy and the national defense. Power operations are separated from non-power operations. TVA securities represent obligations of TVA, payable solely from TVA's net power proceeds, and are neither obligations of nor guaranteed by the United States. TVA is currently authorized to issue debt up to \$30 billion. Under this authorization, TVA may also obtain advances from the Treasury of up to \$150 million. Frequent issuer of discount notes, agency notes and callable agency securities.

Total Return. Investment performance measured over a period of time that includes coupon interest, interest on interest, and both realized and unrealized gains or losses. Total return includes, therefore, any market value appreciation/depreciation on investments held at period end.

Treasuries. Collective term used to describe debt instruments backed by the U.S. Government and issued through the U.S. Department of the Treasury. Includes Treasury bills, Treasury notes, and Treasury bonds. Also a benchmark term used as a basis by which the yields of non-Treasury securities are compared (e.g., "trading at 50 basis points over Treasuries").

Treasury Bills (T-Bills). Short-term direct obligations of the United States Government issued with an original term of one year or less. Treasury bills are sold at a discount from face value and do not pay interest before maturity. The difference between the purchase price of the bill and the maturity value is the interest earned on the bill. Currently, the U.S. Treasury issues 4-week, 13-week and 26-week T-Bills.

Treasury Bonds. Long-term interest-bearing debt securities backed by the U.S. Government and issued with maturities of ten years and longer by the U.S. Department of the Treasury. The Treasury stopped issuing Treasury Bonds in August 2001.

Treasury Notes. Intermediate interest-bearing debt securities backed by the U.S. Government and issued with maturities ranging from one to ten years by the U.S. Department of the Treasury. The Treasury currently issues 2-year, 5-year and 10-year Treasury Notes.

Trustee. A bank designated by an issuer of securities as the custodian of funds and official representative of bondholders. Trustees are appointed to insure compliance with the bond documents and to represent bondholders in enforcing their contract with the issuer.

Uniform Net Capital Rule. SEC regulation 15C3-1 that outlines the minimum net capital ratio (ratio of indebtedness to net liquid capital) of member firms and non-member broker/dealers.

Unrealized Gains (Losses). The difference between the market value of an investment and its book value. Gains/losses are "realized" when the security is actual sold, as compared to "unrealized" gains/losses which are based on current market value. See also "Realized Gains (Losses)."

Variable-Rate Security. A bond that bears interest at a rate that varies over time based on a specified schedule of adjustment (e.g., daily, weekly, monthly, semi-annually or annually). See also "Floating Rate Note."

Weighted Average Maturity (or just "Average Maturity"). The average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. A simple measure of risk of a fixed-income portfolio.

Weighted Average Maturity to Call. The average maturity of all securities and investments of a portfolio, adjusted to substitute the first call date per security for maturity date for those securities with call provisions.

Yield Curve. A graphic depiction of yields on like securities in relation to remaining maturities spread over a time line. The traditional yield curve depicts yields on Treasuries, although yield curves exist for Federal Agencies and various credit quality corporates as well. Yield curves can be positively sloped (normal) where longer-term investments have higher yields, or "inverted" (uncommon) where longer-term investments have lower yields than shorter ones.

Yield to Call (YTC). Same as "Yield to Maturity," except the return is measured to the first call date rather than the maturity date. Yield to call can be significantly higher or lower than a security's yield to maturity.

Yield to Maturity (YTM). Calculated return on an investment, assuming all cash flows from the security are reinvested at the same original yield. Can be higher or lower than the coupon rate depending on market rates and whether the security was purchased at a premium or discount. There are different conventions for calculating YTM for various types of securities.

Yield. There are numerous methods of yield determination. In this glossary, see also "Current Yield," "Yield Curve," "Yield to Call" and "Yield to Maturity."



INVESTMENT

Protecting Your Funds

Are your municipality's assets safe?

by Robert Inzer

Most of us are familiar with **Bernie Madoff**, who created the largest Ponzi scheme in U.S. history and swindled investors out of tens of billions of dollars. There were only a few local governments nationally that had invested in his fund. He was not the first unscrupulous investment manager and won't be the last. Let's not forget about **ESM Government Securities Inc.**, a South Florida-based securities dealer that swindled investors out of over \$300 million in the mid-1980s. Investors that lost money included several South Florida cities.

Orange County, CA, this year retired the last of the outstanding bonds sold to bail the County out of its 1994 bankruptcy. It was the largest U.S. county ever to declare bankruptcy. The bankruptcy was caused by the County Treasurer's overly aggressive investment strategies while leveraging county funds. The securities involved were government agency-issued derivative securities tied to a specific interest rate outlook. It turned out that the market values of these bonds were highly volatile. The securities never defaulted, but when unanticipated interest rates movements occurred, the value of these securities plummeted. The County sold \$1.6 billion in debt to fund the losses.

In addition, there have been significant losses incurred by Florida cities arising from investments in assets they did not fully understand, with risks not fully appreciated. New investment instruments seem to regularly emerge from Wall Street dealers, each being a little more exotic than the last. By 2006-2007, we had local governments investing in bonds backed by subprime mortgages, where the underlying loans were highly risky. Some

cities purchased more exotic instruments. They bought specific tranches of mortgages whose return was often unpredictable and ran counter to the market. These securities were rated AAA by **Moody's** and **Standard & Poor's** rating services and thus qualified for investment by most investment policies at the time. These same securities were downgraded to below investment grade status, declined in value and even defaulted.

Florida's **Local Government Surplus Funds Trust Fund** (now **Florida Prime**) also purchased securities they did not fully understand or appreciate. When the investments became illiquid, the state was forced to withhold access by participating governments to some of their funds for years. Many local governments and the **Florida Local Government Investment Trust** were invested in large blocks of these securities and incurred significant losses. If these large institutions can make serious investment mistakes, don't assume that your government is immune.

The **State of Florida** has recognized the risk associated with the investment of your government's investment portfolio. Over the years, it has taken steps to help protect you from unscrupulous brokers marketing investment products inappropriate for your portfolio and unsophisticated staff managing these assets. Florida Statutes 218.415 addresses local government investment authority and requires certain safeguards to protect you and your citizens from future losses. Among other things, it requires each unit of local government to adopt an investment policy approved by the governing body, or alternatively, restricts investments to AAA-rated money market accounts, certificates

of deposit, time deposits in selected institutions and the Local Government Surplus Funds Trust Fund operated by the State Board of Administration.

Most cities have opted for broader investment authority and have adopted investment policies. Florida Statutes require that the policy describe the following investment objectives: safety of capital, liquidity of funds and investment income, in that order. Your policy should not only reflect these objectives, but its implementation by staff should reflect these priorities. If all local governments had followed these objectives, our investment return might be slightly less, but we would have avoided the big mistakes and subsequent large losses.

As a member of the elected body, you should recognize that the investment policy is your policy, not the staff's policy. By law, you are required to approve it. You should periodically review the policy to ensure that the policy reflects your government's risk tolerance and is also being adhered to. No one expects you to be a security expert. But you must review the policy and review periodic portfolio reports. If you don't have the expertise to effectively review the policy and investment report, consider creating an external investment oversight board composed of individuals with specific investment-related experience.

Florida Statutes 218.415 sets forth the minimum requirements for your policy. These include performance measurements, ethical standards, a listing of authorized investments, maturity and liquidity requirements, portfolio diversification requirements, portfolio composition and reporting requirements, among others. Your staff with investment responsibilities are required to complete at least eight hours of investment training annually. Lastly, staff must prepare a report annually, at a minimum, and include a listing of assets, book value of investments, income earned and the current market value of investments and submit it to the elected body for review.

These requirements are to ensure oversight and protect your city's assets from losses. Historically, losses have not been a function of fraud or theft by staff, and in fact, I'm unaware of any city that has lost money on their portfolio due to criminal activities of staff. Losses have always been a function of investment officers reaching for yield and/or purchasing securities when they did not fully appreciate the risk.



Often the investment function in smaller cities is just one of dozens of responsibilities the Finance Officer has to manage. The **Florida League of Cities**

has recognized the potential problems due to lack of training and created the **Florida Municipal Investment Trust (FMIvT)** as an alternative investment instrument for cities. Created after several cities were experiencing losses with their investment management, FMIvT is the oldest pooled investment program in the state. In the 30 years it has operated, there has never been a participant that has lost money or been unable to access their funds when needed.

The League has taken the requirements of Florida Statutes 218.415 seriously and created products designed to provide

municipal participants with a safe, secure investment program that minimizes the efforts of your staff and provides a competitive investment return.

The Trust has a number of investment options for your excess cash investments, including the 0-2 Year High Quality Bond Fund, the 1-3 Year High Quality Bond Fund and the Intermediate High Quality Fund, all of which are AAA-rated by **Fitch Investor Services** and designated an S1 rating for the lowest sensitivity to interest rate changes. Remember, the first two objectives of your investment policy are to minimize risk and provide adequate liquidity. There is no other investment program with higher ratings than those received by the League's investment program.

The League retains a nationally recognized fixed income manager with seasoned professionals to provide professional money management. They have established disciplined investment guidelines to ensure underlying investments are diversified and minimize concentration risk. Portfolio duration is limited to ensure liquidity. The League's professional staff and nationally recognized rating agencies rigorously monitor the portfolio's instrument selection, diversification, durations and other internal controls.

Over 30% of the assets must be invested in U.S. Treasury or agency securities. Currently, 100% are invested in direct U.S. government obligations or U.S. government agencies. These securities have the lowest risk and highest liquidity. Only the longer duration Intermediate Bond High Quality Bond Fund allows any significant investment in corporate securities.

We know from history that the security markets, investment instruments and overall portfolio management change with time. The League recognizes the standards we have today may not be the appropriate standards for tomorrow. They have created an independent investment Advisory Committee that meets quarterly with League staff, money managers and external performance management consultants to continuously review the overall program, investment options, investment guidelines and performance. This Committee is composed of local government Finance Officers with sophisticated investment management experience. They advise the staff and the Board of Trustees on changes that need to be made to protect your city's assets and ensure a competitive return.

The FMIvT is the oldest and most secure investment program in the state. You can find funds that have higher returns, but you can't find a fund with more safeguards to protect you and your city. One thing I learned in my finance classes in college was there is a direct relationship between risk and return. So, if you are getting a higher return, you are most likely assuming more risk.

The FMIvT was created to protect municipal leaders and their cities. As an investment professional, I agree with **Will Rogers'** investment advice: "I am more concerned about the return of my money than the return on my money." Your citizens will seldom question you if your return is a little lower than your neighboring city, but they will be greatly concerned if you incur losses in your investment's portfolio. They don't know what you should earn, but they know without question that you should not be incurring losses.

Robert Inzer is an advisor to the Florida League of Cities. He has 46 years of municipal finance experience that includes 30 years with the City of Tallahassee, 20 years of which was spent as City Treasurer-Clerk. 

Select Year: 2021 ▼

The 2021 Florida Statutes

[Title XIV](#)
TAXATION AND
FINANCE

[Chapter 218](#)
FINANCIAL MATTERS PERTAINING TO POLITICAL
SUBDIVISIONS

[View Entire
Chapter](#)

218.415 Local government investment policies.—Investment activity by a unit of local government must be consistent with a written investment plan adopted by the governing body, or in the absence of the existence of a governing body, the respective principal officer of the unit of local government and maintained by the unit of local government or, in the alternative, such activity must be conducted in accordance with subsection (17). Any such unit of local government shall have an investment policy for any public funds in excess of the amounts needed to meet current expenses as provided in subsections (1)-(16), or shall meet the alternative investment guidelines contained in subsection (17). Such policies shall be structured to place the highest priority on the safety of principal and liquidity of funds. The optimization of investment returns shall be secondary to the requirements for safety and liquidity. Each unit of local government shall adopt policies that are commensurate with the nature and size of the public funds within its custody.

(1) **SCOPE.**—The investment policy shall apply to funds under the control of the unit of local government in excess of those required to meet current expenses. The investment policy shall not apply to pension funds, including those funds in chapters 175 and 185, or funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds.

(2) **INVESTMENT OBJECTIVES.**—The investment policy shall describe the investment objectives of the unit of local government. Investment objectives shall include safety of capital, liquidity of funds, and investment income, in that order.

(3) **PERFORMANCE MEASUREMENT.**—The investment policy shall specify performance measures as are appropriate for the nature and size of the public funds within the custody of the unit of local government.

(4) **PRUDENCE AND ETHICAL STANDARDS.**—The investment policy shall describe the level of prudence and ethical standards to be followed by the unit of local government in carrying out its investment activities with respect to funds described in this section. The unit of local government shall adopt the Prudent Person Rule, which states that: “Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.”

(5) **LISTING OF AUTHORIZED INVESTMENTS.**—The investment policy shall list investments authorized by the governing body of the unit of local government, subject to the provisions of subsection (16). Investments not listed in the investment policy are prohibited. If the policy authorizes investments in derivative products, the policy must require that the unit of local government’s officials responsible for making investment decisions or chief financial officer have developed sufficient understanding of the derivative products and have the expertise to manage them. For purposes of this subsection, a “derivative” is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or index or asset values. If the policy authorizes investments in reverse repurchase agreements or other forms of leverage, the policy must limit the investments to transactions in which the proceeds are intended to provide liquidity and for which the unit of local government has sufficient resources and expertise.

(6) **MATURITY AND LIQUIDITY REQUIREMENTS.**—The investment policy shall require that the investment portfolio is structured in such manner as to provide sufficient liquidity to pay obligations as they come due. To that end, the investment policy should direct that, to the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash-flow requirements.

(7) **PORTFOLIO COMPOSITION.**—The investment policy shall establish guidelines for investments and limits on security issues, issuers, and maturities. Such guidelines shall be commensurate with the nature and size of the public funds within the custody of the unit of local government.

(8) **RISK AND DIVERSIFICATION.**—The investment policy shall provide for appropriate diversification of the investment portfolio. Investments held should be diversified to the extent practicable to control the risk of loss resulting from overconcentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which financial instruments are bought and sold. Diversification strategies within the established guidelines shall be reviewed and revised periodically, as deemed necessary by the appropriate management staff.

(9) **AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS.**—The investment policy should specify the authorized securities dealers, issuers, and banks from whom the unit of local government may purchase securities.

(10) **THIRD-PARTY CUSTODIAL AGREEMENTS.**—The investment policy shall provide appropriate arrangements for the holding of assets of the unit of local government. Securities should be held with a third party; and all securities purchased by, and all collateral obtained by, the unit of local government should be properly designated as an asset of the unit of local government. No withdrawal of securities, in whole or in part, shall be made from safekeeping, except by an authorized staff member of the unit of local government. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a “delivery vs. payment” basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

(11) **MASTER REPURCHASE AGREEMENT.**—The investment policy shall require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.

(12) **BID REQUIREMENT.**—The investment policy shall require that the unit of local government’s staff determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or more optimal types of investment, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the bid deemed to best meet the investment objectives specified in subsection (2) must be selected.

(13) **INTERNAL CONTROLS.**—The investment policy shall provide for a system of internal controls and operational procedures. The unit of local government’s officials responsible for making investment decisions or chief financial officer shall establish a system of internal controls which shall be in writing and made a part of the governmental entity’s operational procedures. The investment policy shall provide for review of such controls by independent auditors as part of any financial audit periodically required of the unit of local government. The internal controls should be designed to prevent losses of funds which might arise from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the unit of local government.

(14) **CONTINUING EDUCATION.**—The investment policy shall provide for the continuing education of the unit of local government’s officials responsible for making investment decisions or chief financial officer. Such officials must annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.

(15) **REPORTING.**—The investment policy shall provide for appropriate annual or more frequent reporting of investment activities. To that end, the governmental entity’s officials responsible for making investment decisions or chief financial officer shall prepare periodic reports for submission to the legislative and governing body of the unit of local government, which shall include securities in the portfolio by class or type, book value, income earned, and market value as of the report date. Such reports shall be available to the public.

(16) **AUTHORIZED INVESTMENTS; WRITTEN INVESTMENT POLICIES.**—Those units of local government electing to adopt a written investment policy as provided in subsections (1)-(15) may by resolution invest and reinvest any surplus public funds in their control or possession in:

(a) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01.

(b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

(c) Interest-bearing time deposits or savings accounts in qualified public depositories as defined in s. 280.02.

(d) Direct obligations of the United States Treasury.

(e) Federal agencies and instrumentalities.

(f) Rated or unrated bonds, notes, or instruments backed by the full faith and credit of the government of Israel.

(g) Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

(h) Other investments authorized by law or by ordinance for a county or a municipality.

(i) Other investments authorized by law or by resolution for a school district or a special district.

(17) **AUTHORIZED INVESTMENTS; NO WRITTEN INVESTMENT POLICY.**—Those units of local government electing not to adopt a written investment policy in accordance with investment policies developed as provided in subsections (1)-(15) may invest or reinvest any surplus public funds in their control or possession in:

(a) The Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01.

(b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

(c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02.

(d) Direct obligations of the U.S. Treasury.

The securities listed in paragraphs (c) and (d) shall be invested to provide sufficient liquidity to pay obligations as they come due.

(18) **SECURITIES; DISPOSITION.**—

(a) Every security purchased under this section on behalf of the governing body of a unit of local government must be properly earmarked and:

1. If registered with the issuer or its agents, must be immediately placed for safekeeping in a location that protects the governing body's interest in the security;

2. If in book entry form, must be held for the credit of the governing body by a depository chartered by the Federal Government, the state, or any other state or territory of the United States which has a branch or principal place of business in this state as defined in s. 658.12, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this state, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or

3. If physically issued to the holder but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault.

(b) The unit of local government's governing body may also receive bank trust receipts in return for investment of surplus funds in securities. Any trust receipts received must enumerate the various securities held, together with the specific number of each security held. The actual securities on which the trust receipts are issued may be held by any bank depository chartered by the Federal Government, this state, or any other state or territory of the United States which has a branch or principal place of business in this state as defined in s. 658.12, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in this state.

(19) **SALE OF SECURITIES.**—When the invested funds are needed in whole or in part for the purposes originally intended or for more optimal investments, the unit of local government's governing body may sell such investments at the then-prevailing market price and place the proceeds into the proper account or fund of the unit of local government.

(20) **PREEXISTING CONTRACT.**—Any public funds subject to a contract or agreement existing on October 1, 2000, may not be invested contrary to such contract or agreement.

(21) **PREEMPTION.**—Any provision of any special act, municipal charter, or other law which prohibits or restricts a local governmental entity from complying with this section or any rules adopted under this section is void to the extent of the conflict.

(22) **AUDITS.**—Certified public accountants conducting audits of units of local government pursuant to s. 218.39 shall report, as part of the audit, whether or not the unit of local government has complied with this section.

(23) **AUTHORIZED DEPOSITS.**—In addition to the investments authorized for local governments in subsections (16) and (17) and notwithstanding any other provisions of law, a unit of local government may deposit any portion of surplus public funds in its control or possession in accordance with the following conditions:

(a) The funds are initially deposited in a qualified public depository, as defined in s. 280.02, selected by the unit of local government.

(b) The selected depository arranges for depositing the funds in financial deposit instruments insured by the Federal Deposit Insurance Corporation in one or more federally insured banks or savings and loan associations, wherever located, for the account of the unit of local government.

(c) The full amount of the principal and accrued interest of each financial deposit instrument is insured by the Federal Deposit Insurance Corporation.

(d) The selected depository acts as custodian for the unit of local government with respect to each financial deposit instrument issued for its account.

History.—s. 1, ch. 95-194; s. 2, ch. 97-9; s. 3, ch. 2000-264; ss. 66, 141, ch. 2001-266; s. 2, ch. 2005-126; s. 1, ch. 2007-89; s. 42, ch. 2008-4; s. 2, ch. 2009-140.



BEST PRACTICES

Investment Policy

GFOA recommends that all governments establish a comprehensive written investment policy, which should be adopted by the governing body.

An investment policy describes the parameters for investing government funds and identifies the investment objectives, preferences or tolerance for risk, constraints on the investment portfolio, and how the investment program will be managed and monitored. The document itself serves as a communication tool for the staff, elected officials, the public, rating agencies, bondholders, and any other stakeholders on investment guidelines and priorities. An investment policy enhances the quality of decision making and demonstrates a commitment to the fiduciary care of public funds, making it the most important element in a public funds investment program.

GFOA recommends that all governments establish a comprehensive written investment policy, which should be adopted by the governing body.

The investment policy should be reviewed and updated annually and should include statements on the following:

Scope and investment objectives: Tailor the scope and investment objectives to the type of investment to which the policy applies (e.g., excess operating funds, bond proceeds, pension fund assets).

- **Roles, responsibilities, and standards of care:** Identify the roles of all persons involved in the investment program by title and responsibility. Standards of care should include language on prudence (i.e., the prudent person rule), due diligence, ethics and conflicts of interest, delegation and authority, and knowledge and qualifications.
- **Suitable and authorized investments:** Include guidelines on selecting investment types, investment advisors, interest rate risk, maturities, and credit quality, along with any collateralization requirements.
- **Investment diversification:** State the government's approach to investment diversification, identifying the method that will be used to create a mix of assets that will achieve and maintain the government's investment objectives.
- **Safekeeping, custody, and internal controls:** Develop guidelines to enhance the separation of duties and reduce the risk of fraud.
- **Authorized financial institutions, depositories, and broker/dealers:** Establish a process for creating a list of financial institutions, depositories, and broker/dealers that will provide the primary services necessary for executing the investment program.
- **Risk and performance standards:** Establish one or more appropriate benchmarks against which the portfolio should be measured and compared.
- **Reporting and disclosure standards:** Define the frequency of reporting to the governing body and the government's management team.

Notes:

See the GFOA Resource *Fixed Income Diversification Resource For Public Investing*

References:

- GFOA Sample Investment Policy
- See the GFOA Resource *Selecting and Managing Securities Broker-Dealers for Investing*

- See the GFOA Resource *Fixed Income Diversification Resource For Public Investing*

Board approval date: Friday, September 30, 2016

ORDINANCE NO. 133

AN ORDINANCE OF THE CITY OF DESTIN RELATING TO MUNICIPAL INVESTMENTS; PROVIDING FOR AUTHORITY; PROVIDING FOR DEFINITION; PROVIDING FOR MUNICIPAL INVESTMENTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DESTIN, FLORIDA, AS FOLLOWS:

SECTION 1. AUTHORITY. The authority for enactment of this Ordinance is Section 1.01 (b) and (k) of the City Charter, Section 166.021, Florida Statutes, and Section 166.261, Florida Statutes.

SECTION 2. DEFINITIONS. For the purpose of this Ordinance the following terms shall have the following meaning herein given. When not inconsistent with the context, words used in the present tense include the future tense, words in the plural number include the singular number and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory. Words not defined shall be given their common and ordinary meaning, or for those so included, the meaning found in Ordinance 001.

A. "Surplus funds" shall mean funds in any general or special account or fund of the City, held or controlled by the City Council, which funds are not reasonably contemplated to be needed for the purposes intended within a reasonable time from the date of such investment.

SECTION 3. MUNICIPAL INVESTMENTS.

A. The City Council of the City of Destin shall, by resolution, invest and reinvest surplus public funds in its control or possession in:

- (1). The Local Government Surplus Funds Trust Fund;
- (2). Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States Government at the then prevailing market price for such securities;
- (3). Interest-bearing time deposits or savings accounts in banks organized under the laws of Florida, in national banks organized under the laws of the United States, in savings and loan associations which are under state supervision, or in federal savings and loan associations organized under federal law and federal supervision, and doing business and situated within the City limits of the City, provided that any such deposits are secured by collateral as may be prescribed by law;
- (4). Obligations of the federal farm credit banks; the Federal Home Loan Mortgage Corporation, including Federal Home Loan Mortgage Corporation participation certificates; or the Federal Home Loan Bank or its district banks or obligations guaranteed by the Government National Mortgage Association;
- (5). Obligations of the Federal National Mortgage Association, including Federal National Mortgage Association participation certificates and mortgage pass-through certificates guaranteed by the Federal National Mortgage Association.

B. Every security purchased on behalf of the City Council of the City of Destin shall be properly earmarked and:

(1). If registered with the issuer or its agents, shall be immediately placed for safekeeping in a location which protects the interest of the City Council in the security;

(2). If in book entry form, shall be held for the credit of the City Council by a depository chartered by either the Federal Government or the State of Florida and shall be kept by the depository in an account separate and apart from the assets of the financial institution; or

(3). If physically issued to the holder, but not registered with the issuer or its agents, shall be immediately placed for safekeeping in a safety-deposit box in a financial institution in the city limits of the City that maintains adequate safety-deposit box insurance.

C. The City Council may also receive bank trust receipts in return for investment of surplus funds in securities. Any trust receipts received must enumerate the various securities held, together with the specific number of each security held. The actual securities on which the trust receipts are issued may be held by any bank depository chartered by the United States Government or the State of Florida or their designated agents.

D. When the money invested in such security or securities is needed in whole or in part for the purposes originally intended, the City Council shall, by resolution, authorize the sale or redemption of such security or securities at the then prevailing market price and cause the proceeds of such sale or redemption to be paid into the proper account or fund of the City.

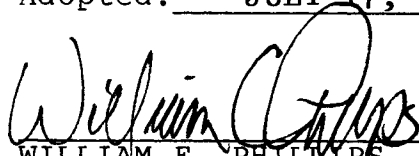
E. Any surplus public funds subject to a contract or agreement on the date of this enactment shall not be invested contrary to the contract or agreement.

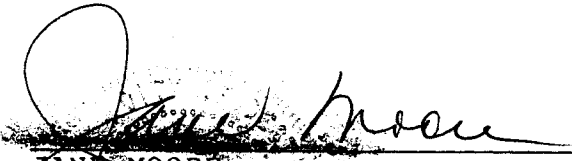
F. A certified copy of the resolution shall accompany any order investing, reinvesting, selling or redeeming surplus funds.

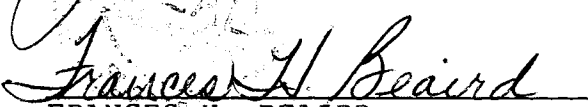
SECTION 4. SEVERABILITY. Each separate provision of this Ordinance is deemed independent of all other provisions herein so that if any portion or provision of this Ordinance is declared invalid, all other provisions thereof shall remain valid and enforceable.

SECTION 5. EFFECTIVE DATE. This Ordinance shall be effective upon its adoption by City Council and signature of the Chairman.

Adopted: JULY 17, 1989

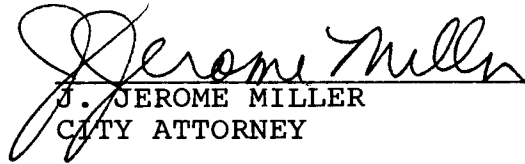

WILLIAM E. PHILLIPS
CITY COUNCIL CHAIRMAN


JANE MOORE
CITY MANAGER


FRANCES H. BEAIRD
CITY CLERK

The form and legal sufficiency
of the foregoing has been
reviewed and approved by the

City Attorney.


J. JEROME MILLER
CITY ATTORNEY

FIRST READING 6-19-89
SECOND READING 7-17-89

RESOLUTION 12-12

A RESOLUTION OF THE CITY OF DESTIN, FLORIDA PROVIDING FOR AUTHORITY FOR INVESTMENT OF SURPLUS GENERAL FUND DOLLARS; PROVIDING FOR REPEALER AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Finance Director in exercising fiduciary responsibility desires to safeguard the funds of the City that may be invested from time to time; and

WHEREAS, Section 2-103 of the City Charter authorizes long-term investments through a resolution; and

WHEREAS, the City has monies available in the General Fund to invest in a higher yield than the current rate on all of its accounts; and

WHEREAS, the City can improve its yield on surplus funds without sacrificing financial safety and flexibility; and

WHEREAS, the City needs to maximize the yield on surplus temporary idle funds so there will be sufficient funds to meet the needs of the City in a cost-effective manner.

NOW THEREFORE BE IT RESOLVED THAT this resolution is applicable to all public funds belonging to the City of Destin and in the custody of the City's Finance Director.

BE IT FURTHER RESOLVED THAT the City's Finance Director is authorized to manage funds belonging to the City, including depositing funds in financial institutions approved by the City Council and administration of investments policies as set forth in this resolution.

BE IT FURTHER RESOLVED THAT the City Council will approve a list of the financial institutions as depositories of city funds.

BE IT FURTHER RESOLVED THAT the Finance Director shall periodically advertise an RFP for investment services and/or an investment advisor for the investment of City funds identified as available for alternate investing. The City Manager and Finance Director shall periodically evaluate the approve investment institution and/or advisor and shall make recommendations to the City Council as to appropriate changes when warranted. In determining safekeeping and custody qualifications, all investment institutions and brokers/dealers shall be pre-qualified by supplying the following:

- Audited financial statements
- Proof of NASD certification or FDIC insurance
- Proof of state registration
- Proof of Investment Securities Licenses
- Certification of having read, understood and agreement to comply with the City of Destin's investment policy.

The Finance Director shall annually examine the financial condition and registrations of qualified investment institutions, advisers and brokers/dealers by obtaining annual updates of the information listed above as well as any additional data or information required by the City Staff or City Council.

BE IT FURTHER RESOLVED THAT the City Council will identify the emergency fund balance reserve requirement for operating expenditures and the required reserve for hurricane recovery.

The City Manager and Finance Director are authorized to make prudent investments of these funds for a length of time that will provide a reasonable return on investment yet ensure that such funds will be available when needed and will not be exposed to undue risk. The Finance Director is authorized to invest City funds in the following instruments:

- **U.S. Treasury Obligations.** This is the largest segment of the fixed-income securities market. Treasury securities are the safest and most marketable investments, but they yield the lowest return for a given maturity of all investment instruments. Treasury securities are classified as bills, notes, and bonds.

The Finance Director is authorized to invest in bills, notes, bonds and debentures (bond backed by the general credit of the issuer rather than a specific lien on particular assets) of the United States Treasury, the maturities of which are not more than 1 year from the date of purchase.

All United States Treasury issue transactions will be conducted only with primary dealers from the list of Government Security dealers reporting to the Markets Reports Division of the Federal Reserve Bank of New York.

- **Agency Securities.** These obligations of various agencies and corporations chartered by the federal government are guaranteed by the issuer. Principal issuers include federal land banks, federal home loan banks, federal intermediate credit banks, the Federal National Mortgage Association ("Fannie Mae"), the Governmental National Mortgage Association ("Ginnie Mae"), and the banks for cooperatives.

Notes or bonds secured by mortgages insured by the Federal Housing Administrator, securities of national mortgage associations, and debentures issued by the Federal Housing Administrator (FNMA, GNMA, and FHMLC) are acceptable investments so long as the maturity dates do not extend more than 1 year from the date of purchase.

- **Negotiable Certificates of Deposit.** A CD is the deposit of funds at a commercial bank for a specified period of time and at a specified rate of interest. Rates on CD's are quoted by money-market banks. Certificates of deposit and other evidences of deposit at financial institutions, bankers' acceptances, and commercial paper, must be rated in the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a nationally recognized rating agency and must be fully collateralized at 102%. The City may make a practice of investing only in the CDs of local banks located within the City. It shall be perfectly acceptable to support the local banks that benefit the City.
- **Local Government Investment Fund (State Pool).** The Florida Statutes authorizes the State Treasurer to establish and maintain a common trust fund (The Florida Pooled Investment Fund) in which cities, counties, school districts, regional councils of government, and other political subdivision of the State may deposit public monies. The City may withdraw deposits with a one day notice to the State Treasurer's Office.

BE IT FURTHER RESOLVED, That the Finance Director will evaluate the current General Fund unassigned fund balance and remove the identified committed funds for emergency operating expenditures and emergency hurricane recovery and advise the City Manager and City Council of the amount of the funds available for alternate investments.

BE IT FURTHER RESOLVED, That the Finance Director will issue an RFP (through the Bid Committee) for the investment of the funds identified as available for alternative investment options.

BE IT FURTHER RESOLVED, That the City Manager and Finance Director will meet monthly with the Investment Advisor to review the results of the investment return of the funds invested in alternate investment options.

BE IT FURTHER RESOLVED, That the Finance Director will present Quarterly the results of the investment return of all general fund investments as provided by the Investment Advisor and those investments managed by the City Manager and Finance Director to the City Council in a public meeting.

BE IT FURTHER RESOLVED, That the Investment Advisor will present annually the results of the investment return for the preceding 12 months of all funds entrusted to their care to the City Council in a public meeting.

BE IT FURTHER RESOLVED THAT the objectives of this policy are to:

- maintain safety of principal of city funds;
- maintain a diversified investment portfolio;
- maintain adequate liquidity; and
- achieve a market rate of return on relatively safe investment instruments.

To accomplish these objectives, decisions and actions involving the City's investment portfolio shall meet the following criteria:

- Safety. The primary objective of the City's investment activity is preservation of capital. Each investment transaction shall be conducted in a manner to avoid capital losses.
- Liquidity. The City's investment portfolio shall remain sufficiently liquid to enable the City to meet operating requirements that may be reasonably anticipated. To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than two years from the date of purchase.
- Yield. The investment portfolio shall be designed with the objective of regularly exceeding the average rate of return on a six month U.S. Treasury Bill. The City's investment risk constraints and cash flow needs shall be taken into consideration.
- Public Trust. All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Investment will be avoided where the transaction might impair public confidence in the City's ability to govern effectively.

BE IT FURTHER RESOLVED THAT the City Manager and Finance Director shall make such investments and only such investments as a prudent person would make in dealing with the property of another, having in view the preservation of the principal and the amount and regularity of the income to be derived. The standard of prudence to be used shall be the "prudent investor rule" standard and shall be applied in context of managing an overall portfolio, as described Section 518.11 Florida Statutes.

BE IT FURTHER RESOLVED THAT the City Manager and Finance Director may elect to have certificates and other evidence of investments held by a financial institution, provided that the financial institution presents to the City's Finance Director sufficient documentation and acknowledgment of the investment instruments held on behalf of the City.

BE IT FURTHER RESOLVED THAT the City Manager and Finance Director shall refrain from personal business activity that could conflict with the proper execution and

management of City investments, or that could impair the City Manager and Finance Director's ability to make impartial investment decisions.

BE IT FURTHER RESOLVED THAT the City shall comply with all applicable statutory standards for investment of public funds as they now exist or as they may be subsequently amended. Any provision of this resolution that conflicts with applicable statutory requirements and standards is void.

BE IT FURTHER RESOLVED THAT all sections or parts of sections of any City of Destin's Resolutions or parts of Resolutions, and any City of Destin's Policy or parts of Policy, which are in conflict herewith, are hereby repealed to the extent of such conflict.

Effective Date. This Resolution shall take effect immediately upon approval by the City Council and signature by the Mayor.

ADOPTED THIS 6TH DAY OF AUGUST 2012


Sarah "Sam" Seevers, Mayor

ATTEST:


Rey Bailey, City Clerk

RESOLUTION 13-04

A RESOLUTION OF THE CITY OF DESTIN, FLORIDA PROVIDING FOR AUTHORITY FOR THE INVESTMENT OF THE CITY FUND BALANCE; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, this resolution will designate the strategy and specific investment instruments to be used on the four designated accounts related to the General Fund balance.

WHEREAS, the Finance Director in exercising fiduciary responsibility desires to safeguard the funds of the City that are designated as unassigned which can be invested from time to time;

THEREFORE BE IT RESOLVED, that this resolution is applicable to all public funds assigned to the General Fund fund balance and designated in one of the four General Fund account balances, belonging to the City of Destin and in the custody of the City's City Manager and Finance Director.

BE IT FURTHER RESOLVED, that the unassigned fund balance has been separated into four identified accounts that will allow for the alternate investment options of these funds. The categories approved for the unassigned fund balance are as listed below.

A. Emergency Operating Costs

This designation is based on the requirement that the City have at least 3 months operating expenses of the current year's General Fund.

B. Debt Service Costs

This designation is based on our current General Fund debt service costs. The reserve would be for the current year's debt service costs.

C. Emergency Maintenance Costs

This designation is for an emergency fund that is at least equal to the operating costs reserve. These funds would only be used in case of an emergency.

D. Alternate Investment Funds

This designation is for all remaining unassigned funds and would be available for long term alternate investments.

BE IT FURTHER RESOLVED, that the City funds allocated to the Emergency Operating costs, Debt Service costs, and Emergency Maintenance Costs will be invested

with terms that allow for their liquidation in no more than 30 days without any penalty or fee.

BE IT FURTHER RESOLVED, that the Finance Director will ensure that the investment of the City's unassigned fund balance accounts is restricted to the types of investments listed below.

Money Markets Instruments
Certificate of Deposits
U. S. Treasuries
Government Agency Bonds
Mortgage Backed Securities
Investment Grade Corporate Bonds
Asset Backed Securities

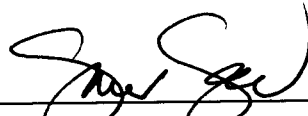
These investments may be bundled into a mutual fund which holds only these types of investments or a portfolio with an investment manager that trades these types of investment instruments in a structured manner to enhance overall portfolio return.

BE IT FURTHER RESOLVED, all sections or parts of sections of any City of Destin's Resolutions or parts of Resolutions, and any City of Destin's Policy or parts of Policy, which are in conflict herewith, are hereby repealed to the extent of such conflict.

Effective Date. This Resolution shall take effect immediately upon approval by the City Council and signature by the Mayor.

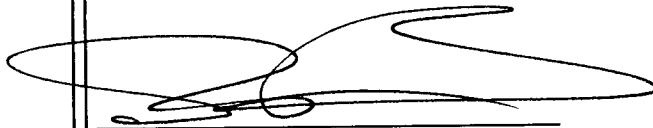
ADOPTED THIS 15TH DAY OF APRIL 2013

By



Sarah "Sam" Seevers, Mayor

ATTEST:



Rey Bailey, City Clerk

RESOLUTION NO. 18-27

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DESTIN,
FLORIDA, AUTHORIZING THE INVESTMENT OF FUNDS OF THE
CITY OF DESTIN; AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, under the provisions of section 218.415, Florida Statutes, the investment activity of a local government must be consistent with a written investment policy which provides guidance for the investment of its funds; and

WHEREAS, the objective of the Investment Policy is to balance the safety of capital, liquidity of funds, and investment income while obtaining a reasonable rate of return on said funds until such time as they are needed for City purposes;

WHEREAS, the purpose of this Investment Policy is to set forth the investment objectives and parameters for the management of public funds accumulated by the City of Destin Florida. This policy is designed to ensure the prudent management of the City's public funds and maintain an investment return that is competitive with comparable funds and financial market indices;

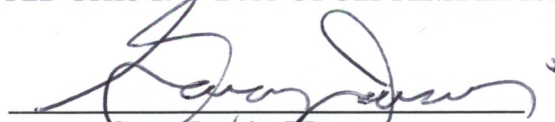
WHEREAS, in accordance with Section 218.415, Florida Statutes, this Policy applies to all financial assets, of the City of Destin with the exception of Pension Funds and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds;

WHEREAS, except where specifically directed by the State Constitution, statutes, or regulations, the general investment policies of the City of Destin will be guided by the "prudent person" rule. Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering first the probable safety and liquidity of their capital; and secondly, the probable income to be derived from the investment;

WHEREAS, the Finance Officer is responsible for reporting investment results quarterly. Such reports are to include securities in the portfolio by class/type, book value, and market value as of date of the report and are to be made publicly available for review;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Destin does hereby authorize, on behalf of the City, the Investment Policy attached hereto as Exhibit "A":

ADOPTED THIS 17TH DAY OF SEPTEMBER 2018

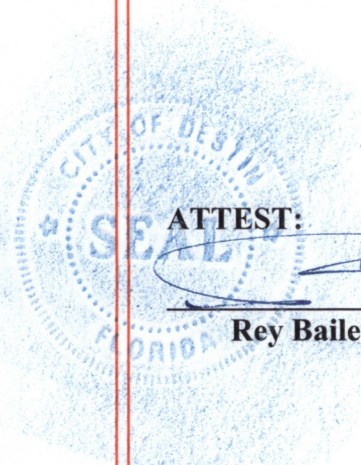


Gary Jarvis, Mayor

ATTEST:



Rey Bailey, City Clerk



CITY OF DESTIN, FLORIDA

INVESTMENT POLICY

I. PURPOSE:

The purpose of this Investment Policy is to set forth the investment objectives and parameters for the management of public funds accumulated by the City of Destin Florida. This policy is designed to ensure the prudent management of the City's public funds and maintain an investment return that is competitive with comparable funds and financial market indices.

II. SCOPE:

In accordance with Section 218.415, Florida Statutes, this Policy applies to all financial assets, of the City of Destin with the exception of Pension Funds and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Funds held by state agencies (e.g. Department of Revenue) are not subject to the provisions of this Policy.

III. INVESTMENT OBJECTIVES:

Safety of Principal – The foremost objective of this investment policy is the safety of the principal of those funds within the portfolio. Investment options will focus on growing the overall portfolio while maintaining any capital loss or erosion of market value to a minimum.

From time to time, securities may be purchased at a premium or traded for other securities to improve yield, maturity, or credit risk. For these transactions, a loss may be incurred for accounting purposes to achieve optimal investment return, provided any of the following occurs with respect to the replacement security:

- a. The yield has been increased, or
- b. The maturity has been reduced or lengthened, or
- c. The quality of the investment has been improved.

Liquidity of Funds – The portfolio shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Periodic cash flow analysis will be performed to ensure the portfolio is positioned to provide optimum cash flow requirements. Any plan to budget annual operating or capital needs from the invested funds will be outlined during the budget process and approved by the City Council.

Return on Investment – The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. Return is achieved through active management where the financial advisor utilizes a total return strategy (which includes both realized and unrealized gains and losses in the portfolio). This total return strategy seeks to increase the value of the portfolio through reinvestment of income and capital gains.

IV. AUTHORITY FOR INVESTMENT:

Responsibility for the investment program is vested with the City Manager. Responsibility for the administration of the investment program is hereby delegated by the City Manager to the City Finance Director, who shall maintain the Investment Policy. The Finance Director shall be responsible for monitoring internal controls, administrative controls, and regulate the activity of the external investment advisor.

V. STANDARD OF PRUDENCE:

The standard of prudence to be used by the investment officials shall be the “Prudent Person” standard and shall be applied in the context of managing an overall portfolio consisting primarily of public funds. Investment officers acting in accordance with written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price change, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. The “Prudent Person” rule states the following:

Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.

While the standard of prudence to be used by Authorized Staff who are officers or employees is the “Prudent Person” standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of “Prudent Expert”.

VI. ETHICAL STANDARDS:

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Also, employees involved in the investment process shall disclose to the city manager any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the City’s portfolio.

VII. AUTHORIZED INVESTMENTS:

Investments should be made subject to cash flow needs and such cash flows are subject to revisions as market conditions and the City’s needs change. The City is authorized to allow the Finance Director or the City Investment Advisor to purchase the following investment securities, at prevailing market rates and at the appropriate amount thereof in:

AUTHORIZED INVESTMENTS

1. Local Government Surplus Trust Fund (SBA), the State Investment Pool administered by the State Board of Administration.

2. Securities and Exchange Commission registered "Money Market" funds with the highest credit quality rating from a nationally recognized rating firm.
3. Non-Negotiable Interest bearing Time Certificates of Deposits or Savings Accounts in qualified public depositories as defined in s.280.02.
4. Direct obligations of the U.S. Treasury such as but not limited to the following
 - Cash Management Bills
 - Treasury Bills
 - Treasury Notes
 - Treasury Bonds
 - Treasury Securities – State or Local Government Series (SLGS)
5. Federal Agencies (full faith and credit of the United States Government) and Instrumentalities (United States Government sponsored agencies which are non-full faith and credit).
6. State and/or Local Government Taxable or Tax Exempt Debt.
7. Mortgage Backed Securities
8. Investment Grade Corporate Bonds
9. Asset backed Securities
10. Overnight Repurchase Agreements with collateral held by the trust department of the bank(s) or custodian bank(s).
11. Any other investments authorized by law or ordinance as approved by the State of Florida or the City of Destin City Council.

VIII. PERFORMANCE MEASUREMENTS:

To assist in the evaluation of the portfolios' performance, the City will use performance benchmarks for short- term and long-term portfolios'. The use of benchmarks will allow the City to measure its returns against other investors in the same markets. Custom benchmarks may be provided by the Investment Advisor when the portfolio is established. All portfolios will be monitored by an established benchmark mutually agreed upon by the City and the Investment Advisor.

IX. MATURITY AND LIQUIDITY REQUIREMENTS:

A Liquid Portfolio and Active Portfolio will be established to achieve the City's need for liquid assets while maximizing investment maturity. The liquid portfolio is established with a primary emphasis on anticipated cash flow and liquidation for a specific need which must be met within a short term timeframe. This timeframe can be as short as 30 days. These funds are invested between three (3) investment portfolios. The active portfolio is established with a primary goal of achieving a greater rate of return requiring a longer maturity timeframe extending beyond 1

year. This portfolio is established in one (1) investment portfolio. The primary investment maturity goal for all investments is less than 5 years. The overall average maturity timeframe for the investment portfolio is less than 5 years. The four (4) investment funds, descriptions and liquidity requirements are listed below.

1. Emergency Operating Fund: This investment fund will cover at 3 months of City operating expenses and should be completely liquid in no more than 30 days.
2. Debt Service Fund: This investment fund is for the payment of 1 year debt service obligated by the City general fund as should be completely liquid in no more than 30 days.
3. Emergency Maintenance Fund: This investment fund is designated for use after an emergency to fund emergency services and should be completely liquid in no more than 30 days.
4. Alternate Investment Fund: This investment fund is designated for long term investment funds that do have a short term need. These investments will have longer maturity in general to achieve a greater rate of return. No specific maturity timeframe is required but the ability to liquidate while recording minimal losses is desired.

X. RISK AND DIVERSIFICATION:

All assets held shall be diversified to control the risk of loss resulting from the over concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which these instruments are bought and sold. Diversification strategies within the established guidelines shall be reviewed and revised periodically as necessary.

The longer the maturity of a particular investment, the greater its price volatility becomes. The City seeks to reduce interest rate risk by maintaining the maturities of the majority of its investment portfolio in short-term investments. Accordingly, whenever interest rates are expected to rise in the near future, actions will be taken to shorten the maturities of the investment portfolio. Conversely, when interest rate are expected to decrease, actions will be taken to lengthen the maturities of the investment portfolio to reduce interest rate risk.

XI. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

The City shall only purchase securities from financial institutions which are located within the State of Florida and are qualified public depositories by the treasurer of the State of Florida or institutions designated as primary securities brokers/dealers as designated by the Federal Reserve Bank of New York.

XII. THIRD PARTY CUSTODIAL AGREEMENT

All securities shall be held with a third party custodian and all securities purchased by, and all collateral obtained by the City should be properly designated as an asset of the City. A third party custodian is defined as any bank depository chartered by the State of Florida or any other state or territory of the United States which has a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and

execute trusts and which is doing business in the State of Florida. Certificates of Deposits will be placed in the provider's safekeeping department for the term of the deposit.

XIII. INTERNAL CONTROLS

The City Finance Director shall exercise and monitor a set of internal controls, which said controls are designed to protect the City's funds and ensure proper accounting and reporting of the securities transactions. The internal controls are focused on preventing a loss of funds which might arise from fraud, employee error, and misrepresentation by third parties, or imprudent actions by employees. No person may engage in an investment transaction except as authorized under the terms of the policy. These procedures are intended to reduce the relatively low risk that material losses may occur and not be detected within a timely period by employees in the normal course of performing their assigned duties. The City currently employees a professional investment management firm that performs all investment transactions based on a City Council approved plan and is the custodian of all investment assets.

XIV. REPORTING

The City Finance Director shall provide the City Council with a quarterly investment report. Each report shall contain the following.

1. A list of individual securities held at or near the end of the quarter.
2. Percentage of available funds represented by each investment type.
3. Coupon, discount or earning rate
4. Average life or duration and final maturity of all investments
5. Par value and market value.
6. FY to date of investment earnings, expenses and investment gains/losses.
7. Cash held by each investment category.
8. FY to date return by investment category.

The fourth quarter report should contain an annual evaluation of the total investment earnings and annual return of each investment category.

XV. CONTINUING EDUCATION/TRAINING

The Finance Director shall annually complete 8 hours of continuing education in subjects or course of study related to investment practices and products.

XVI. INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by Resolution by the City of Destin City Council. The Finance Director shall review the policy on an annual basis to ensure it is in compliance with F.S. 218.415. Any recommendations for changes will be presented to the City Manager for City Council consideration and adoption at a future City Council meeting.

GLOSSARY OF INVESTMENT TERMS

Accrued interest – The interest due on a bond since the last interest payment was made. The buyer of the bond pays the market price plus accrued interest.

Acquisition – The acquiring of control of one corporation by another. In "unfriendly" takeover attempts, the potential buying company may offer a price well above current market values, new securities and other inducements to stockholders. The management of the subject company might ask for a better price or try to join up with a third company. (See: [Merger](#), [Proxy](#))

American Depositary Receipt (ADR) – a security issued by a U.S. bank in place of the foreign shares held in trust by that bank, thereby facilitating the trading of foreign shares in U.S. markets.

American Stock Exchange (AMEX) – The second largest stock exchange in the United States, located in the financial district of New York City. (Formerly known as the Curb Exchange from its origin on a Manhattan street.)

Amortization – Accounting for expenses or charges as applicable rather than as paid. Includes such practices as depreciation, depletion, write-off of intangibles, prepaid expenses and deferred charges.

Annual report – The formal financial statement issued yearly by a corporation. The annual report shows assets, liabilities, revenues, expenses and earnings - how the company stood at the close of the business year, how it fared profit-wise during the year, as well as other information of interest to shareowners.

Arbitrage – A technique employed to take advantage of differences in price. If, for example, ABC stock can be bought in New York for \$10 a share and sold in London at \$10.50, an arbitrageur may simultaneously purchase ABC stock here and sell the same amount in London, making a profit of \$.50 a share, less expenses. Arbitrage may also involve the purchase of rights to subscribe to a security, or the purchase of a convertible security - and the sale at or about the same time of the security obtainable through exercise of the rights or of the security obtainable through conversion. (See: [Convertible](#), [Rights](#))

Assets – Everything a corporation owns or that is due to it: cash, investments, money due it, materials and inventories, which are called current assets; buildings and machinery, which are known as fixed assets; and patents and goodwill, called intangible assets. (See: [Liabilities](#))

Auction market – The system of trading securities through brokers or agents on an exchange such as the New York Stock Exchange. Buyers compete with other buyers while sellers compete with other sellers for the most advantageous price.

Auditor's report – Often called the accountant's opinion, it is the statement of the accounting firm's work and its opinion of the corporation's financial statements, especially if they conform to the normal and generally accepted practices of accountancy.

Averages – Various ways of measuring the trend of securities prices, one of the most popular of which is the Dow Jones Industrial Average of 30 industrial stocks listed on the New York Stock Exchange. The prices of the 30 stocks are totaled and then divided by a divisor that is intended to compensate for past stock splits and stock dividends, and that is changed from time to time. As a result, point changes in the

average have only the vaguest relationship to dollar-price changes in stocks included in the average. (See: [NYSE Composite Index](#))

Averaging – (See: [Dollar-cost-averaging](#))

Balance sheet – A condensed financial statement showing the nature and amount of a company's assets, liabilities and capital on a given date. In dollar amounts, the balance sheet shows what the company owned, what it owed and the ownership interest in the company of its stockholders. (See: [Assets](#), [Earnings report](#))

Basis point – One gradation on a 100-point scale representing 1%; used especially in expressing variations in the yields of bonds. Fixed income yields vary often and slightly within one percent and the basis point scale easily expresses these changes in hundredths of 1%. For example, the difference between 12.83% and 12.88% is 5 basis points.

Bear – Someone who believes the market will decline. (See: [Bull](#))

Bear market – A declining market. (See: [Bull market](#))

Bearer bond – A bond that does not have the owner's name registered on the books of the issuer. Interest and principal, when due, are payable to the holder. (See: [Coupon bond](#), [Registered bond](#))

Bid and Asked – Often referred to as a quotation or quote. The bid is the highest price anyone wants to pay for a security at a given time, the asked is the lowest price anyone will take at the same time. (See: [Quote](#))

Block – A large holding or transaction of stock – popularly considered to be 10,000 shares or more.

Blue chip – A company known nationally for the quality and wide acceptance of its products or services, and for its ability to make money and pay dividends.

Blue Sky Laws – A popular name for laws various states have enacted to protect the public against securities frauds. The term is believed to have originated when a judge ruled that a particular stock had about the same value as a patch of blue sky.

Bond – Basically an IOU or promissory note of a corporation, usually issued in multiples of \$1,000 or \$5,000, although \$100 and \$500 denominations are not unknown. A bond is evidence of a debt on which the issuing company usually promises to pay the bondholders a specified amount of interest for a specified length of time, and to repay the loan on the expiration date. In every case a bond represents debt - its holder is a creditor of the corporation and not a part owner, as is the shareholder. (See: [Collateral](#), [Convertible](#), [Debenture](#), [General mortgage bond](#), [Income bond](#))

Book value – An accounting term. Book value of a stock is determined from a company's records, by adding all assets then deducting all debts and other liabilities, plus the liquidation price of any preferred issues. The sum arrived at is divided by the number of common shares outstanding and the result is book value per common share. Book value of the assets of a company or a security may have little relationship to market value.

Broker – An agent who handles the public's orders to buy and sell securities, commodities or other property. A commission is charged for this service. (See: [Commission broker](#), [Dealer](#))

Brokers' loans – Money borrowed by brokers from banks or other brokers for a variety of uses. It may be used by specialists to help finance inventories of stock they deal in; by brokerage firms to finance the underwriting of new issues of corporate and municipal securities; to help finance a firm's own investments; and to help finance the purchase of securities for customers who prefer to use the broker's credit when they buy securities. (See: [Margin](#))

Bull – One who believes the market will rise. (See: [Bear](#))

Bull market – An advancing market. (See: [Bear market](#))

Buy side – The portion of the securities business in which institutional orders originate.

Callable – A bond issue, all or part of which may be redeemed by the issuing corporation under specified conditions before maturity. The term also applies to preferred shares that may be redeemed by the issuing corporation.

Capital gain or capital loss – Profit or loss from the sale of a capital asset. The capital gains provisions of the tax law are complicated. You should consult your tax advisor for specific information.

Capital stock – All shares representing ownership of a business, including preferred and common. (See: [Common stock](#), [Preferred stock](#))

Capitalization – Total amount of the various securities issued by a corporation. Capitalization may include bonds, debentures, preferred and common stock, and surplus. Bonds and debentures are usually carried on the books of the issuing company in terms of their par or face value. Preferred and common shares may be carried in terms of par or stated value. Stated value may be an arbitrary figure decided upon by the director or may represent the amount received by the company from the sale of the securities at the time of issuance. (See: [Par](#))

Cash flow – Reported net income of a corporation plus amounts charged off for depreciation, depletion, amortization, and extraordinary charges to reserves, which are bookkeeping deductions and not paid out in actual dollars and cents. (See: [Amortization](#), [Depreciation](#))

Cash sale – A transaction on the floor of the stock exchange that calls for delivery of the securities the same day. In "regular way" trade, the seller is to deliver on the third business day, except for bonds, which are the next day. (See: [Regular way delivery](#))

Certificate – The actual piece of paper that is evidence of ownership of stock in a corporation. Watermarked paper is finely engraved with delicate etchings to discourage forgery.

Certificate of deposit (CD) – A money market instrument characterized by its set date of maturity and interest rate. There are two basic types of CDs: traditional and negotiable. Traditional bank CDs typically incur an early-withdrawal penalty, while negotiable CDs have secondary market liquidity with investors receiving more or less than the original amount depending on market conditions.

The Commodity Futures Trading Commission (CFTC) – Created by Congress in 1974 to regulate exchange trading in futures.

Collateral – Securities or other property pledged by a borrower to secure repayment of a loan.

Commercial paper – Debt instruments issued by companies to meet short-term financing needs.

Commission – The broker's basic fee for purchasing or selling securities or property as an agent.

Commission broker – An agent who executes the public's orders for the purchase or sale of securities or commodities.

Common stock – Securities that represent an ownership interest in a corporation. If the company has also issued preferred stock, both common and preferred have ownership rights. Common stockholders assume the greater risk, but generally exercise the greater control and may gain the greater award in the form of dividends and capital appreciation. The terms common stock and capital stock are often used interchangeably when the company has no preferred stock.

Competitive trader – A member of the exchange who trades in stocks on the floor for an account in which there is an interest. Also known as a registered trader.

Conglomerate – A corporation that has diversified its operations usually by acquiring enterprises in widely varied industries.

Consolidated balance sheet – A balance sheet showing the financial condition of a corporation and its subsidiaries. (See: [Balance sheet](#))

Consolidated tape – The ticker tape reporting transactions in NYSE-listed securities that take place on the NYSE or any of the participating regional stock exchanges and other markets. Similarly, transactions in AMEX-listed securities, and certain other securities listed on regional stock exchanges, are reported on a separate tape.

Convertible – A bond, debenture or preferred share that may be exchanged by the owner for common stock or another security, usually of the same company, in accordance with the terms of the issue.

Correspondent – A securities firm, bank or other financial organization that regularly performs services for another in a place or market to which the other does not have direct access. Securities firms may have correspondents in foreign countries or on exchanges of which they are not members. Correspondents are frequently linked by private wires. Member organizations of the NYSE with offices in New York may also act as correspondents for out-of-town member organizations that do not maintain New York offices.

Coupon bond – Bond with interest coupons attached. The coupons are clipped as they come due and presented by the holder for payment of interest. (See: [Bearer bond](#), [Registered bond](#))

Cumulative preferred – A stock having a provision that if one or more dividends are omitted, the omitted dividends must be paid before dividends may be paid on the company's common stock.

Cumulative voting – A method of voting for corporate directors that enables the shareholders to multiply the number of their shares by the number of directorships being voted on and to cast the total

for one director or a selected group of directors. A 10-share holder normally casts 10 votes for each of, say, 12 nominees to the board of directors. One thus has 120 votes. Under the cumulative voting principle, one may do that or may cast 120 (10 x 12) votes for only one nominee, 60 for two, 40 for three, or any other distribution one chooses. Cumulative voting is required under the corporate laws of some states and is permitted in most others.

Current assets – Those assets of a company that are reasonably expected to be realized in cash, sold or consumed during one year. These include cash, U.S. Government bonds, receivables and money due usually within one year, as well as inventories.

Current liabilities – Money owed and payable by a company, usually within one year.

Current return – (See: [Yield](#))

Day order – An order to buy or sell that, if not executed, expires at the end of trading day on which it was entered.

Dealer – An individual or firm in the securities business who buys and sells stocks and bonds as a principal rather than as an agent. The dealer's profit or loss is the difference between the price paid and the price received for the same security. The dealer's confirmation must disclose to the customer that the principal has been acted upon. The same individual or firm may function, at different times, either as a broker or dealer. (See: [FINRA](#), [Specialist](#))

Debenture – A promissory note backed by the general credit of a company and usually not secured by a mortgage or lien on any specific property. (See: [Bond](#))

Debit balance – In a customer's margin account, that portion of the purchase price of stock, bonds or commodities that is covered by credit extended by the broker to the margin customer. (See: [Margin](#))

Delayed opening – The postponement of trading of an issue on a stock exchange beyond the normal opening of a day's trading because of market conditions that have been judged by exchange officials to warrant such a delay. Reasons for the delay might be an influx of either buy or sell orders, an imbalance of buyers and sellers, or pending corporate news that requires time for dissemination.

Depletion accounting – Natural resources, such as metals, oil, gas and timber, that conceivably can be reduced to zero over the years, present a special problem in capital management. Depletion is an accounting practice consisting of charges against earnings based upon the amount of the asset taken out of the total reserves in the period for which accounting is made. A bookkeeping entry, it does not represent any cash outlay nor are any funds earmarked for the purpose.

Depository Trust Company (DTC) – A central securities certificate depository through which members effect security deliveries between each other via computerized bookkeeping entries thereby reducing the physical movement of stock certificates.

Depreciation – Normally, charges against earnings to write off the cost, less salvage value, of an asset over its estimated useful life. It is a bookkeeping entry and does not represent any cash outlay nor are any funds earmarked for the purpose.

Director – Person elected by shareholders to serve on the board of directors. The directors appoint the president, vice presidents, and all other operating officers. Directors decide, among other matters, if and when dividends shall be paid. (See: [Proxy](#))

Discount – The amount by which a preferred stock or bond may sell below its par value. Also used as a verb to mean "takes into account" as the price of the stock has discounted the expected dividend cut. (See: [Premium](#))

Discretionary account – An account in which the customer gives the broker or someone else discretion to buy and sell securities or commodities, including selection, timing, amount, and price to be paid or received.

Diversification – Spreading investments among different types of securities and various companies in different fields.

Dividend – The payment designated by the board of directors to be distributed pro rata among the shares outstanding. On preferred shares, it is generally a fixed amount. On common shares, the dividend varies with the fortunes of the company and the amount of cash on hand, and may be omitted if business is poor or the directors determine to withhold earnings to invest in plant and equipment. Sometimes a company will pay a dividend out of past earnings even if it is not currently operating at a profit.

Dollar-cost-averaging – A system of buying securities at regular intervals with a fixed dollar amount. Under this system investors buy by the dollars' worth rather than by the number of shares. If each investment is of the same number of dollars, payments buy more shares when the price is low and fewer when it rises. Thus temporary downswings in price benefit investors if they continue periodic purchases in both good and bad times, and the price at which the shares are sold is more than their average cost. Dollar-cost-averaging does not assure a profit and does not protect against loss in declining markets. Since dollar-cost-averaging involves continuous investment in securities regardless of fluctuating price levels of such securities, investors should consider their financial ability to continue purchases through periods of low price levels. (See: [Formula investing](#))

Down tick – (See: [Up tick](#))

Dow Theory – A theory of market analysis based upon the performance of the Dow Jones Industrial Average and transportation stock price averages. The theory says that the market is in a basic upward trend if one of these averages advances above a previous important high, accompanied or followed by a similar advance in the other. When both averages dip below previous important lows, this is regarded as confirmation of a downward trend. The Dow Jones is one type of market index. (See: [NYSE Composite Index](#))

Earnings report – A statement, also called an income statement, issued by a company showing its earnings or losses over a given period. The earnings report lists the income earned, expenses and the net result. (See: [Balance sheet](#))

Equipment trust certificate – A type of security, generally issued by a railroad, to pay for new equipment. Title to the equipment, such as a locomotive, is held by a trustee until the notes are paid off. An equipment trust certificate is usually secured by a first claim on the equipment.

Equity – The ownership interest of common and preferred stockholders in a company. Also refers to excess of value of securities over the debit balance in a margin account.

Ex-dividend – A synonym for "without dividend." The buyer of a stock selling ex-dividend does not receive the recently declared dividend. When stocks go ex-dividend, the stock tables include the symbol "x" following the name. (See: [Cash sale](#), [Net change](#), [Transfer](#))

Ex-rights – Without the rights. Corporations raising additional money may do so by offering their stockholders the right to subscribe to new or additional stock, usually at a discount from the prevailing market price. The buyer of a stock selling ex-rights is not entitled to the rights. (See: [Ex-dividend](#), [Rights](#))

Extra – The short form of "extra dividend." A dividend in the form of stock or cash in addition to the regular or usual dividend the company has been paying.

Face value – The value of a bond that appears on the face of the bond, unless the value is otherwise specified by the issuing company. Face value is ordinarily the amount the issuing company promises to pay at maturity. Face value is not an indication of market value. Sometimes referred to as par value. (See: [Par](#))

FINRA – The Financial Industry Regulatory Authority (f/k/a National Association of Securities Dealers), is the largest non-governmental regulator for all securities firms doing business in the United States. FINRA was created in July 2007 through the consolidation of NASD and the member regulation, enforcement and arbitration functions of the New York Stock Exchange.

Fiscal year – A corporation's accounting year. Due to the nature of their particular business, some companies do not use the calendar year for their bookkeeping. A typical example is the department store that finds December 31 too early a date to close its books after the Christmas rush. For that reason many stores wind up their accounting year January 31. Their fiscal year, therefore, runs from February 1 of one year through January 31 of the next. The fiscal year of other companies may run from July 1 through the following June 30. Most companies, though, operate on a calendar year basis.

Fixed charges – A company's fixed expenses, such as bond interest, which it has agreed to pay whether or not earned, and which are deducted from income before earnings on equity capital are computed.

Flat income bond – This term means that the price at which a bond is traded includes consideration for all unpaid accruals of interest. Bonds that are in default of interest or principal are traded flat. Income bonds that pay interest only to the extent earned are usually traded flat. All other bonds are usually dealt in "and interest," which means that the buyer pays to the seller the market price plus interest accrued since the last payment date.

Floor – The huge trading area - about the size of a football field - where stocks, bonds and options are bought and sold on the New York Stock Exchange.

Floor broker – A member of the stock exchange who executes orders on the floor of the Exchange to buy or sell any listed securities. (See: [Commission broker](#))

Formula investing – An investment technique. One formula calls for the shifting of funds from common shares to preferred shares or bonds as a selected market indicator rises above a certain predetermined

point - and the return of funds to common share investments as the market average declines.
(See: [Dollar-cost-averaging](#))

Free and open market – A market in which supply and demand are freely expressed in terms of price. Contrasts with a controlled market in which supply, demand and price may all be regulated.

Fundamental research – Analysis of industries and companies based on such factors as sales, assets, earnings, products or services, markets and management. As applied to the economy, fundamental research includes consideration of gross national product, interest rates, unemployment, inventories, savings, etc. (See: [Technical research](#))

Funded debt – Usually interest-bearing bonds or debentures of a company. Could include long-term bank loans. Does not include short-term loans, preferred or common stock.

General mortgage bond – A bond that is secured by a blanket mortgage on the company's property but may be outranked by one or more other mortgages.

Gilt-edged – High-grade bond issued by a company that has demonstrated its ability to earn a comfortable profit over a period of years and pay its bondholders their interest without interruption.

Give-up – A term with many different meanings. For one, a member of the exchange on the floor may act for a second member by executing an order for him or her with a third member. The first member tells the third member that he or she is acting on behalf of the second member and "gives up" the second member's name rather than his or her own.

Gold fix – The setting of the price of gold by dealers (especially in a twice-daily London meeting at the central bank); the fix is the fundamental worldwide price for setting prices of gold bullion and gold-related contracts and products.

Good delivery – Certain basic qualifications must be met before a security sold on the Exchange may be delivered. The security must be in proper form to comply with the contract of sale and to transfer title to the purchaser.

Good 'til canceled (GTC) or open order - An order to buy or sell that remains in effect until it is either executed or canceled.

Government bonds – Obligations of the U.S. Government, regarded as the highest grade securities issues.

Growth stock – Stock of a company with a record of growth in earnings at a relatively rapid rate.

Holding company – A corporation that owns the securities of another, in most cases with voting control.

Hypothecation – The pledging of securities as collateral - for example, to secure the debit balance in a margin account.

Income bond – Generally income bonds promise to repay principal but to pay interest only when earned. In some cases unpaid interest on an income bond may accumulate as a claim against the corporation when the bond becomes due. An income bond may also be issued in lieu of preferred stock.

Indenture – A written agreement under which bonds and debentures are issued, setting forth maturity date, interest rate and other terms.

Independent broker – Member on the floor of the NYSE who executes orders for other brokers having more business at that time than they can handle themselves, or for firms who do not have their exchange member on the floor.

Index – A statistical yardstick expressed in terms of percentages of a base year or years. For instance, the NYSE Composite Index of all NYSE common stocks is based on 1965 as 50. An index is not an average. (See [Averages](#), [NYSE Composite Index](#))

Initial public offering – (See: [Primary distribution](#))

Institutional investor – An organization whose primary purpose is to invest its own assets or those held in trust by it for others. Includes pension funds, investment companies, insurance companies, universities and banks.

Interest – Payments borrowers pay lenders for the use of their money. A corporation pays interest on its bonds to its bondholders. (See: [Bond](#), [Dividend](#))

Intermarket Trading System (ITS) – An electronic communications network now linking the trading floor of seven registered exchanges and FINRA to foster competition among them in stocks listed on either the NYSE or AMEX and one or more regional exchanges. Through ITS, any broker or market maker on the floor of any participating market can reach out to other participants for an execution whenever the nationwide quote shows a better price is available.

Interrogation device – A computer terminal that provides market information - last sale price, quotes, volume, etc. - on a screen or paper tape.

Investment – The use of money for the purpose of making more money, to gain income, increase capital, or both.

Investment banker – Also known as an underwriter. The middleman between the corporation issuing new securities and the public. The usual practice is for one or more investment bankers to buy outright from a corporation a new issue of stocks or bonds. The group forms a syndicate to sell the securities to individuals and institutions. Investment bankers also distribute very large blocks of stocks or bonds - perhaps held by an estate. (See: [Primary distribution](#), [Syndicate](#))

Investment Company – A company or trust that uses its capital to invest in other companies. There are two principal types: the closed-end and the open-end, or mutual fund. Shares in closed-end investment companies, some of which are listed on the New York Stock Exchange, are readily transferable in the open market and are bought and sold like other shares. Capitalization of these companies remains the same unless action is taken to change, which is seldom. Open-end funds sell their own shares to investors, stand ready to buy back their old shares, and are not listed. Open-end funds are so called because their capitalization is not fixed; they issue more shares as people want them.

Investment counsel – One whose principal business consists of acting as investment advisor and rendering investment supervisory services.

IRA – Individual retirement account. A pension plan with tax advantages. IRAs permit investment through intermediaries like mutual funds, insurance companies and banks, or directly in stocks and bonds through stockbrokers. (See: [Keogh Plan](#))

Issue – Any of a company's securities, or the act of distributing such securities.

Keogh plan – Tax-advantaged personal retirement program that can be established by a self-employed individual. (See: [IRA](#))

Legal list – A list of investments selected by various states in which certain institutions and fiduciaries, such as insurance companies and banks, may invest. Legal lists are often restricted to high-quality securities meeting certain specifications. (See: [Prudent Man Rule](#))

Leverage – The effect on a company when the company has bonds, preferred stock, or both outstanding. Example: If the earnings of a company with 1,000,000 common shares increases from \$1,000,000 to \$1,500,000, earnings per share would go up from \$1 to \$1.50, or an increase of 50%. But if earnings of a company that had to pay \$500,000 in bond interest increased that much, earnings per common share would jump from \$.50 to \$1 a share, or 100%.

Liabilities – All the claims against a corporation. Liabilities include accounts, wages and salaries payable; dividends declared payable; accrued taxes payable; and fixed or long-term liabilities, such as mortgage bonds, debentures and bank loans. (See: [Assets](#), [Balance sheet](#))

Limit, limited order, or limited price order – An order to buy or sell a stated amount of a security at a specified price, or at a better price, if obtainable after the order is represented in the trading crowd.

Liquidation – The process of converting securities or other property into cash. The dissolution of a company, with cash remaining after sale of its assets and payment of all indebtedness being distributed to the shareholders.

Liquidity – The ability of the market in a particular security to absorb a reasonable amount of buying or selling at reasonable price changes. Liquidity is one of the most important characteristics of a good market.

Listed stock – The stock of a company that is traded on a securities exchange.

Load – The portion of the offering price of shares of open-end investment companies in excess of the value of the underlying assets. Covers sales commissions and all other costs of distribution. The load is usually incurred only on purchase, there being, in most cases, no charge when the shares are sold (redeemed). (See: [Investment Company](#))

Locked in – Investors are said to be locked in when they have profit on a security they own but do not sell because their profit would immediately become subject to the capital gains tax.

Long – Signifies ownership of securities. "I am long 100 U.S. steel" means the speaker owns 100 shares. (See: [Short position](#), [Short sale](#))

Manipulation – An illegal operation. Buying or selling a security for the purpose of creating false or misleading appearance of active trading or for the purpose of raising or depressing the price to induce purchase or sale by others.

Margin – The amount paid by the customer when using a broker's credit to buy or sell a security. Under Federal Reserve regulations, the initial margin requirement since 1945 has ranged from the current rate of 50% of the purchase price up to 100%. (See: [loan](#), [Equity](#))

Margin call – A demand upon a customer to put up money or securities with the broker. The call is made when a purchase is made; also if a customer's account declines below a minimum standard set by the exchange or by the firm.

Market order – An order to buy or sell a stated amount of a security at the most advantageous price obtainable after the order is represented in the trading crowd. (See: [Good 'til canceled order](#), [Limit order](#), [Stop order](#))

Market price – The last reported price at which the stock or bond sold, or the current quote. (See: [Quote](#))

Maturity – The date on which a loan or bond comes due and is to be paid off.

Member Corporation – A securities brokerage firm, organized as a corporation, with at least one member of the New York Stock Exchange who is an officer or employee of the corporation.

Member firm – A securities brokerage firm organized as a partnership and having at least one general partner or employee who is a member of the New York Stock Exchange.

Member organization – The term includes New York Stock Exchange member firms and member corporations.

Merger – Combination of two or more corporations.

Money market fund – A mutual fund whose investments are in high-yield money market instruments such as federal securities, CDs and commercial paper. Its intent is to make such instruments, normally purchased in large denominations by institutions, available indirectly to individuals. (See: [Certificate of deposit](#), [Commercial paper](#))

Mortgage bond – A bond secured by a mortgage on a property. The value of the property may or may not equal the value of the bonds issued against it. (See: [Bond](#), [Debenture](#))

Municipal bond – A bond issued by a state or a political subdivision, such as county, city, town or village. The term also designates bonds issued by state agencies and authorities. In general, interest paid on municipal bonds is exempt from federal income taxes and state and local taxes within the state of issue. However, interest may be subject to the alternative minimum tax (AMT).

Mutual fund – (See: [Investment company](#))

NASD – please refer to the details listed above for [FINRA](#).

NASDAQ – An automated information network that provides brokers and dealers with price quotations on securities traded over-the-counter. NASDAQ is an acronym for National Association of Securities Dealers Automated Quotations.

Negotiable – Refers to a security, the title to which is transferable by delivery.

Net asset value – Usually used in connection with investment companies to mean net asset value per share. An investment company computes its assets daily, or even twice daily, by totaling the market value of all securities owned. All liabilities are deducted, and the balance is divided by the number of shares outstanding. The resulting figure is the net asset value per share. (See: [Assets](#), [Investment Company](#))

Net change – The change in the price of a security from the closing price on one day to the closing price the next day on which the stock is traded. The net change is ordinarily the last figure in the newspaper stock price list. The mark +1 1/8 means up \$1.125 a share from the last sale on the previous day the stock traded.

New issue – A stock or bond sold by a corporation for the first time. Proceeds may be used to retire outstanding securities of the company, for new plant or equipment, for additional working capital, or to acquire a public ownership interest in the company for private owners.

New York Futures Exchange (NYFE) – A subsidiary of the New York Stock Exchange devoted to the trading of futures products.

New York Stock Exchange (NYSE) – The largest organized securities market in the United States, founded in 1792. The Exchange itself does not buy, sell, own or set the prices of securities traded there. The prices are determined by public supply and demand. The Exchange is a non-profit corporation of 1,366 individual members, governed by a board of directors consisting of 10 public representatives, 10 Exchange members or allied members and a full-time chairman, executive vice chairman and president.

Noncumulative – A type of preferred stock on which unpaid dividends do not accrue. Omitted dividends are, as a rule, gone forever. (See: [Cumulative preferred](#))

NYSE Composite Index – The composite index covering price movements of all common stocks listed on the New York Stock Exchange. It is based on the close of the market December 31, 1965, as 50 and is weighted according to the number of shares listed for each issue. The index is computed continuously and printed on the ticker tape. Point changes in the index are converted to dollars and cents so as to provide a meaningful measure of changes in the average price of listed stocks. The composite index is supplemented by separate indexes for four industry groups: industrial, transportation, utility and finance. (See: [Averages](#))

Odd Lot – An amount of stock less than the established 100-share unit. (See: [Round lot](#))

Off-board – This term may refer to transactions over-the-counter in unlisted securities or to transactions of listed shares that are not executed on a national securities exchange.

Offer – The price at which a person is ready to sell. Opposed to bid, the price at which one is ready to buy. (See: [Bid and Asked](#))

Open-end investment company – (See: [Investment company](#))

Open order – (See: [Good 'til canceled order](#))

Overbought – An opinion as to price levels. May refer to a security that has had a sharp rise or to the market as a whole after a period of vigorous buying which, it may be argued, has left prices "too high."

Oversold – The reverse of overbought. A single security or a market which, it is believed, has declined to an unreasonable level.

Over-the-counter – A market for securities made up of securities dealers who may or may not be members of a securities exchange. The over-the-counter market is conducted over the telephone and deals mainly with stocks of companies without sufficient shares, stockholders or earnings to warrant listing on an exchange. Over-the-counter dealers may act either as principals or as brokers for customers. The over-the-counter market is the principal market for bonds of all types.

(See: [FINRA](#), [NASDAQ](#))

Paper profit (loss) – An unrealized profit or loss on a security still held. Paper profits and losses become realized only when the security is sold. (See: [Profit-taking](#))

Par – In the case of a common share, par means a dollar amount assigned to the share by the company's charter. Par value may also be used to compute the dollar amount of common shares on the balance sheet. Par value has little relationship to the market value of common stock. Many companies issue no-par stock but give a stated per share value on the balance sheet. In the case of preferred stocks it signifies the dollar value upon which dividends are figured. With bonds, par value is the face amount, usually \$1,000.

Participating preferred – A preferred stock that is entitled to its stated dividend and to additional dividends on a specified basis upon payment of dividends on the common stock.

Passed dividend – Omission of a regular or scheduled dividend.

Penny stocks – Low-priced issues, often highly speculative, selling at less than \$1 a share. Frequently used as a term of disparagement, although some penny stocks have developed into investment-caliber issues.

Point – In the case of shares of stock, a point means \$1. If ABC shares rise 3 points, each share has risen \$3. In the case of bonds a point means \$10, since a bond is quoted as a percentage of \$1,000. A bond that rises 3 points gains 3% in \$1,000, or \$30 in value. An advance from 87 to 90 would mean an advance in dollar value from \$870 to \$900. In the case of market averages, the word point means merely that and no more. If, for example, the NYSE Composite Index rises from 90.25 to 91.25, it has risen a point. A point in this index, however, is not equivalent to \$1. (See: [Index](#))

Portfolio – Holdings of securities by an individual or institution. A portfolio may contain bonds, preferred stocks, common stocks and other securities.

Preferred stock – A class of stock with a claim on the company's earnings before payment may be made on the common stock and usually entitled to priority over common stock if the company liquidates. Usually entitled to dividends at a specified rate - when declared by the board of directors and before

payment of a dividend on the common stock - depending upon the terms of the issue. (See: [Cumulative preferred](#), [Participating preferred](#))

Premium – The amount by which a bond or preferred stock may sell above its par value. May refer, also, to redemption price of a bond or preferred stock if it is higher than face value.

Price-to-earnings ratio – A popular way to compare stocks selling at various price levels. The P/E ratio is the price of a share of stock divided by earnings per share for a 12-month period. For example, a stock selling for \$50 a share and earning \$5 a share is said to be selling at a price-to-earnings ratio of 10.

Primary distribution – Also called primary or initial public offering. The original sale of a company's securities. (See: [Investment banker](#))

Prime rate – The lowest interest rate charged by commercial banks to their most credit-worthy customers; other interest rates, such as personal, automobile, commercial and financing loans are often pegged to the prime.

Principal – The person for whom a broker executes an order, or dealers buying or selling for their own accounts. The term "principal" may also refer to a person's capital or to the face amount of a bond.

Profit-taking – Selling stock that has appreciated in value since purchase, in order to realize the profit. The term is often used to explain a downturn in the market following a period of rising prices. (See: [Paper profit](#))

Prospectus – The official selling circular that must be given to purchasers of new securities registered with the Securities and Exchange Commission. It highlights the much longer Registration Statement file with the Commission.

Proxy – Written authorization given by a shareholder to someone else to represent him or her and vote his or her shares at a shareholders meeting.

Proxy statement – Information given to stockholders in conjunction with the solicitation of proxies.

Prudent Man Rule – An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest the fund's money only in a list of securities designated by the state - the so-called legal list. In other states, the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence, who is seeking a reasonable income and preservation of capital. (See: [Legal list](#))

Quote – The highest bid to buy and the lowest offer to sell a security in a given market at a given time. If you ask your financial advisor for a "quote" on a stock, he or she may come back with something like "45 1/4 to 45 1/2." This means that \$45.25 is the highest price any buyer wanted to pay at the time the quote was given on the floor of the exchange and that \$45.50 was the lowest price that any seller would take at the same time. (See: [Bid and asked](#))

Rally – A brisk rise following a decline in the general price level of the market, or in an individual stock.

Real Estate Investment Trust (REIT) – An organization similar to an investment company in some respects but concentrating its holdings in real estate investments. The yield is generally liberal since REITs are required to distribute as much as 90% of their income. (See: [Investment Company](#))

Record date – The date on which you must be registered as a shareholder of a company in order to receive a declared dividend or, among other things, to vote on company affairs. (See: Ex-dividend, [Transfer](#))

Redemption price – The price at which a bond may be redeemed before maturity, at the option of the issuing company. Redemption value also applies to the price the company must pay to call in certain types of preferred stock. (See: [Callable](#))

Red herring – A registration statement filed with but not yet approved by the Securities and Exchange Commission (SEC). (See: [Prospectus](#))

Refinancing – Same as refunding. New securities are sold by a company and the money is used to retire existing securities. The object may be to save interest costs, extend the maturity of the loan, or both.

Registered bond – A bond that is registered on the books of the issuing company in the name of the owner. It can be transferred only when endorsed by the registered owner. (See: Bearer, [Coupon bond](#))

Registered competitive market maker – Members of the New York Stock Exchange who trade on the floor for their own or their firm's account and who have an obligation, when called upon by an exchange official, to narrow a quote or improve the depth of an existing quote by their own bid or offer.

Registered representative – The man or woman who serves the investor customers of a broker/dealer. In a New York Stock Exchange-member organization, a registered representative must meet the requirements of the exchange as to background and knowledge of the securities business. Also known as a financial advisor or customer's broker.

Registrar – Usually a trust company or bank charged with the responsibility of keeping record of the owners of a corporation's securities and preventing the issuance of more than the authorized amount. (See: [Transfer](#))

Registration – Before an initial public offering may be made of new securities by a company, the securities must be registered under the Securities Act of 1933. A registration statement is filed with the SEC by the issuer. It must disclose pertinent information relating to the company's operations, securities, management and purpose of the public offering. Before a security may be admitted to dealings on a national securities exchange, it must be registered under the Securities Exchange Act of 1934. The application for registration must be filed with the exchange and the SEC by the company issuing the securities.

Regular way delivery – Unless otherwise specified, securities sold on the New York Stock Exchange are to be delivered to the buying broker by the selling broker and payment made to the selling broker by the buying broker on the third business day after the transaction. Regular way delivery for bonds is the following business day. (See: [Transfer](#))

Regulation T – The federal regulation governing the amount of credit that may be advanced by brokers and dealers to customers for the purchase of securities. (See: [Margin](#))

Regulation U – The federal regulation governing the amount of credit that may be advanced by banks to customers for the purchase of listed stocks. (See: [Margin](#))

Rights – When a company wants to raise more funds by issuing additional securities, it may give its stockholders the opportunity, ahead of others, to buy the new securities in proportion to the number of shares each owns. The piece of paper evidencing this privilege is called a right. Because the additional stock is usually offered to stockholders below the current market price, rights ordinarily have a market value of their own and are actively traded. In most cases they must be exercised within a relatively short period. Failure to exercise or sell rights may result in monetary loss to the holder. (See: [Warrants](#))

Round lot – A unit of trading or a multiple thereof. On the NYSE, the unit of trading is generally 100 shares in stocks and \$1,000 or \$5,000 par value in the case of bonds. In some inactive stocks, the unit of trading is 10 shares. (See: [Odd lot](#))

Scale order – An order to buy (or sell) a security, that specifies the total amount to be bought (or sold) at specified price variations.

Scripophily – A term coined in the mid-1970s to describe the hobby of collecting antique bonds, stocks and other financial instruments. Values are affected by beauty of the certificate and the issuer's role in world finance and economic development.

Seat – A traditional figure of speech for a membership on an exchange.

SEC – The Securities and Exchange Commission, established by Congress to help protect investors. The SEC administers the Securities Act of 1933, the Securities Exchange Act of 1934, the Securities Act Amendments of 1975, the Trust Indenture Act, the Investment Company Act, the Investment Advisers Act and the Public Utility Holding Company Act.

Secondary distribution – Also known as secondary offering. The redistribution of a block of stock sometime after it has been sold by the issuing company. The sale is handled off the NYSE by a securities firm or group of firms and the shares are usually offered at a fixed price related to the current market price of the stock. Usually the block is a large one, such as might be involved in the settlement of an estate. The security may be listed or unlisted. (See: [Investment banker](#), [Primary distribution](#))

Securities Industry Automation Corporation (SIAC) – An independent organization established by the New York and American Stock Exchanges as a jointly owned subsidiary to provide automation, data processing, clearing and communications services.

Securities Investor Protection Corporation (SIPC) – Provides funds for use, if necessary, to protect customers' cash and securities that may be on deposit with a SIPC member firm in the event the firm fails and is liquidated under the provisions of the SIPC Act. SIPC is not a government agency. It is a non-profit membership corporation created, however, by an act of Congress.

Seller's option – A special transaction on the NYSE that gives the seller the right to deliver the stock or bond at any time within a specified period, ranging from not less than two business days to not more than 60 days.

Sell side – The portion of the securities business in which orders are transacted. The sell side includes retail brokers, institutional brokers and traders, and research departments. If an institutional portfolio manager changes jobs and becomes a registered representative, he or she has moved from the buy side to the sell side.

Serial bond – An issue that matures in part at periodic stated intervals.

Settlement – Conclusion of a securities transaction when a customer pays a broker/dealer for securities purchased or delivers securities sold and receives from the broker the proceeds of a sale. (See: [Regular way delivery](#), [Cash sale](#))

Short covering – Buying stock to return stock previously borrowed to make delivery on a short sale.

Short sale – A transaction by a person who believes a security will decline and sells it, though the person does not own any. For instance: You instruct your broker to sell short 100 shares of XYZ. Your broker borrows the stock so delivery can be made to the buyer. The money value of the shares borrowed is deposited by your broker with the lender. Sooner or later you must cover your short sale by buying the same amount of stock you borrowed for return to the lender. If you are able to buy XYZ at a lower price than you sold it for, your profit is the difference between the two prices - not counting commissions and taxes. But if you have to pay more for the stock than the price you received, that is the amount of your loss. Stock exchange and federal regulations govern and limit the conditions under which a short sale may be made on a national securities exchange. Sometimes people will sell short a stock they already own in order to protect a paper profit. This is known as selling short against the box.

Sinking fund – Money regularly set aside by a company to redeem its bonds, debentures or preferred stock from time to time as specified in the indenture or charter.

Specialist – A member of the New York Stock Exchange who has two primary functions: first, to maintain an orderly market in the securities registered to the specialist. In order to maintain an orderly market, the exchange expects specialists to buy or sell for their own account, to a reasonable degree, when there is a temporary disparity between supply and demand. Second, the specialist acts as a broker's broker. When commission brokers on the exchange floor receive a limit order, say, to buy at \$50 a stock then selling at \$60 - they cannot wait at the post where the stock is traded to see if the price reaches the specified level. They leave the order with a specialist, who will try to execute it in the market if and when the stock declines to the specified price. At all times the specialists must put their customers' interests above their own. (See: [Limit order](#))

Speculation – The employment of funds by a speculator. Safety of principal is a secondary factor. (See: [Investment](#))

Speculator – One who is willing to assume a relatively large risk in the hope of gain.

Spin off – The separation of a subsidiary or division of a corporation from its parent company by issuing shares in a new corporate entity. Shareowners in the parent company receive shares in the new company in proportion to their original holding and the total value remains approximately the same.

Split – The division of the outstanding shares of a corporation into a larger number of shares. A 3-for-1 split by a company with 1 million shares outstanding results in 3 million shares outstanding. Each holder of 100 shares before the 3-for-1 split would have 300 shares, although the proportionate equity in the

company would remain the same; 100 parts of 1 million are the equivalent of 300 parts of 3 million. Ordinarily, splits must be voted by directors and approved by shareholders. (See: [Stock dividend](#))

Stock – (See: [Capital stock](#), [Common stock](#), [Preferred stock](#))

Stock dividend – A dividend paid in securities rather than in cash. The dividend may be additional shares of the issuing company, or in shares of another company (usually a subsidiary) held by the company.

Stock exchange – An organized marketplace for securities featured by the centralization of supply and demand for the transaction of orders by member brokers for institutional and individual investors. (See: [New York Stock Exchange](#))

Stockholder of record – A stockholder whose name is registered on the books of the issuing corporation. (See: [Registrar](#))

Stock index futures – Futures contracts based on market indexes, e.g. NYSE Composite Index Futures Contracts.

Stock ticker symbols – Every corporation whose transactions are reported on the NYSE or AMEX ticker or on NASDAQ has been given a unique identification symbol of up to four letters. These symbols abbreviate the complete corporate name and facilitate trading and ticker reporting. Some of the most famous symbols are: T (American Telephone & Telegraph), XON (Exxon), GM (General Motors), IBM (International Business Machines), S (Sears Roebuck) and XRX (Xerox).

Stop limit order – A stop order that becomes a limit order after the specified stop price has been reached. (See: [Limit Order](#), [Stop Order](#))

Stop order – An order to buy at a price above or sell at a price below the current market. Stop buy orders are generally used to limit loss or protect unrealized profits on a short sale. Stop sell orders are generally used to protect unrealized profits or limit loss on a holding. A stop order becomes a market order when the stock sells at or beyond the specified price and, thus, may not necessarily be executed at that price.

Street name – Securities held in the name of a broker instead of a customer's name are said to be carried in "street name." This occurs when the securities have been bought on margin or when the customer wishes the security to be held by the broker.

Swapping – Selling one security and buying a similar one almost at the same time to take a loss, usually for tax purposes.

Syndicate – A group of investment bankers who together underwrite and distribute a new issue of securities or a large block of an outstanding issue.

Technical research – Analysis of the market and stocks based on supply and demand. The technician studies price movements, volume, trends and patterns, which are revealed by charting these factors, and attempts to assess the possible effect of current market action on future supply and demand for securities and individual issues. (See: [Fundamental research](#))

Tender offer – A public offer to buy shares from existing stockholders of one public corporation by another public corporation under specified terms good for a certain time period. Stockholders are asked to "tender" (surrender) their holdings for stated value, usually at a premium above current market price, subject to the tendering of a minimum and maximum number of shares.

Third market – Trading of stock exchange-listed securities in the over-the-counter market by non-exchange member brokers.

Ticker – A telegraphic system that continuously provides the last sale prices and volume of securities transactions on exchanges. Information is either printed or displayed on a moving tape after each trade.

Trader – Individuals who buy and sell for their own accounts for short-term profit. Also, an employee of a broker/dealer or financial institution who specializes in handling purchases and sales of securities for the firm and/or its clients. (See: [Speculator](#))

Trading floor – (See: [Floor](#))

Trading post – The structure on the floor of the New York Stock Exchange at which stocks or options are bought and sold.

Transfer – This term may refer to two different operations. For one, the delivery of a stock certificate from the seller's broker to the buyer's broker and legal change of ownership, normally accomplished within a few days. For another, to record the change of ownership on the books of the corporation by the transfer agent. When the purchaser's name is recorded, dividends, notices of meetings, proxies, financial reports and all pertinent literature sent by the issuer to its securities holders are mailed directly to the new owner. (See: [Registrar](#), [Street name](#))

Transfer agent – A transfer agent keeps a record of the name of each registered shareowner, his or her address, the number of shares owned, and sees that certificates presented for transfer are properly canceled and new certificates issued in the name of the new owner. (See: [Registrar](#))

Treasury stock – Stock issued by a company but later reacquired. It may be held in the company's treasury indefinitely, reissued to the public or retired. Treasury stock receives no dividends and has no vote while held by the company.

Turnover rate – The volume of shares traded in a year as a percentage of total shares listed on an exchange, outstanding for an individual issue or held in an institutional portfolio.

Underwriter – (See: [Investment banker](#))

Unlisted stock – A security not listed on a stock exchange. (See: [Over-the-counter](#))

Up tick – A term used to designate a transaction made at a price higher than the preceding transaction. Also called a "plus" tick. A "zero-plus" tick is a term used for a transaction at the same price as the preceding trade but higher than the preceding different price. Conversely, a down tick, or "minus" tick, is a term used to designate a transaction made at a price lower than the preceding trade. A plus sign, or a minus sign, is displayed throughout the day next to the last price of each stock at the trading post on the floor of the New York Stock Exchange.

Variable annuity – A life insurance policy where the annuity premium (a set amount of dollars) is immediately turned into units of a portfolio of stocks. Upon retirement, the policyholder is paid according to accumulated units, the dollar value of which varies according to the performance of the stock portfolio. Its objective is to preserve, through stock investment, the purchasing value of the annuity which otherwise is subject to erosion through inflation.

Volume – The number of shares or contracts traded in a security or an entire market during a given period. Volume is usually considered on a daily basis and a daily average is computed for longer periods.

Voting right – Common stockholders' right to vote their stock in affairs of a company. Preferred stock usually has the right to vote when preferred dividends are in default for a specified period. The right to vote may be delegated by the stockholder to another person. (See: [Cumulative voting](#), [Proxy](#))

Warrants – Certificates giving the holder the right to purchase securities at a stipulated price within a specified time limit or perpetually. Sometimes a warrant is offered with securities as an inducement to buy. (See: [Rights](#))

When issued – A short form of "when, as and if issued." The term indicates a conditional transaction in a security authorized for issuance but not as yet actually issued. All "when issued" transactions are on an "if" basis, to be settled if and when the actual security is issued and the exchange or National Association of Securities Dealers rules the transactions are to be settled.

Working control – Theoretically, ownership of 51% of a company's voting stock is necessary to exercise control. In practice - and this is particularly true in the case of a large corporation - effective control sometimes can be exerted through ownership, individually or by a group acting in concert, of less than 50%.

Yield – Also known as return. The dividends or interest paid by a company expressed as a percentage of the current price. A stock with a current market value of \$40 a share paying dividends at the rate of \$3.20 is said to return 8% ($\$3.20 \div \40.00). The current yield on a bond is figured the same way.

Yield to maturity – The yield of a bond to maturity takes into account the price discount from or premium over the face amount. It is greater than the current yield when the bond is selling at a discount and less than the current yield when the bond is selling at a premium.

Zero coupon bond – A bond that pays no interest but is priced, at issue, at a discount from its redemption price.

Resolution 18-27 Adopted: September 17, 2018

RESOLUTION 12-20

A RESOLUTION OF THE CITY OF DESTIN, FLORIDA PROVIDING FOR AUTHORITY FOR THE DESIGNATION OF A FUND BALANCE POLICY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, this resolution is to set forth the objectives and parameters for the classification and management of the City of Destin General Fund balance. This resolution is designed to define the City's existing General Fund balance, provide for changes to the elements of the classifications and establish minimum levels of the unassigned fund balance in the General Fund; and

WHEREAS, the Finance Director in exercising fiduciary responsibility desires to safeguard the funds of the City that are designated as non-spendable, restricted, committed, assigned, unassigned which can be invested from time to time;

THEREFORE BE IT RESOLVED, that this resolution is applicable to all public funds assigned to the General Fund fund balance belonging to the City of Destin and in the custody of the City's City Manager and Finance Director.

BE IT FURTHER RESOLVED, that the Governmental Accounting Standards Board (GASB) issued GASB statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This policy applies exclusively to the fund balances of all governmental funds. This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definition as listed below.

A. Non-spendable fund balance

Non-spendable fund balances are amounts that cannot be spent because they are:

1. Amounts that are not in a spendable form such as inventory or prepaid costs or amounts that are legally or contractually required to be maintained intact such as a trust that must be retained in perpetuity.

B. Restricted fund balance

This classification reflects the constraints imposed on spendable resources:

1. Externally by creditors, grantors, contributors or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

C. Committed fund balance

These amounts can only be spent for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the City Council. Committed amounts cannot be used for any other purpose unless the Council removes the specified use by taking the same action that imposed the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying the obligations.

D. Assigned fund balance

This classification reflects the amounts constrained by the City's "intent" to be spent for specific purposes, but are neither restricted nor committed. The City Council and designee(s) have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable, restricted nor committed.

E. Unassigned fund balance

This fund balance is the residual classification for the General Fund. These funds are not allocated for any specific purpose.

BE IT FURTHER RESOLVED, That the Unassigned fund balance needs to be separated by identified amounts or percentages that will allow for alternate investment options of these funds. The categories approved for the Unassigned fund balance are as listed below.

A. Emergency Operating Costs

This designation is based on the requirement that the City have at least 3 months operating expenses of the current years General Fund.

B. Debt Service Costs

This designation is based on our current General Fund debt service costs. The reserve would be for the current year debt service costs.

C. Emergency Maintenance Costs

This designation is for an emergency fund that is at least equal to the operating costs reserve. These funds would only be used in the case of an emergency.

D. Alternate Investment Funds

This designation is for all remaining Unassigned funds and would be available for long term alternate investments.

BE IT FURTHER RESOLVED, that the Finance Director will evaluate the current General Fund Unassigned fund balance and remove the identified committed funds for emergency operating expenditures, debt service costs, emergency maintenance costs, and advise the City Manager and City Council of the amount of the funds available for alternate investments.

BE IT FURTHER RESOLVED, that the investment of City funds will adhere to the City Investment Resolution.

BE IT FURTHER RESOLVED, that all sections or parts of sections of any City of Destin's Resolutions or parts of Resolutions, and any City of Destin's Policy or parts of Policy, which are in conflict herewith, are hereby repealed to the extent of such conflict.

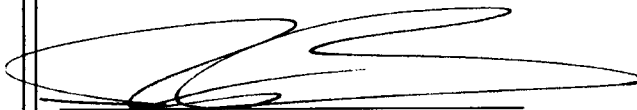
Effective Date. This Resolution shall take effect immediately upon approval by the City Council and signature by the Mayor.

ADOPTED THIS 5TH DAY OF NOVEMBER 2012



Sarah "Sam" Seevers, Mayor

ATTEST:



Rey Bailey, City Clerk

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022**TYPE OF AGENDA ITEM:** Action Item**AGENDA OUTLINE NUMBER:** 4.I.**TO:** City Council**THRU:** Kyle Bauman, City Attorney
Webb Warren, Deputy City Manager
Krystal Strickland, Finance Director
Lance Johnson, City Manager**FROM:** Lance Johnson, City Manager**DATE:** 3/2/22**SUBJECT:** TDC FY22 and FY23 Expenditure Plan

I. BACKGROUND: The TDC Ordinance 20-72 provides a 12.5% funding set aside for use by the municipalities in Okaloosa County. The TDC in recent years has also provided funding for the beach and boardwalk operational expenses.

II. DISCUSSION: The TDC has asked municipalities to request their allocation of the 12.5% set aside through the submission of Expenditure Plans. The Expenditure Plans are due to the TDC by March 15, 2022. After TDC review, they plan to bring the recommended projects to the Okaloosa Board of County Commissioners in May and June 2022 for approval. Funding allocations available for Destin to request at this time are \$1,104,920 for FY22 and \$1,515,625 for FY23. Expenditure Plans must comply with the Interlocal Agreement with Okaloosa County, the Tourist Development Plan, and the Florida State Statute. Each project must show a direct correlation to increased and/or improved tourism and tourist experience. Each project proposed will have its own separate Expenditure Plan. The City of Destin's portion of the "12.5% set aside" funds are committed to Destin, and cannot be used for other TDC projects. Any funds not requested and/or expended will accumulate for the City of Destin to use in future years. The below recommended projects are of high importance and are directly related to tourist activity in Destin.

Proposed Set Aside projects include:

- Repair and Replacement of the Harbor Boardwalk for remaining unimproved areas
- Funding for the completion of Captain Royal Melvin Park and Plaza Project

- Acquisition of the remaining property at Shore at Crystal Beach Park

Expenditure Plans are attached.

The TDC is also allowing the City of Destin to submit an additional Funding Request for continued Waterfront and Beach Operations. This funding request is also attached.

A. Link to Strategic Goals / Objectives: Council Objective 1.3 Public Beachfront acquisition initiative

Strategic Goal - Enhanced quality of life and safety for families

Strategic Goal - Effective, efficient, and aesthetically pleasing infrastructure

B. Effect on Budget (EOB): The effect on budget will be brought forth when we receive project approval from the TDC. This could potentially increase the FY 2022 budgeted revenues and expenditures up to \$1.1 million.

C. Level of Service (LOS): All proposed projects will increase the Level of Service

III. CONCLUSION: Staff recommend approval of the proposed expenditure plans for Tourism Development Council funds.

IV. RECOMMENDED MOTION: I recommend we authorize the City Manager to sign and submit the proposed Expenditure Plans and Operations Funding Request to the TDC for consideration by the March 15th deadline.

Attachments:

1. Interlocal 12.5%
2. Destin Captain Royal Melvin FY22 Expenditure Plan
3. Destin Boardwalk Project FY22 Expenditure Plan
4. Destin Beach Acquisition Phase 1 FY22 and FY23 Expenditure Plan
5. Destin Beach and Boardwalk Operations Funding Request FY23

**INTERLOCAL AGREEMENT BETWEEN OKALOOSA
COUNTY MUNICIPALITIES REGARDING THE
ALLOCATION OF 12.5% OF ANNUAL TOURIST
DEVELOPMENT TAX REVENUES EARMARKED BY
OKALOOSA COUNTY TO THE MUNICIPALITIES, AS SET
FORTH HEREIN, FOR A TERM OF TWENTY (20) YEARS**

This **INTERLOCAL AGREEMENT** ("**Agreement**") made and entered into this 8th day of September 2021, by among and between all of the following entities: **The municipalities of CINCO BAYOU, CRESTVIEW, DESTIN, FORT WALTON BEACH, LAUREL HILL, MARY ESTHER, NICEVILLE, SHALIMAR, and VALPARAISO** (hereinafter called the "**Municipalities**" or the "**Parties**") for the minimum annual distribution of 12.5% of the section 125.0104, *Florida Statutes*, Tourist Development Tax, as currently levied, and as shall be levied if the Referendum set for October 5, 2021, is approved of by the voters, and as shall be levied if the County levies any additional parts of the tourist development tax pursuant to sections 125.0104(3)(d) or 125.0104(3)(m), said minimum annual distribution to be shared amongst the municipalities who execute this Agreement, per the provisions set forth herein, to be spent by the signatory municipalities following Florida law.

WHEREAS, the Parties agree that the Tourist Development Tax, as a whole, benefits the general public of Okaloosa County; and

WHEREAS, the electorate eligible to vote is scheduled to consider a mail-out referendum election set for October 5, 2021, that will determine whether the Tourist Development District shall be expanded from the existing subcounty special taxing district to the entirety of the County (the "Referendum"); and

WHEREAS, the Parties have diligently worked together to resolve various disputes arising as a result of the Referendum; and

WHEREAS, this Agreement is based on mutual consideration of the Parties as a global compromise of the issues raised by the Parties within the Chapter 164, Florida Statutes ADR process which was initiated to resolve issues related to the Referendum; and

WHEREAS, this Agreement shall be construed as resolution of the conflict in accordance with section 164.1057, Florida Statutes; and

WHEREAS, the Parties anticipate they will enter into future Interlocal Agreements, between the County and respective Municipalities relating to specific projects that are approved of by the County to be funded by the Allocations set forth herein.

NOW, THEREFORE, in consideration of the above recitals, mutual covenants, promises and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

SECTION 1. AUTHORITY. This Agreement is entered into under Chapter 163.01, *Florida Statutes*, and other applicable provisions of law.

SECTION 2. RECITALS. The above recitals are true and accurate and are incorporated herein as essential terms of the Agreement.

SECTION 3. PARTIES. The parties to this Agreement are the municipalities who execute this document before March 1, 2022, the effective date of the Ordinance expanding the boundaries of the tourism development tax district. Should any Municipality not timely execute this Agreement, each such Municipality's anticipated allocation hereunder shall be redistributed pro-rata to the Municipalities which timely execute this Agreement.

SECTION 4. TERM. This Agreement shall conditionally take effect once the County and at least one (1) of the Municipalities executes the Agreement; as other Municipalities execute the Agreement, they shall also become conditionally bound. The entirety of this Agreement is conditional on the voters approving the Referendum mentioned above. If the voters approve the Referendum, then the obligations contained herein shall be binding on the Parties who execute the Agreement before the Referendum, for a term of twenty (20) years from the effective date of the Ordinance approved of by the voters in the Referendum. Under no circumstances will a municipality be permitted to execute this Agreement after the effective date of the Ordinance subject to the Referendum.

SECTION 5. CONSIDERATION. It is expressly recognized that the Okaloosa County Board of County Commissioners has the discretion to allocate TDC Revenues and may elect to obligate specific amounts of TDT Revenues for extended periods. It is also recognized that the County, the City of Destin, the City of Crestview, the City of Fort Walton Beach, and the City of Mary Esther have all passed resolutions instituting the Chapter 164, *Florida Statutes* Local Government Alternative Dispute Resolution process on issues related to the Referendum and proposed Ordinance. Specifically, the County and Crestview fully support the proposed Referendum and proposed Ordinance, Destin, opposed the Referendum for various reasons, and Fort Walton Beach and Mary Esther supported the Referendum but did raise legal concerns on how the Referendum and proposed Ordinance would affect original members of the tourist development district. As consideration for the County's execution of a separate, related interlocal agreement committing to, among other things, the earmarking of 12.5% of TDD revenues after the effective date of this agreement, each municipal entity that executes this Agreement agrees to dismiss the Chapter 164 proceedings and shall further waive any legal or equitable challenge to the Referendum or the version of the Ordinance that the voters vote on.

SECTION 6. REPRESENTATIONS AND WARRANTIES. Each party hereby represents and warrants to the other that it has all requisite power, authority, and authorization to enter into this Agreement, has taken all necessary actions required to enter into this Agreement, and to fulfill any of its obligations, duties, and responsibilities provided for or required of it by this Agreement, whether exercised individually or collectively.

SECTION 7. AUTHORITY. The execution of this Agreement has been duly authorized by the appropriate official action of each party hereto. Each party has complied with all

requirements of the law, and each party has full power and authority to comply with the terms and provisions of this Agreement. This Agreement shall bind the successors, assigns, and legal representatives of the parties.

SECTION 8. MUNICIPAL ALLOCATION. The Municipalities agree that the annual allocation from the County of 12.5% of TDT revenues shall be distributed among the municipalities as follows:

TABLE 8:

Municipality	Rate (per annum)
Destin	48.50%
Fort Walton Beach	18.00%
Crestview	11.50%
Niceville	10.00%
Mary Esther	5.00%
Valparaiso	2.50%
Cinco Bayou	2.00%
Shalimar	1.50%
Laurel Hill	1.00%
	100.00%

Funds allocated to each Municipality pursuant to this provision shall be defined as the "Allocated Funds"

A. Expenditure Plans

Each Municipality shall submit an expenditure plan by March 1, 2023. The expenditure plans shall be reviewed and approved by the TDC, then forwarded to the Board of County Commissioners for final approval. The expenditure plans shall contain a list of proposed capital projects that the municipality proposes to spend the Allocated Funds on. The TDC and County shall review the expenditure plans solely to determine whether the capital projects listed therein comply with the appropriate provisions of law but shall not have the power to reject an expenditure plan for any policy reason. Municipalities shall provide updated expenditure plans to the TDC on an annual basis after the initial expenditure plan is approved. Allocated funds shall be collected and disbursed once a municipality is prepared to obligate allocated funds towards the project(s) on an approved expenditure plan.

B. Unspent Allocations

Allocated funds must be appropriated by each Municipality to a specific eligible project pursuant to an approved expenditure plan and the project must be obligated within five (5)

years from the date of such appropriation. An obligated project is one that is beyond the mere design stage and is one where the Municipality has either (i). contractually bound itself to a third-party to complete substantial portions of the project, or (ii). is over 50% completed. Unobligated funding shall be re-distributed amongst the other municipalities, pro-rata, at the currently allotted percentages set forth above (Table 8) to be spent on projects contained in approved expenditure plans.

SECTION 9. PERIODIC MODIFICATION REVIEWS. This Agreement may be modified and reopened once during the fifth year of this Agreement's performance term, and then once every fifth year thereafter if there is mutual written consent, via either a resolution of a municipality's governing board or a written letter from the top administrative official of the Municipality directed to the other Municipalities, of a minimum of the Municipalities comprising 75% of the total population of the Municipalities.

Each modification review shall be for determining if the Agreement can be modified in a manner mutually beneficial for all of the parties. Each Municipality has the right to veto any provision of a proposed modification that will alter that Municipality's allocated distribution percentage outlined in the table above (Table 8). The manner of said veto shall be a line-item veto that only prevents the proposed alteration of a Municipality's assigned distribution found in Table 8.

The twenty (20) year term may not be reduced during a modification review unless all parties to the Agreement agree to a reduction.

SECTION 10. ADDITIONAL PROJECTS. Nothing in this Agreement shall prevent a Municipality from proposing projects to the TDC board and/or the County for funding in addition to and not covered by this Agreement. If a Municipality has a project funded from TDT Revenues in a manner not covered under this Agreement, then such extra-contractual funding shall not be used as an offset or reduction of the Municipality's Allocation granted per this Agreement.

SECTION 11. FILING. This Agreement and any amendments thereto shall be filed with the Clerk of the Circuit Court for Okaloosa County, Florida, as required by Section 163.01(11), *Florida Statutes*.

SECTION 12. WAIVER. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

SECTION 13. DISPUTE RESOLUTION. The Parties shall attempt to resolve any dispute under this Agreement in good faith by participating in mediation. The Parties shall mutually agree upon the mediator, and the cost of mediation shall be borne equally between the parties. If the Parties cannot agree on a mediator, then each party shall place a name into a jar, and then the Okaloosa County Clerk of Court, or the Clerk's designee, shall pick a name from the jar,

with their eyes closed. If the matter is not resolved through the mediation process, each party shall be free to pursue any of its available remedies, including the initiation of the Chapter 164 process.

SECTION 14. JURY TRIAL WAIVER. IF LITIGATION IS FILED BY ANY PARTY TO ENFORCE ANY TERMS OF THIS AGREEMENT, THEN ALL PARTIES AGREE THAT THEY HEREBY WAIVE ANY RIGHT TO A JURY TRIAL ON ANY ISSUES ARISING OUT OF THIS AGREEMENT.

SECTION 15. ATTORNEY'S FEES AND COSTS. If litigation is instituted seeking to enforce the terms of this Agreement, or in any way related to this Agreement, then the prevailing party shall be entitled to recover its reasonable attorney's fees and costs incurred in the litigation, including fees and cost incurred in any resulting appeal, and any fees and costs incurred litigating entitlement to and the reasonableness of any attorney's fees and costs.

SECTION 16. GOVERNING LAW AND VENUE. The validity, construction, and performance of this Agreement shall be governed by the laws of the State of Florida. Venue for any action arising out of this Agreement shall be in Escambia County, Florida.

SECTION 17. NOTICE. Suppose written notice to a party is required under this Agreement. In that case, such notice shall be given by hand delivery, recognized overnight delivery service, Federal Express, UPS, or by first-class mail, registered and return receipt requested to the chief executive officer of each entity (County Administrator, City Manager, City Administrator, Town Manager, or City Clerk, depending on the entity).

SECTION 18. SOVEREIGN IMMUNITY. Nothing in this Agreement shall be deemed a waiver of immunity or a limitation of liability of any of the governmental parties hereto beyond any limited statutory waiver of immunity or limitation of liability which the Florida Legislature may have adopted in Section 768.28, *Florida Statutes*, or another statute. Nothing in this Agreement shall inure to the benefit of any third party to allow any claim which would otherwise be barred under the Doctrine of Sovereign Immunity or by operations of law.

SECTION 19. SEVERABILITY. If any provision hereof is in conflict with any applicable statute, rule, regulation or is otherwise unenforceable, then such provision shall be null and void to the extent of such conflict, and shall be severable, but shall not invalidate any other provision of this Agreement.

SECTION 20. CONSTRUCTION. The parties have participated jointly in the negotiation and drafting of this Agreement. Suppose an ambiguity or question of intent or interpretation arises. In that case, this Agreement shall be construed as if drafted jointly by the parties. No presumption or burden of proof shall arise favoring or disfavoring any party under the authorship of any provision of this Agreement.

IN WITNESS WHEREOF, the Municipalities have caused this Agreement to be duly executed and entered into on the date first above written.

DULY ADOPTED this 8th day of September, 2021.

CITY COUNCIL OF THE CITY OF DESTIN,
FLORIDA

By:

Gary Jarvis
Gary Jarvis, Mayor

ATTEST:

By:

Rev Bailey
Rev Bailey, City Clerk

APPROVED AS TO FORM:

Kyle S. Bauman
Kyle S. Bauman, City Attorney



Okaloosa County Tourist Development Tax
Expenditure Plan: October 1, 2022 – September 30, 2023
Application Deadline: March 15, 2022

Process:

- 1) Application deadline is extended to March 15 since this is the first year.
- 2) One application shall be submitted for each project in the format prescribed by the County. Incomplete or unsigned applications will not be considered.
- 3) Applications will be reviewed for compliance with the Interlocal Agreement, Tourist Development Plan, and Florida Statute. All information necessary to determine compliance shall be included in the application or attached thereto.
 - a. Expenditures for the partial year March 1 – September 30, 2022 may also be requested at this time.
 - b. The annual allocation may be expended all within one year, or spread out up to five years.
 - c. For multi-year projects, only the current budget year allocation is eligible for approval at this time.
 - d. If infrastructure per F.S. 125.0104(5)(a)(6), the TDT amount must not exceed 70% of the project total.
- 4) Applications meeting the above requirements shall be presented by County staff to the Tourist Development Council during its May budget meeting for a recommendation to the Board as part of the annual budget process.

Presentation of certain larger or multiyear projects to the Council by the municipality may be requested.
- 5) Upon final adoption of the annual budget by the Board in mid-September, expenditure plans are considered approved. Expenditures made prior to approval may not be eligible for payment.
 - a. Expenditure plans for the partial year March 1 – September 30, 2022 will be presented to the Board for approval in June.

Payment

- 1) Payments are on a reimbursement basis no more frequent than monthly, but preferably quarterly. Invoicing shall be in sufficient detail for pre- and post-audit review, including:
 - a. Expenditure Transaction Report (or comparable) listing transaction date, vendor name, amount, and description is required for operational and maintenance expenses.
 - b. Vendor invoices and proof of payment is required for capital project expenses.
 - c. Additional documentation may be required as necessary to determine the validity of any expenditure.
- 2) Direct vendor payment, rather than reimbursement, may be permitted for smaller municipalities if denoted on the expenditure plan and approved by the Board.
- 3) All procurement responsibilities rest with the municipalities.
- 4) Failure to submit proper invoicing may result in the delay and/or forfeiture of funding.
- 5) ***Any payment shall only be made up to the amount currently available from accumulated TDT funds.***

Annual Allocations pursuant to interlocal agreement dated 8 Sep 2021:

		FY 2022	FY 2023
<u>Municipality</u>	<u>Rate</u>	\$1,000,000 TDT Expansion \$17,225,500 TDT Subdistrict <u>\$2,278,190 = 12.5%</u>	\$25,000,000 TDT <u>\$3,125,000 = 12.5%</u>
Destin	48.50%	\$1,104,920	\$1,515,625
Fort Walton Beach	18.00%	\$410,075	\$562,500
Crestview	11.50%	\$261,990	\$359,375
Niceville	10.00%	\$227,820	\$312,500
Mary Esther	5.00%	\$113,910	\$156,250
Valparaiso	2.50%	\$56,955	\$78,125
Cinco Bayou	2.00%	\$45,565	\$62,500
Shalimar	1.50%	\$34,175	\$46,875
Laurel Hill	1.00%	\$22,780	\$31,250
		\$2,278,190	\$3,125,000



Okaloosa County Tourist Development Tax
Expenditure Plan: October 1, 2022 – September 30, 2023
Application Deadline: March 15, 2022

Municipality: Destin

Project Name: Captain Royal Melvin Park and Plaza Project

Project Description:

Construction is ongoing for the Captain Royal Melvin Park and Plaza Improvement Project. The project is nearing completion but has had some unexpected change orders with additional associated costs. The City also has finishing work to complete outside of the contract with GLC, the contractor. This finishing work will include irrigation and landscaping along with some additional amenities. The city is requesting \$200,000 for the FY22 TDC allocation to cover these additional costs that are above and beyond the Restore Act grant funding and the required City match.

Explanation of Promotion of Tourism:

This project will have a direct promotion of tourism and the Captain Royal Melvin Park and Plaza will act as a gateway to the Destin Harbor. The Destin Harbor is a major tourist attraction offering charter fishing, boat rentals, restaurants, special events, entertainment and shopping.

Tourist Development Plan Element per Ordinance 2021-22, Sec. 20-72: Product Impv - Water Related

FY 2022 Funds Requested: \$200,000

FY 2023 Funds Requested: \$0

Project Budget: Please attach a detailed project budget, including revenue sources and expenditures

Is this a multi-year project? No

Will this project be financed? No

Is direct vendor payment requested? No

Please attach any plans, drawings or other documentation

I attest this project complies with the provisions of section 125.0104 Florida Statutes and County Ordinance 2021-22, and am aware this request will be reviewed for final approval by the TDC and BOCC and is subject to available budget funds and ultimately actual TDT collections.

City Manager Signature

Date

Please email completed form to: cdunworth@myokaloosa.com no later than 5pm on March 15, 2022.

Incomplete or unsigned applications will not be considered.



Okaloosa County Tourist Development Tax
Expenditure Plan: October 1, 2022 – September 30, 2023
Application Deadline: March 15, 2022

Process:

- 1) Application deadline is extended to March 15 since this is the first year.
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- 3) Applications will be reviewed for compliance with the Interlocal Agreement, Tourist Development Plan, and Florida Statute. All information necessary to determine compliance shall be included in the application or attached thereto.
 - a. Expenditures for the partial year March 1 – September 30, 2022 may also be requested at this time.
 - b. The annual allocation may be expended all within one year, or spread out up to five years.
 - c. For multi-year projects, only the current budget year allocation is eligible for approval at this time.
 - d. If infrastructure per F.S. 125.0104(5)(a)(6), the TDT amount must not exceed 70% of the project total.
- 4) Applications meeting the above requirements shall be presented by County staff to the Tourist Development Council during its May budget meeting for a recommendation to the Board as part of the annual budget process.

Presentation of certain larger or multiyear projects to the Council by the municipality may be requested.
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 - a. Expenditure plans for the partial year March 1 – September 30, 2022 will be presented to the Board for approval in June.

Payment

- 1) Payments are on a reimbursement basis no more frequent than monthly, but preferably quarterly. Invoicing shall be in sufficient detail for pre- and post-audit review, including:
 - a. Expenditure Transaction Report (or comparable) listing transaction date, vendor name, amount, and description is required for operational and maintenance expenses.
 - b. Vendor invoices and proof of payment is required for capital project expenses.
 - c. Additional documentation may be required as necessary to determine the validity of any expenditure.
- 2) Direct vendor payment, rather than reimbursement, may be permitted for smaller municipalities if denoted on the expenditure plan and approved by the Board.
- 3) All procurement responsibilities rest with the municipalities.
- 4) Failure to submit proper invoicing may result in the delay and/or forfeiture of funding.
- 5) ***Any payment shall only be made up to the amount currently available from accumulated TDT funds.***

Annual Allocations pursuant to interlocal agreement dated 8 Sep 2021:

		FY 2022	FY 2023
<u>Municipality</u>	<u>Rate</u>	\$1,000,000 TDT Expansion \$17,225,500 TDT Subdistrict <u>\$2,278,190 = 12.5%</u>	\$25,000,000 TDT <u>\$3,125,000 = 12.5%</u>
Destin	48.50%	\$1,104,920	\$1,515,625
Fort Walton Beach	18.00%	\$410,075	\$562,500
Crestview	11.50%	\$261,990	\$359,375
Niceville	10.00%	\$227,820	\$312,500
Mary Esther	5.00%	\$113,910	\$156,250
Valparaiso	2.50%	\$56,955	\$78,125
Cinco Bayou	2.00%	\$45,565	\$62,500
Shalimar	1.50%	\$34,175	\$46,875
Laurel Hill	1.00%	\$22,780	\$31,250
		\$2,278,190	\$3,125,000



Okaloosa County Tourist Development Tax
Expenditure Plan: October 1, 2022 – September 30, 2023
Application Deadline: March 15, 2022

Municipality: Destin

Project Name: Harbor Boardwalk Improvements

Project Description:

A portion of the Harbor Boardwalk decking boards have already been replaced with WEAR deck boards and at the time that was done other structural improvement were also made to the boardwalk. The City of Destin would like to replace the remaining portion of the Harbor Boardwalk deck boards and make any needed structural repairs necessary. The older boardwalk sections are worn, damaged, and pose a dangerous hazard to the public. The boardwalk is a very popular tourist spot, with a high volume of traffic. Due to the fact the worn and damaged boards may present risk management issues, repairs are necessary to meet requirements, where health and public safety or the conservation of public resources needs to be preserved. With the completion of this project all city-controlled area of the boardwalk will have WEAR deck and structural improvements.

Explanation of Promotion of Tourism:

The Harbor Boardwalk attracts a substantial number of tourists on a year round basis. It is one of the main tourist destinations that Destin offers. Having the boardwalk structurally sound and equipped with WEAR deck board that is aesthetically attractive should provide years' worth of maintenance free service. Improving this asset will have a positive impact on tourism.

Tourist Development Plan Element per Ordinance 2021-22, Sec. 20-72: Product Impv - Water Related

FY 2022 Funds Requested: \$500,000

FY 2023 Funds Requested: \$0

Project Budget: Please attach a detailed project budget, including revenue sources and expenditures

Is this a multi-year project? No

Will this project be financed? No

Is direct vendor payment requested? No

Please attach any plans, drawings or other documentation

I attest this project complies with the provisions of section 125.0104 Florida Statutes and County Ordinance 2021-22, and am aware this request will be reviewed for final approval by the TDC and BOCC and is subject to available budget funds and ultimately actual TDT collections.

City Manager Signature

Date

Please email completed form to: cdunworth@myokaloosa.com no later than 5pm on March 15, 2022.

Incomplete or unsigned applications will not be considered.



Okaloosa County Tourist Development Tax
Expenditure Plan: October 1, 2022 – September 30, 2023
Application Deadline: March 15, 2022

Process:

- 1) Application deadline is extended to March 15 since this is the first year.
- 2) One application shall be submitted for each project in the format prescribed by the County. Incomplete or unsigned applications will not be considered.
- 3) Applications will be reviewed for compliance with the Interlocal Agreement, Tourist Development Plan, and Florida Statute. All information necessary to determine compliance shall be included in the application or attached thereto.
 - a. Expenditures for the partial year March 1 – September 30, 2022 may also be requested at this time.
 - b. The annual allocation may be expended all within one year, or spread out up to five years.
 - c. For multi-year projects, only the current budget year allocation is eligible for approval at this time.
 - d. If infrastructure per F.S. 125.0104(5)(a)(6), the TDT amount must not exceed 70% of the project total.
- 4) Applications meeting the above requirements shall be presented by County staff to the Tourist Development Council during its May budget meeting for a recommendation to the Board as part of the annual budget process.

Presentation of certain larger or multiyear projects to the Council by the municipality may be requested.
- 5) Upon final adoption of the annual budget by the Board in mid-September, expenditure plans are considered approved. Expenditures made prior to approval may not be eligible for payment.
 - a. Expenditure plans for the partial year March 1 – September 30, 2022 will be presented to the Board for approval in June.

Payment

- 1) Payments are on a reimbursement basis no more frequent than monthly, but preferably quarterly. Invoicing shall be in sufficient detail for pre- and post-audit review, including:
 - a. Expenditure Transaction Report (or comparable) listing transaction date, vendor name, amount, and description is required for operational and maintenance expenses.
 - b. Vendor invoices and proof of payment is required for capital project expenses.
 - c. Additional documentation may be required as necessary to determine the validity of any expenditure.
- 2) Direct vendor payment, rather than reimbursement, may be permitted for smaller municipalities if denoted on the expenditure plan and approved by the Board.
- 3) All procurement responsibilities rest with the municipalities.
- 4) Failure to submit proper invoicing may result in the delay and/or forfeiture of funding.
- 5) ***Any payment shall only be made up to the amount currently available from accumulated TDT funds.***

Annual Allocations pursuant to interlocal agreement dated 8 Sep 2021:

		FY 2022	FY 2023
<u>Municipality</u>	<u>Rate</u>	\$1,000,000 TDT Expansion \$17,225,500 TDT Subdistrict <u>\$2,278,190 = 12.5%</u>	\$25,000,000 TDT <u>\$3,125,000 = 12.5%</u>
Destin	48.50%	\$1,104,920	\$1,515,625
Fort Walton Beach	18.00%	\$410,075	\$562,500
Crestview	11.50%	\$261,990	\$359,375
Niceville	10.00%	\$227,820	\$312,500
Mary Esther	5.00%	\$113,910	\$156,250
Valparaiso	2.50%	\$56,955	\$78,125
Cinco Bayou	2.00%	\$45,565	\$62,500
Shalimar	1.50%	\$34,175	\$46,875
Laurel Hill	1.00%	\$22,780	\$31,250
		\$2,278,190	\$3,125,000



Okaloosa County Tourist Development Tax
Expenditure Plan: October 1, 2022 – September 30, 2023
Application Deadline: March 15, 2022

Municipality: Destin

Project Name: Beach Acquisition Phase 1 Project

Project Description:

An Interlocal Agreement exist between the County and the City of Destin for the acquisition, development, maintenance, and other matters related to Phase 1 of the public beach acquisition project. Destin intends to use \$404,920 of the FY22 12.5% TDC allocation and \$1,515,625 of the FY23 12.5% TDC allocation to advance this initiative. The Phase 1 project still requires the acquisition of one additional property and the development of the site. The interlocal agreement identified \$10,600,000 in available funding. Approximately \$3,800,000 remains unobligated at this time but additional funding is expected to be needed for the acquisition of the remaining property and the site improvements. The city would be responsible for funding 41% of the remaining costs of the project. The City's commits to using \$1,920,545 of its FY22 and FY23 12.5 % TDC allocation to partially cover its remaining Phase 1 responsibility.

Explanation of Promotion of Tourism:

The completion of the Phase 1 project will greatly increase the available public beach for both tourists and residents to use. The lack of available public beach has been a significant problem in recent years. This partnership between the County and City will increase the amount of public beach and increase the tourism at this park, the Crystal Beach neighborhood and in the City of Destin in general.

Tourist Development Plan Element per Ordinance 2021-22, Sec. 20-72: Product Impv - Water Related

FY 2022 Funds Requested: \$404,920

FY 2023 Funds Requested: \$1,515,625

Project Budget: Please attach a detailed project budget, including revenue sources and expenditures

Is this a multi-year project? No

Will this project be financed? No

Is direct vendor payment requested? No

Please attach any plans, drawings or other documentation

I attest this project complies with the provisions of section 125.0104 Florida Statutes and County Ordinance 2021-22, and am aware this request will be reviewed for final approval by the TDC and BOCC and is subject to available budget funds and ultimately actual TDT collections.

City Manager Signature

Date

Please email completed form to: cdunworth@myokaloosa.com no later than 5pm on March 15, 2022.

Incomplete or unsigned applications will not be considered.



Okaloosa County Tourist Development Tax

Capital Project/Tourism Support: October 1, 2022 – September 30, 2023

Application Deadline: March 15, 2022

Process:

- 1) A mandatory pre-application meeting shall be required with the TDD Director prior to submittal to discuss the project and specifics of the application.
- 2) Application deadline is extended to March 15 since this is the first year.
- 3) Incomplete or unsigned applications will not be considered. A Conflict of Interest form must be submitted with the application.
- 4) Applications will be reviewed for compliance with the Tourist Development Plan and Florida Statute. All information necessary to determine compliance shall be included in the application or attached thereto. These applications shall face a much higher discretionary threshold for funding, especially if entity is already receiving TDT funding. County review shall include the following considerations at a minimum:
 - a. Tourism Impacts – Solve tourism issues, ROI, seasonal impacts (i.e. help off season), niche tourism, expansion of tourism base activities.
 - b. Compliance/Alignment – With current TDD strategies/goals, plans, destination stewardship plans/goals, key markets visitors, local land use regulations, community/business community support.
 - c. Non-TDT Funding – current funding of activity, percent of non-TDT funding in project, variety of other sources, organizational funding committed, any grants and the commitments status of all non-TDT funds.
 - d. TDT Funding – one-time outlay vs. ongoing/recurring, financial status of TDD, potential impact on other project funding/financial coverage, dollar amount requested, proposed payment schedule, use of other funding received/prioritization, previous award of funding and generation of bed tax.
 - e. Project Feasibility – Any plans or studies, project manager/team, schedule, secured financial support, governmental support, permitting status, and similar items.
 - f. Other relevant considerations – Precedent, generation of bed taxes, potential for future bed taxes, creation of jobs or new tourism businesses, and similar type items.
 - g. For multi-year projects, only the current budget year allocation is eligible for approval at this time.
 - h. If infrastructure per F.S. 125.0104(5)(a)(6), the TDT amount must not exceed 70% of the project total.
- 5) Applications meeting the above requirements shall be presented by County staff to the Tourist Development Council during its May budget meeting for a recommendation to the Board as part of the annual budget process.

Presentation by applicants of these projects to the Council shall be required unless waived by the County.

- 6) Upon final adoption of the annual budget by the Board in mid-September, funding agreements are issued. Expenditures made prior to funding agreement issuance may not be eligible for payment.

Payment

- 1) Payments are on a reimbursement basis no more frequent than monthly, but preferably quarterly. Invoicing shall be in sufficient detail for pre- and post-audit review in accordance with the terms of the funding agreement.
- 2) Failure to submit proper invoicing may result in the delay and/or forfeiture of funding.

Please email completed form to: cdunworth@myokaloosa.com no later than 5pm on March 15, 2022.

Incomplete or unsigned applications will not be considered.



Okaloosa County Tourist Development Tax

Capital Project/Tourism Support: October 1, 2022 – September 30, 2023

Application Deadline: March 15, 2022

A mandatory pre-application meeting is required with the TDD Director prior to submittal to discuss the project and specifics of the application. Date pre-application held: [Click or tap to enter a date.](#)

Entity Name: City of Destin

Project Name: Beach and Boardwalk Operations

Contact Name: Lisa Firth

Phone/Email: 850-837-4242 ext. 3001

Project Description:

General operating and maintenance costs of tourist provided amenities along the beach and harbor. Requesting continued support to operate, maintain, repair, improve, expand, and construct beach related facilities and amenities owned/operated by the city of Destin that primarily serve as tourist destinations. Facilities include: June White Decker Park, Shores at Crystal Beach Park, Norriego Point Park, Eight (8) beach trails with shower amenities, Captain Royal Melvin Heritage Park and the harbor boardwalk. Norriego Point facilities may come on-line later in FY 23. These services are provided 12-16 hours a day, 365 days a year, including all holidays.

Explanation of Promotion of Tourism:

Destin is the primary tourist destination in Okaloosa County with the majority of tourists flocking to Destin's beaches, restaurants, and tourist related business throughout the year. This funding allows for general repair, maintenance, and addition of tourist related facilities within the City.

Tourism Impacts/ROI:

Most tourists choosing to vacation on the Emerald Coast do so to enjoy our pristine beaches and the Destin harbor amenities. Many of the tourist that lodge in Destin access the beaches by using the city's public beaches and public access locations. Other popular tourist activities include charter and recreational boating, restaurants, and shopping.

Compliance/Alignment with Tourism Department Strategies/Goals:

This funding request aligns with the Tourism Department goals as it directly benefits and promotes tourist destinations. Maintaining and enhancing its waterfront and beach accesses is an essential component of promoting the sub-county taxing district as a tourist destination.

Non-Tourist Development Tax Funding Sources:

City of Destin general funding is also used to provide these tourist related services.

Please email completed form to: cdunworth@myokaloosa.com no later than 5pm on March 15, 2022.

Incomplete or unsigned applications will not be considered.

Tourist Development Tax Funding Considerations:

Is this a recurring expense? Yes

Project Feasibility:

The TDC has been providing this funding for Beach and Boardwalk Operations for a number of years and assurances were made that the funding would remain intact after the TDC district expansion.

Other Relevant Considerations:

Budget:
Regular Salaries/Benefits \$325,071
Contract Services \$31,500
Utilities \$16,000
Risk Management Ins. \$40,810
Repairs and Maintenance \$17,500
Operating Supplies \$27,521

Tourist Development Plan Element per Ordinance 2021-22, Sec. 20-72: Product Impv - Water Related

FY 2023 Funds Requested: \$458,402

Project Budget: Please attach a detailed project budget, including revenue sources and expenditures

Is this a multi-year project? Yes

Will this project be financed? No

Please attach any plans, drawings or other documentation

I attest this project complies with the provisions of section 125.0104 Florida Statutes and County Ordinance 2021-22, and am aware this request will be reviewed for final approval by the TDC and BOCC and is subject to available budget funds and ultimately actual TDT collections.

Applicant Signature

Date

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022
TYPE OF AGENDA ITEM: Announcement
AGENDA OUTLINE NUMBER: 4.J.

TO: City Council

THRU:

FROM:

DATE:

SUBJECT: Announcements

I. BACKGROUND:

II. DISCUSSION:

- A. Link to Strategic Goals / Objectives:**
- B. Effect on Budget (EOB):**
- C. Level of Service (LOS):**

III. CONCLUSION:

IV. RECOMMENDED MOTION:

Attachments:

None

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 7, 2022

TYPE OF AGENDA ITEM: Ordinance

AGENDA OUTLINE NUMBER: 5.A.

TO: City Council

THRU: Kyle Bauman, City Attorney
Lisa Firth, Parks & Rec Director
Lance Johnson, City Manager

FROM: Webb Warren, Deputy City Manager

DATE: 2/1/22

SUBJECT: First reading of Ordinance 22-03-CN - Lease of certain real property owned by the City of Destin. Providing for City Council approval of a contract for the lease of the property of Dalton Threadgill Park.

I. BACKGROUND: The City has a longstanding partnership with the Destin Little League, Inc. leasing Dalton Threadgill Park to the Little League for the Little League to organize and run youth baseball and softball programs at the park. Previously, the City appears to have entered into these lease agreement with the Little League through resolution approving a lease. In an abundance of caution, and pursuant to City Charter section 3.12(b)(6), these leases should be entered into through ordinance.

II. DISCUSSION: In an abundance of caution, pursuant to Charter provision 3.12(b)(6), City staff and the City Attorney are recommending that the proposed lease be adopted through ordinance. This Charter provision requires any conveyance or lease of City land be accomplished through ordinance.

Through this Lease, the City permits the Little League to use the park for its youth baseball and softball activities from the months of January through July, through the year ending 2026 at Dalton Threadgill Park. The Lease permits the parties to mutually extend these terms for another five-year term through the year 2031. The Lease also permits the City to terminate the Lease if it provides notice to the League more than 60 days prior to the Little Leagues season beginning January 1 of each calendar year. In this event, the City would be obligated to make reasonable efforts to provide the Little League other accomodations.

Besides these changes, the Lease is substantially identical to the immediately preceding lease entered into between the City and Little League.

A. Link to Strategic Goals / Objectives:

B. Effect on Budget (EOB):

C. Level of Service (LOS):

III. CONCLUSION: Approval of this Ordinance will continue the City's longstanding relationship with the Little League and permits the Little League to use the park for its youth baseball and softball activities from the months of January through July, through the year ending 2026 at Dalton Threadgill Park.

IV. RECOMMENDED MOTION: I move to approve Ordinance 22-03-CN on first reading.

Attachments:

1. Ordinance 22-03-CN - Dalton Threadgill Lease Ordinance
2. Exhibit A - Little League Lease 2022-2026 final

ORDINANCE 22-03-CN

AN ORDINANCE OF THE CITY OF DESTIN OF OKALOOSA COUNTY, FLORIDA RELATING TO THE LEASE OF CERTAIN REAL PROPERTY OWNED BY THE CITY; PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR CITY COUNCIL APPROVAL OF A CONTRACT FOR LEASE OF THE PROPERTY OF DALTON THREADGILL PARK; AND PROVIDING FOR AN EFFECTIVE DATE

SECTION 1. AUTHORITY. The authority for this Ordinance is section 166.021, Florida Statutes, and section 3.12(b)(6), City of Destin City Charter.

SECTION 2. FINDINGS OF FACT.

WHEREAS, the City Council of the City of Destin, Florida finds that it is beneficial to the City of Destin and its citizens that the subject property be leased to the Destin Little League, Inc.; and

WHEREAS, section 3.12(b)(6), of the City of Destin City Charter requires that the City of Destin authorize by administrative action the lease of City property.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DESTIN, FLORIDA:

SECTION 3. LEASE OF REAL PROPERTY APPROVAL. The lease between the City of Destin and the Destin Little League, Inc. a copy of which is attached hereto as Exhibit “A,” and made a part hereof by this reference, for the lease of real property owned by the City, commonly known as Dalton Threadgill Park and more particularly described below is approved and lease of the land by administrative action is authorized. The lease contains the imposition of conditions by the City authorized to be imposed by the City Council. The Mayor and City Clerk are authorized to execute and deliver such documents as are necessary to lease the property. The street address, parcel identification numbers ,and legal description of the property, is as follows:

Street Address: 711 Hickory Street
Destin, Florida 32541

Parcel ID Numbers: 00-2S-22-0310-000D-041A
00-2S-22-0310-000D-1820

Legal Description:

Parcel 1:

Lot 375, Block D, according to the Second Revision Plat of Calhoun's Subdivision, Plat Book 2, Page 43-A, Public Records of Okaloosa County, Florida.

Parcel 2:

A portion of Block "D" Calhouns Subdivision of Addition to Destin, Okaloosa County, Florida according to Second Revision Plat recorded in Plat Book 2 at Page 43-A described as follows: Beginning on Stahlman Avenue at Easternmost Corner of lot 375, Thence 204.25' Northwesterly with boundary of Lot 375 to Southern most corner of lot 384; Thence 300' Northeasterly with boundary of Lots 384, 385, and 386 to Easternmost corner of Lot 386; Thence 204.25' more or less Southeasterly to Stahlman Avenue; Thence 300' Southwesterly to Point of Beginning.

Parcel 3:

Lots 182, 183, and 184, Block D of Calhoun's Subdivision of Addition to Town of Destin, Okaloosa County, Florida a Plat of which is on record in the office of the Circuit Court of said County. Each of said Lots faces the East side of Sibert Avenue 100 feet and extends Southeastwardly 300 feet.

Parcel 4:

That portion of the abandoned right of way, formerly known as Sibert Avenue, as described in Okaloosa County Resolution 6F Page 75 and recorded in Official Records Book 1146 at Page 1160 of the Public Records of Okaloosa County, Florida lying Southeasterly of the center line of said Sibert Avenue.

Parcel 5:

That portion of the abandoned right of way, formerly known as Sibert Avenue, as described in City of Destin Ordinance No. 093 recorded in Official Records Book 1440, at Pag3 849-851, of the Public Records of Okaloosa county, Florida, adjacent to said Lot 182 lying Southeasterly of the center line of said Sibert Avenue, having approximate dimensions of 50 feet by 34.99 feet.

Section 4. Effective Date. This ordinance shall take effect immediately upon approval by the Council and signature by the Mayor.

ADOPTED THIS __ DAY OF __, 2021

By: _____
Gary Jarvis, Mayor

ATTEST:

Rey Bailey, City Clerk

The form and legal sufficiency of the foregoing
Has been reviewed and approved by the City
Attorney for the City of Destin, only:

Kyle S. Bauman, Esq., City Attorney

LEASE OF DALTON THREADGILL PARK

STATE OF FLORIDA
COUNTY OF OKALOOSA

This lease made effective this first day of January, 2022, by and between the CITY OF DESTIN, herein called CITY, and DESTIN LITTLE LEAGUE, INC., herein called LEAGUE.

1. PREMISES – CITY leases to LEAGUE, and LEAGUE hires from CITY, the premises known as Dalton Threadgill Park, Hickory Street, Destin, Florida, consisting of three (3) ball fields, bleachers, concession stands, restrooms, fences and light poles located on the property further described on Attachment “A” to this lease herein referred to as “premises”. LEAGUE shall have exclusive use of the premises during their official season from January 1 through July 31 annually. This does not prohibit the CITY’S use of the premises if mutually agreed upon by both parties in writing. CITY shall have exclusive use of the premises, excluding the concessions building, during the LEAGUES off-season from August 1 through December 31 annually. During this timeframe the City may elect to schedule appropriate activities on the premises. This does not prohibit the LEAGUE’S use of the premises if mutually agreed upon by both parties in writing. The City Manager shall have the discretion to permit the LEAGUE’S use of the premises during the inactive season. Said permission shall always be in writing.
2. TERM – The term of this lease is five (5) years, beginning January 1, 2022, and ending July 31, 2026. The City shall have the right to terminate this lease if it provides notice to the LEAGUE at least sixty (60) days prior to the start of the LEAGUE’S season beginning on January 1 of each calendar year. In the event of termination, the CITY agrees to make reasonable efforts to accommodate the LEAGUE at a different venue.
3. RENT – The total rent under this lease is ten and no/100 dollars (\$10.00). Receipt of which is acknowledged by CITY. The LEAGUE’S activities are such that they provide a tangible public benefit to the community which is in alignment with the CITY’S cost recovery program. In the event this lease is terminated prior to its full term, the LEAGUE will be refunded a pro-rata share of the rent paid.
4. USE OF PREMISES, GENERALLY – The premises are leased to the LEAGUE from January 1 through July 31 annually to be used as a ballpark and recreation area for officially sanctioned LEAGUE activities only. LEAGUE agrees to restrict use to such purposes and not to use or permit the use of the premises for any other purpose or by

Commented [k1]: Does someone have the legal description of this property? It'd be good to attach along with overhead.

any other entity or organization without first obtaining the consent in writing of the CITY. LEAGUE further agrees to make no unlawful, immoral or offensive use of the premises, nor to commit any waste, nor allow any nuisance to exist on the premises. LEAGUE shall comply with applicable state and local laws governing the use and occupancy of the lease premises.

5. UTILITIES – CITY shall pay all utilities, including garbage collection, furnished to the premises for the term of this lease, including any installation or hookup charges.
6. BUILDING and GROUNDS MAINTENANCE – It is expressly agreed that the appurtenances, buildings and all fixtures existing as of the date of this lease are and shall remain the sole and exclusive property of the LEAGUE. LEAGUE shall have primary responsibility for inspection, repair and maintenance of the buildings on the premises. CITY shall have secondary responsibility to inspect, repair or maintain the buildings, or any part thereof. Consequently, partial or complete destruction of the existing buildings shall have no effect upon this lease. LEAGUE agrees to groom (drag/rake) infields, line/chalk fields for league sanctioned activities and police the premises for garbage/litter/debris must clean and sanitize restrooms and concession areas throughout the LEAGUE's active season and during any LEAGUE sponsored activities taking place during the LEAGUE'S inactive season. CITY agrees to provide year-round regular repair and maintenance of the grounds inclusive of mowing, pesticide treatment, fertilization, irrigation, fences and lighting on the premises. CITY agrees to keep the premises free from garbage/litter/debris during the LEAGUE'S inactive season.
7. USE OF MORGAN SPORTS CENTER ENCOURAGED – CITY encourages the expanded use of Flounder and Grouper fields at the Morgan Sports Center by LEAGUE during the LEAGUE'S active season, in exchange for which user and concession fees will be waived. Nothing herein shall be permitted or construed in such a manner as to breach or conflict with Center concession franchises or permits in existence from time to time. League shall appoint a scheduling liaison to be the sole point of contact with the CITY with regards to reserving Flounder and/or Grouper fields. The scheduling liaison will notify the CITY of the dates and times the LEAGUE would like to reserve the fields for practices and/or games. The liaison will solely be responsible for scheduling and communicating with LEAGUE coaches as to their practice and/or game times. Individuals other than the liaison or the LEAGUE President who contact the CITY to reserve fields for LEAGUE activities will be referred to the liaison. As demands for these fields by other organizations continues to increase, the LEAGUE liaison or President will meet with CITY staff each September to estimate their needs for the upcoming LEAGUE season in January, the CITY will place a temporary hold on these fields based on these estimates. After registration is completed in January/February of each year the LEAGUE liaison will meet with the CITY staff to

refine the tentative field reservations to meet the actual needs of the LEAGUE for their season.

8. **APPROVAL FOR ALTERATIONS REQUIRED** - No alterations or additions of any character shall be made on or to the lease premises by LEAGUE without obtaining the prior written consent of CITY. If alterations or additions are made, they shall be made at the sole expense of LEAGUE. LEAGUE expressly holds CITY, its employees and agents, harmless for any damage or claim arising as a result of such alterations or additions.
9. **DUTY TO KEEP PREMISES FREE OF LIENS AND MORTGAGES** - LEAGUE shall keep all of the lease premises and every part thereof and all buildings and other improvements at any time located thereon free and clear of any and all mortgages, mechanics', materialman's, and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of LEAGUE, any alteration, improvement, or repairs or additions which LEAGUE may make or permit or cause to be made, or any work or construction, by, for, or permitted by LEAGUE on or about the premises, or any obligations of any kind incurred by LEAGUE. LEAGUE shall at all times promptly and fully pay and discharge any and all claims on which any such lien may or could be based. LEAGUE shall provide written notice no less than 30 days in advance of the commencement of any construction, alteration, addition, improvement, or repair so CITY may post appropriate notice of CITY'S non-responsibility. LEAGUE expressly agrees to indemnify CITY for any and all loss incurred by the CITY due to LEAGUE'S failure to comply with this section.
10. **IMPROVEMENTS AS PROPERTY OF CITY** - The CITY may make improvements, at the expense of the CITY, in order to bring the facilities into compliance with the American's With Disabilities Act as a part of the City Capital Improvements Plan. Such improvements shall be the property of the CITY. LEAGUE will cooperate with CITY in the planning and accomplishment of such reconstruction and improvements.
11. **PARTIAL DESTRUCTION OF PREMISES** - If at any time during the term of this Lease the lease premises is damaged by fire, act of nature, or other cause beyond the control of LEAGUE and not due to the negligence or wrongful act of the LEAGUE, its employees or agents, and to the extent that continued use of the lease premises is unfeasible, LEAGUE may, on written notice to CITY delivered within thirty (30) days after the damage has occurred, terminate this Lease without any liability of LEAGUE to CITY. CITY shall have no duty to restore the lease premises to operative condition.
12. **SIGNS; IDENTIFICATION** - LEAGUE shall not erect any sign on or at the lease premises or at the exterior of the premise property without obtaining the advance written approval of CITY. At no time are political signs allowed to be displayed on the premises. CITY agrees that it will not unreasonably withhold its approval.

13. LICENSES AND PERMITS - LEAGUE shall obtain and pay for all permits or licenses that may be required for use and operation of the lease premises.
14. INSURANCE - LEAGUE shall maintain coverage for a general liability policy in an amount of not less than \$1 million naming the CITY as an additional insured and certificate holder. LEAGUE'S general liability policy shall be at the sole expense of LEAGUE. Any loss or adjustment or changes in the above coverage requirements shall require the written consent of both CITY and LEAGUE. All of the policies of insurance referred to in this section shall be written in form satisfactory to CITY and by insurance companies satisfactory to CITY. LEAGUE shall pay all the applicable premiums therefore and deliver such policies or certificates thereof, to CITY. CITY shall be entitled, but shall have no obligation, to affect such insurance and pay the premiums therefore, which premiums shall be repayable to CITY by LEAGUE. Each insurer mentioned in this section shall agree, by endorsement on the policy or policies issued by it, or by independent instrument furnished to CITY, that will give to CITY 30 days' written notice before the policy or policies in question shall be altered or canceled. CITY agrees that it will not unreasonably withhold its approval as to the form or to the insurance companies selected by LEAGUE.
15. RIGHT OF ENTRY - At a reasonable time and under reasonable circumstances, the CITY shall have the right to enter and make an inspection of the lease premises during the LEAGUE'S active season. At a reasonable time and under reasonable circumstances, the LEAGUE shall have the right to enter and make inspection of the lease premises during the LEAGUE'S inactive season. LEAGUE shall provide City with keys required to access all facilities on the premises.
16. OPTION TO RENEW – This Lease shall be renewable for successive five (5) YEAR TERM upon mutual consent of the parties, provided LEAGUE performs all of the covenants required of it and tenders to CITY, not later than thirty (30) days before the expiration of any rental period, the rental payment for the next period. CITY agrees to notify LEAGUE of impending expiration of this lease not later than sixty (60) day prior to the expiration of any rental period.
17. INDEMNIFICATION - LEAGUE shall indemnify, defend, save, and hold CITY, its agents and employees, harmless of and from any losses, fines, penalties, costs, damages, claims, demands, suits, and liabilities of any nature, including attorney's fees (including regulatory and appellate fees), arising out of, because of, or due to any accidents arising in any manner on account of the exercise or attempted exercise of LEAGUE'S rights hereunder whether the same regards person or property of any nature whatsoever, regardless of the apportionment of negligence, unless due to the sole negligence of the CITY.
18. SOVEREIGN IMMUNITY - Nothing contained herein is intended to nor shall be construed to waive the CITY'S rights and immunities under the Florida Constitution, common law or Florida Statutes 768.28, as amended from time to time.

Commented [k2]: I'm not sure what went into negotiating this, but seems to me this makes more sense if we make it upon mutual agreement of the parties.

19. PROHIBITION OF ASSIGNMENT OR SUBLEASE - LEAGUE may not assign any right, privilege, or license conferred by this Lease; nor may LEAGUE sublet or encumber any part of the lease premises without first obtaining the written consent of CITY. LEAGUE shall not assign or transfer this Lease, or any interest herein, without prior written consent of CITY, and consent to an assignment shall not be deemed to be consent to any subsequent assignment. Any such assignment without such consent shall be void.
20. CONSTRUCTION - The Parties have participated jointly in the negotiation and drafting of this Lease. In the event an ambiguity or question of intent or interpretation arises, this Lease shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Lease.
21. ENTIRE AGREEMENT - This Lease represents the entire and integrated Agreement between the CITY and LEAGUE and supersedes all prior negotiations, representations or agreements, either written or oral. This Lease may be amended only by written instrument signed by both CITY and LEAGUE.
22. SEVERABILITY - If any section, subsection, term or provision of this Lease or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of this Lease or the application of same to parties or circumstances other than those to which it was held invalid or unenforceable, shall not be affected thereby and each remaining section, subsection, term or provision of this Lease shall be valid or enforceable to the fullest extent permitted by law.
23. SUCCESSOR AND ASSIGNS – The provisions of this Lease shall be binding on the parties, their successors and assigns.
24. ATTORNEY’S FEES – If a party of this lease should prevail in any legal action brought to enforce it or for its breach, the parties agree that such prevailing party may recover as part of the judgment reasonable attorney’s fees.
25. VENUE - The parties intend that this Lease and the relationship of the parties shall be governed by the laws of the State of Florida. The venue for any action arising out of this Lease shall be exclusively in Okaloosa County, Florida and nowhere else.
26. HEADINGS - The headings of sections are for convenient reference only and shall not be deemed to limit, construe, affect, modify or alter the meaning of such sections or subsections.

IN WITNESS WHEREOF, these parties have executed this Lease the day and year first above written.

Signed in the presence of as
Witnesses to CITY

CITY OF DESTIN

Printed Name: _____

By Lance Johnson
Its: City Manager

Printed Name: _____

STATE OF FLORIDA
COUNTY OF OKALOOSA

The Foregoing instrument was acknowledged, sworn to, and subscribed before me, the undersigned, by either
__ physical presence or __ online notarization this ____ day of _____, 2022, by Lance Johnson,
City Manager of the City of Destin, on behalf of the CITY. She is personally known to me or has produced
_____ as identification.

Notary Public
My Commission Expires: _____

ATTACHMENT A:

Dalton Threadgill Park



Street Address: 711 Hickory Street
Destin, Florida 32541

Parcel ID Numbers: 00-2S-22-0310-000D-041A
00-2S-22-0310-000D-1820

Legal Description:

Parcel 1:

Lot 375, Block D, according to the Second Revision Plat of Calhoun's Subdivision, Plat Book 2, Page 43-A, Public Records of Okaloosa County, Florida.

Parcel 2:

A portion of Block "D" Calhouns Subdivision of Addition to Destin, Okaloosa County, Florida according to Second Revision Plat recorded in Plat Book 2 at Page 43-A described as follows: Beginning on Stahlman Avenue at Easternmost Corner of lot 375, Thence 204.25' Northwesterly with boundary of Lot 375 to Southern most corner of lot 384; Thence 300' Northeasterly with boundary of Lots 384, 385, and 386 to Easternmost corner of Lot 386; Thence 204.25' more or less Southeasterly to Stahlman Avenue; Thence 300' Southwesterly to Point of Beginning.

Parcel 3:

Lots 182, 183, and 184, Block D of Calhoun's Subdivision of Addition to Town of Destin, Okaloosa County, Florida a Plat of which is on record in the office of the Circuit Court of said County. Each of said Lots faces the East side of Sibert Avenue 100 feet and extends Southeastwardly 300 feet.

Parcel 4:

That portion of the abandoned right of way, formerly known as Sibert Avenue, as described in Okaloosa County Resolution 6F Page 75 and recorded in Official Records Book 1146 at Page 1160 of the Public Records of Okaloosa County, Florida lying Southeasterly of the center line of said Sibert Avenue.

Parcel 5:

That portion of the abandoned right of way, formerly known as Sibert Avenue, as described in City of Destin Ordinance No. 093 recorded in Official Records Book 1440, at Page 849-851, of the Public Records of Okaloosa county, Florida, adjacent to said Lot 182 lying Southeasterly of the center line of said Sibert Avenue, having approximate dimensions of 50 feet by 34.99 feet.

Signed in the presence of as
Witnesses to LEAGUE

DESTIN LITTLE LEAGUE, INC.

Printed Name: _____

By: _____

Its: _____

Printed Name: _____

STATE OF FLORIDA
COUNTY OF OKALOOSA

The Foregoing instrument was acknowledged, sworn to, and subscribed before me, the undersigned, by either
___ physical presence or ___ online notarization this ____ day of _____, 2022, by
_____, as _____ of DESTIN LITTLE LEAGUE, INC., on behalf of the
LEAGUE. He/She is personally known to me or has produced _____ as
identification.

Notary Public

My Commission Expires: _____

ORDINANCE NO. 109

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, RELATING TO PERSONNEL POLICIES; PROVIDING FOR AUTHORITY; PROVIDING FOR PURPOSE; PROVIDING FOR POSITIONS COVERED; PROVIDING FOR AMENDMENT AND REVISION; PROVIDING FOR APPLICATION; PROVIDING FOR IMPLEMENTATION; PROVIDING FOR EQUAL EMPLOYMENT OPPORTUNITY AFFIRMATIVE ACTION STATEMENT; PROVIDING FOR DEFINITIONS; PROVIDING FOR RECRUITMENT; PROVIDING FOR HIRING; PROVIDING FOR HIRING PART-TIME EMPLOYEES; PROVIDING FOR HIRING FORMER EMPLOYEES; PROVIDING FOR HIRING TEMPORARY EMPLOYEES; PROVIDING FOR EMPLOYMENT OF MINORS; PROVIDING FOR MEDICAL EXAMINATIONS; PROVIDING FOR NEPOTISM; PROVIDING FOR ORIENTATION; PROVIDING FOR PROBATIONARY PERIOD; PROVIDING FOR PERFORMANCE EVALUATION REPORT; PROVIDING FOR MERIT INCREASES; PROVIDING FOR OUTSIDE EMPLOYMENT; PROVIDING FOR HOURS OF WORK; PROVIDING FOR OVERTIME AND COMPENSATORY TIME; PROVIDING FOR ATTENDANCE; PROVIDING FOR UNAUTHORIZED ABSENCE; PROVIDING FOR PROMOTION; PROVIDING FOR DEMOTION; PROVIDING FOR TRANSFER; PROVIDING FOR TEMPORARY ACTING POSITIONS; PROVIDING FOR LEAVE OF ABSENCE; PROVIDING FOR OFFICIAL LEAVE; PROVIDING FOR LEAVE OF ABSENCE WITHOUT PAY; PROVIDING FOR SICK LEAVE; PROVIDING FOR PERSONAL LEAVE; PROVIDING FOR VACATION LEAVE; PROVIDING FOR COMPENSATORY LEAVE; PROVIDING FOR MILITARY LEAVE; PROVIDING FOR CIVIL LEAVE; PROVIDING FOR TRAVEL POLICY; PROVIDING FOR HOLIDAYS; PROVIDING FOR SEPARATION BY RESIGNATION; PROVIDING FOR SEPARATION BY DISABILITY; PROVIDING FOR SEPARATION AT DEATH; PROVIDING FOR LAY-OFF AND RECALL; PROVIDING FOR PROGRESSIVE DISCIPLINE OF EMPLOYEES; PROVIDING FOR DISMISSAL FOR CAUSE; PROVIDING FOR EMPLOYEE RIGHTS OF APPEAL; PROVIDING FOR EXITING PROCESS; PROVIDING FOR SAFETY AND REPORTING ACCIDENTS; PROVIDING FOR OCCUPATIONAL INJURY/DEATH; PROVIDING FOR GROUP INSURANCE; PROVIDING FOR UNIFORMS; PROVIDING FOR CODE OF ETHICS; PROVIDING FOR SOCIAL SECURITY; PROVIDING FOR RETIREMENT; PROVIDING FOR EDUCATION REIMBURSEMENT; PROVIDING FOR SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DESTIN, FLORIDA:

SECTION 1. Authority. The authority for the enactment of

this Ordinance is Article I, Section 1.01 (a) of the City Charter and Section 166.021, Florida Statutes.

SECTION 2. Purpose. These rules set forth the principles and procedures to be followed by the City of Destin in the administration of personnel policies. The objective of these rules is to provide reasonable, fair and equitable treatment for all City employees and to ensure that the citizens served by the City derive the benefits and advantages which can be expected from a competent staff of City employees.

SECTION 3. Positions Covered. These rules shall apply to all positions and offices in the City's classified service. The following are exceptions and are not covered:

- Chairman and Members of the Destin City Council
- City Manager
- City Attorney
- Contractual Employees
- Appointed Members of Boards or Committees
- Temporary or Seasonal Employees.

SECTION 4. Amendment and Revision. Amendments and revisions of these rules shall be initiated by the City Manager annually, or as required by the State of Florida, with recommendations made to the City Council for adoption.

SECTION 5. Application. All positions existing and hereinafter created within the City's service, except those listed in Section 2 above, are placed within the jurisdiction of the City and shall be subject to the rules and procedures as are indicated in this Ordinance, or as are set forth by action of the City Council. The policies described herein are not conditions of employment, and the language is not intended, nor is it to be construed, to create a contract between the City and its employees.

SECTION 6. Implementation. The responsibility for implementing the provisions of this Ordinance is hereby vested in the City Manager, or his/her designee.

TITLE: EQUAL EMPLOYMENT OPPORTUNITY
AFFIRMATIVE ACTION STATEMENT

The City of Destin, Florida, is an equal opportunity employer and is pledged to provide equal employment opportunity without regard to race, age, color, religion, national origin, handicap or sex. This pledge applies to all employees and to all applicants for employment with regard to recruiting, hiring, placement, promotion, transfer, demotion, advertising or solicitation for employment, rates of pay, or other forms of compensation, treatment while employed, training, lay-off or termination.

It is the policy of the City to hire well qualified people to perform the many tasks necessary in providing services it is called upon to render and to recruit and administer hiring, working conditions, benefits and privileges of employment, compensation, training, appointments for advancement, including upgrading and promotions, transfers and terminations of employment without discrimination because of race, color, religion, national origin, sex, age, or physical or mental handicaps, where the handicapped persons are able to perform the work they are seeking. Whenever possible, the City makes every effort to fill job vacancies from within the ranks of its own employees. If no City employee either qualifies for or desires to be transferred or promoted to a vacancy, then recruiting efforts will seek applicants from other sources.

In consideration of minorities and women, and in compliance with EEOC rulings, the City will be careful not to exclude minorities and women in its recruitment practices. Every effort will be made to recruit through those media which are read, seen, listened to or attended by minorities and women. This is an effort to utilize human resources which may be otherwise underutilized or totally neglected.

7.1 General Affirmative Action Objectives

- o To assure that each Department/Division receives a copy of the City's Affirmative Action Statement and that Department Heads and supervisors shall implement and support the plan.
- o To assure that conditions of employment, recruitment and hiring practices are in accord with the intent of the Affirmative Action Statement.

TITLE: EQUAL EMPLOYMENT OPPORTUNITY
AFFIRMATIVE ACTION STATEMENT

- o To assure periodic review of job specifications, actual tasks performed and qualifications required of workers.
- o To assure monitoring and periodic evaluation of the Affirmative Action Statement effectiveness.

7.2 Affirmative Action Officer

The City shall at all times have an employee, appointed by the City Manager, as Affirmative Action Officer, whose duty it shall be to establish affirmative action goals and timetables. There shall be no additional compensation for this service.

TITLE: DEFINITIONS

As used in these rules, unless the context clearly requires otherwise, the following words shall have the meaning herein given them.

8.1 Allocate

The act of assigning each position to its proper class.

8.2 Anniversary Date

The recurring date of original appointment or the date of promotion, except that such shall be adjusted for suspensions, unauthorized leaves of absence, and separation and re-employment.

8.3 Appeal

An application for review of an alleged grievance by disciplinary action.

8.4 Appointment

The offer and acceptance by a person of a position either on a permanent, part-time, temporary or seasonal basis. A temporary appointment shall terminate automatically upon completion of the activity necessitating the appointment.

8.5 Class/Classification

A position or group of positions having similar duties and responsibilities, requiring similar qualifications, which can be properly designated by one title indicative of the nature of the work and which carry the same salary range.

8.6 Compensatory Time

Time off from work in lieu of monetary payment for having worked in excess of 40 hours during a work week.

8.7 Continuous Service

Employment in the classified service which is uninterrupted except for authorized leave(s) of absence.

8.8 Demotion

The assignment of an employee to a position in a lower class and/or having a lower maximum salary than the class from which the assignment is made.

8.9 Department Head/Division Head

An employee responsible for the day-to-day operation of a major division of the City and the workforce assigned to it, whose responsibility includes developing efficient work schedules, proper assignment of personnel for efficient operation, budgeting expenses, developing the potential of employees in the division and keeping the City Manager informed as to the progress of the division. The Department Head generally shall authorize disciplinary action deemed necessary for the orderly and efficient operation of the division subject to the approval of the City Manager.

8.10 Full-Time Employee

Any employee working a thirty-seven and one-half (37 1/2) hour week in either a permanent or probationary position, budgeted on an annual basis.

8.11 Job Description

A written statement describing the duties and responsibilities and entrance qualification requirements of a position.

8.12 Layoff

The involuntary, non-disciplinary separation of an employee from employment with the City.

8.13 Overtime

Time worked in excess of 40 hours per work week, for those persons not working in an exempt position under FLSA guidelines.

TITLE: DEFINITIONS

8.14 Part-Time Employee

An employee working less than 34 hours per week who is paid on an hourly basis for those hours actually worked and who is not entitled to City benefits.

8.15 Pay Status

An employee who is physically at work or is on an approved leave of absence with pay.

8.16 Permanent Position

Any position (vacant or filled), without time limitations or special restrictions as to continued employment, which is designated as such by the budget or by the Council.

8.17 Permanent Status

A classification conferred upon an employee in a position designated by the City budget and who has satisfactorily completed a probationary period.

8.18 Position

A group of duties assigned to one person or job.

8.19 Probationary Employee

Any employee who is serving his probationary period following original appointment (hiring) or following promotion, prior to being regularly appointed to a permanent position and class in the classified service.

8.20 Probationary Period

A specified period of time whereby the employee's performance is carefully evaluated in order to attain permanent status. At any time during the probationary period, the Department Head may recommend termination and/or the City Manager may for good cause, bad cause or no cause at all, terminate the employee. Any termination prior to expiration of the probationary period shall be final with no right of appeal of any type.

8.21 Promotion

The assignment of an employee to a position in a higher class and/or having a higher maximum salary than the position from which the assignment is made.

8.22 Regular Employee

An employee who has been appointed to a permanent full-time or part-time position in the classified service in accordance with the provisions of these rules after completing a probationary period.

8.23 Temporary Employee

An employee holding a position other than permanent, except as provided in the rules, which is of temporary, seasonal, casual or emergency nature. A temporary employee is not entitled to City benefits.

8.24 Temporary Position

All positions that are not designated as permanent.

8.25 Transfer

The voluntary or involuntary change of an employee's assignment from one position to another position of a substantially similar level.

8.26 Work Day

The scheduled number of hours an employee is assigned to work.

8.27 Work Period

The scheduled number of hours an employee is assigned to work during two (2) calendar weeks, for which the employee receives a bi-weekly paycheck. This also may be known as the Pay Period.

8.28 Work Week

The scheduled number of hours an employee is assigned to work during a calendar week.

8.29 Vacancy

A position not occupied, for which funds are available.

The goal of the City of Destin is to select the best qualified individual without regard for race, color, religion, national origin, sex, age, or physical or mental handicap.

The City shall treat all job candidates uniformly and give close attention to internal promotion.

9.1 Job Vacancies - General

All vacancies in the City workforce shall be filled by original appointment, promotional appointment, re-employment, reinstatement, transfer or demotion.

9.2 Notice of Vacancy

When a vacancy occurs within a Department, the Department Head shall notify the City Manager and request a replacement to fill a temporary or permanent position. The City Manager's approval is required prior to notice of vacancy being issued.

9.3 Sources of Recruitment

All job vacancies below the level of Department Head shall be posted in-house for promotional or transfer consideration.

Where there is to be no in-house appointment for the position:

- o The Florida State Employment services may be notified of the vacancy for recruitment purposes as well as for Veteran's preference.
- o Active applications on file shall be reviewed and considered.
- o Advertisements shall be placed in local newspapers or professional journals, or both.
- o Organizations reaching minorities, women and handicapped individuals may be notified.

TITLE: RECRUITMENT

9.4 Employment Services - Placement Fees

The City shall not pay placement fees to employment services or place orders with commercial employment services where the City may become responsible for placement fees.

9.5 Recruitment Area

Individuals shall be recruited from a geographic area as wide as is necessary to assure obtaining qualified candidates for the various types of positions.

There shall be no requirements of residence for filing application for a position in the classified service. Specific response time requirements for employees in Departments where quick response time is essential may be required.

9.6 Veteran's Preference

Veterans, spouses of totally and permanently disabled veterans, and spouses of Missing in Action persons shall receive preference in employment and in retention should a layoff occur. This preference is in compliance with "Veteran's Preference in Appointment and Retention In Employment" rule, Chapter 22VP-1 of the Florida Administrative Code.

10.1 Application for Employment

All applicants shall complete forms relevant to the requirements of the position or vacancy for which they are applying. References may be required.

10.2 Interviewing

All applications shall be carefully screened and referred to the appropriate Department Head for further review. The Department Head shall notify applicants they desire to interview. The City Manager or his/her designee shall set up and control the interview schedule. Department Heads shall make every effort to adhere to the interviewing schedule.

10.3 Testing

The City Manager or designee shall test specific applicant skills that are required to fulfill the duties of the vacancy. Such tests shall be designed and the parameters for satisfactory completion shall be promulgated by the head of the affected Department. All testing shall be consistent with State and Federal regulations concerning employee selection.

10.4 References

The City Manager or designee shall make any necessary contacts for the purpose of checking references. References shall preferably be obtained by telephone, but where necessary, written reference checks will be made. When written reference checks are required, applicants will be offered employment with the understanding that their employee status is dependent upon the results of reference checks.

Falsification or withholding of pertinent information shall result in immediate termination of the interviewing process or of employment.

10.5 Pre-employment Physical Examinations.

Pre-employment Physical Examination requirements are specified in Section **15**, Medical Examinations.

10.6 Selection and Notification of Offer

The Department Head shall select the applicant whose qualifications most ideally meet the requirements of the vacant position. The Department Head shall recommend to the City Manager the name of the applicant selected.

Upon approval of the City Manager, the Department Head may notify the successful applicant of the offer of employment.

Department Heads are selected by the City Manager and notification and offer to the successful applicant is made by the City Manager.

10.7 Disqualification of Applicants

The Department Head or City Manager may remove from further consideration, at any time, the application of any applicant who:

- o Does not possess the minimum job-related qualifications.
- o Has made false statements of any material fact or practiced deception in the application.
- o Fails to accept appointment within two days or report for duty within the time prescribed in the offer.

10.8 Notice of Rejection of an Application

Whenever an application or applicant is rejected, notice of such rejection shall be given to the applicant by the City Manager's Office.

10.9 Application Files

Applications of qualified but unsuccessful candidates for a specific opening shall be retained on file with the City Manager's Office for subsequent review for future openings for which the applicant may compete, for a period of two (2) years.

Applications of candidates which have been disqualified under the provisions of paragraph 10.7 will not be reconsidered for that position.

10.10 Reporting for Duty

A new employee shall be instructed to report directly to the Department in which he/she will be working on the first day of work, for in-processing.

TITLE: HIRING PART-TIME EMPLOYEES

A continuous year-round position budgeted for less than an average of thirty-four (34) hours per week and paid on a hourly basis for hours actually worked shall be designated a part-time appointment.

Part-time employees may be recruited, hired, evaluated after the usual probationary period to receive permanent part-time status, and reviewed on his/her anniversary date for determination for eligibility for a merit increase in the same manner as full-time employees. Part-time employees also may be eligible for any special annual salary increase afforded to full-time employees by the City Council.

Part-time employees shall not be entitled to other benefits offered to full-time employees.

TITLE: HIRING FORMER EMPLOYEES

12.1 Procedure

A former employee may be rehired providing the following conditions are met:

- o His/her qualifications meet the requirements of the vacant position.
- o He/she had been an employee in good standing at the time of separation.

The City Manager shall review the personnel folder of a former employee prior to actual job offer to recommend whether to rehire, based on previous employment record.

A former employee who is rehired shall be processed in the same manner as a new hire.

12.2 Terms

For purposes of computing benefits due, the employee shall be considered as a new appointment and shall serve the required probationary period.

TITLE: HIRING TEMPORARY EMPLOYEES

A temporary employee may be recruited to assist in the handling of peak workloads, seasonal employment, casual employment or employment of an emergency nature. A temporary employee shall not be used to fill a continuing full-time position.

A temporary employee shall not be entitled to City fringe benefits.

If a temporary employee changes status to a permanent position, the employee shall be considered as a new hire at the time that employee's status is changed unless otherwise designated by the City Manager.

The provisions of this Section shall not apply to temporary reassignments of a permanent employee nor to restructuring of an employee's job description.

Department Heads may request the hiring of temporary employees. Such requests must justify the need for the temporary employees and Department Heads may be required to defend the need to the City Manager and/or the City Council.

All persons employed by the City should be a minimum of seventeen (17) years of age. Where it is not possible to recruit a qualified applicant who has reached his/her seventeenth birthday, employment of a younger person may be considered if approved by the City Manager.

Prior to employing a minor under sixteen (16) years of age, the City Manager's Office shall complete an Application for Employment Certificate which shall be obtained by the minor from the County Superintendent of Schools or such other person designated by the Superintendent to issue certificates.

Unless married, all minors who have not reached age eighteen (18) at time of hire shall be required to have an Age Certificate. This certificate shall be obtained through the same channels as the Application for Employment Certificate.

The Employment Certificate and the Age Certificate shall remain in the employee's personnel file.

15.1 Pre-Employment Examinations

Prospective employees shall be required to undergo pre-employment medical examinations through a City designated physician to determine if he/she meets accepted standards of health for the position. This examination shall be in addition to the medical history statement. A pre-employment psychological examination may be required as well. An applicant determined to be physically or mentally unfit for service shall not be eligible for employment.

15.2 In-Service Examinations

An employee, during his/her period of employment, may be required to undergo periodic examinations to determine his/her physical and mental fitness to perform his/her job.

Such periodic examinations shall be at the expense of the City.

An employee determined to be physically or mentally unfit to continue in his/her designated position may be demoted, transferred or separated from City service.

When an employee of the City is reported by the examining physician or psychologist to be physically or mentally unfit to perform work in the position which he is employed, such employee may, within five (5) days from the date of his notification of such determination by the examining physician, indicate in writing to the Department Head his/her intention to submit the question of his/her physical or mental unfitness to a physician or psychologist of his/her own choice. In the event there is a difference of opinion between the original examining professional and the professional chosen by the employee, then the City Manager shall designate a third professional whose decision shall be final and binding as to the physical and mental fitness of such employee to perform the work of the position in which he is employed. The City shall bear the expense of reasonable direct costs of the examinations and shall provide the employee with reasonable time off to meet these appointments. The City shall not be responsible for any overnight travel and expense costs related to these appointments.

15.3 Accident or Illness

If an employee is absent from work due to an accident, a statement of physical condition shall be required upon return to work. The same shall be required if an employee is absent for an illness in excess of three (3) continuous working days. In both of these cases, the employee shall be responsible for payment of the doctor's fees.

TITLE: NEPOTISM

It is the policy of the City that no employee shall be hired to work under the direct supervision of a relative as defined below, except in accordance with the terms of this subsection:

- o If two employees change their family relationship by marriage, adoption or other means so as to come in conflict with these prohibitions, one of them shall be transferred to a different Department if possible, granted a waiver by the City Manager or separated from the City service.
- o If it is determined that an existing vacancy cannot be filled with qualified personnel by normal recruiting efforts, the appropriate Department Head shall request the City Manager to grant a waiver.

The relative of an official or an employee shall be defined as the following relationships: parent, sibling, spouse, uncle, aunt, first cousin, nephew, niece, parent-in-law, child-in-law, sibling-in-law, stepparent, stepsibling, half-sibling or child. If related employees are eligible for promotion, advancement or a raise in pay or status, other than cost of living increases, the appropriate Department Head shall make a special evaluation of the proposed change and report to the City Manager for a determination before any change takes place.

TITLE: ORIENTATION

The City recognizes the importance of a sound indoctrination program so that the employee shall have a clear understanding of his/her duties, how to perform them and the relationship to the Department and the overall operation of the City Government.

Orientation of a new employee begins with processing by the City Manager's Office and includes:

- o Completion of all hiring forms.
- o Detailed explanation of benefits and conditions of employment.
- o Accompanying the employee to his/her area of employment whereby the Department Head shall assure that:
 1. The employee is introduced to co-workers and various facilities.
 2. The employee has proper supplies and a suitable working area.
 3. The employee becomes familiar with his/her duties and responsibilities.

The most important function of the Department Head during this process is to make every attempt to ensure that a new employee is comfortable and familiar with his/her new surroundings.

TITLE: PROBATIONARY PERIOD

The probationary period is regarded as an integral part of the placement process. It is utilized to closely observe the employee's performance for securing the most effective adjustment of the new employee to the position and for rejecting an employee whose performance does not meet the required work standards.

18.1 Termination of Employment

At any time during the probationary period, the Department Head may for good cause, bad cause or no cause at all, recommend termination and the City Manager may terminate the employee. Any termination prior to expiration of the probationary period shall be final with no right of appeal of any type.

18.2 Initial and Final Probationary Reviews

A new employee or an employee promoted to a higher classification shall be formally reviewed by his/her Department Head once immediately after forty-five (45) days and then again immediately after ninety (90) days from date of hire or from date of promotion. These reviews shall in no way affect the employee's salary but, rather, shall be a means of notifying the employee, the Department Head and City Manager of the employee's progress. The initial and final review of new employees reflecting less than satisfactory progress may be one cause for immediate termination of employment. The review forms shall be forwarded to the Department Head by the City Manager's Office at the time the review is to be conducted. The completed review form shall be signed by the Department Head, the employee and the City Manager. The review form shall provide space for comments of the employee.

18.3 Final Probationary Review Procedures

A new employee or an employee promoted to a higher classification shall be reviewed immediately after ninety (90) days from date of hire or promotion in order to be considered for permanent status in his/her position.

The Department Head shall evaluate the employee's performance and complete an Employee Evaluation Form, indicating final recommendation on the employee's probationary status. The Department Head shall sign the form and shall return the form for review and approval by the City Manager. If approved by the City Manager, a change-of-status form shall be prepared taking the employee off probation. After approval by the City Manager, the form shall be signed by the employee, who shall receive a copy of same from the City Manager's Office. Original review and change-of-status forms are retained in the employee's permanent Personnel File. New employees attaining permanent status, following successful probationary period, shall be entitled to receive all City benefits as described in other sections. Promoted employees shall not experience loss of City benefits while serving a probationary period for a position in a higher classification. A final probationary review reflecting less than satisfactory progress shall be sufficient grounds for immediate termination of employment. See also Section 26, Promotion.

18.4 Extension of Final Probationary Review

The circumstances where extension of probationary period beyond ninety (90) days may be permissible are specifically as follows:

- o An employee hired at a salary or hourly rate which is greater than the entry step for the position may, as a condition of offer of employment, be required to serve a one (1) year probationary period at the discretion of the City Manager. Such affected employee shall, however, be reviewed after ninety (90) days and, if determined to be making satisfactory progress, the employee shall be entitled to City benefits.
- o At the conclusion of the one (1) year probationary period, a final review and determination of status shall be done according to the process outlined under subsection 18.3, Final Probationary Review, above.

TITLE: PROBATIONARY PERIOD

- o Probationary employees who have been absent without pay and excused from duty for a collective total of twenty (20) scheduled work days or more during the probationary period may, upon approval of the City Manager, have their probationary period extended for a period equivalent to time lost during the initial probationary period. Newly-hired employees affected by this provision shall not be entitled to City benefits until final probationary review and approval to permanent status. The review procedure shall conform to subsection 18.3 above.
- o Excessive absence, even if excused, has a negative impact on completion of departmental workloads. This provision to extend the probationary period is set forth to recognize those unique and unusual circumstances, such as major illness or injury to a probationary employee or member of his/her family, necessitating an excused absence of greater duration than normal.

18.5 Anniversary Date - Merit Increase Review

The date of original appointment or promotion to a position shall be the anniversary date and the employee shall be considered, following a performance review and above satisfactory evaluation, for ~~evaluation to the next step of the pay grade~~ one (1) year from this date, with the recommendation of the Department Head and approval of the City Manager.

A MERIT INCREASE

TITLE: PERFORMANCE EVALUATION REPORT

At least once a year at the employee's anniversary date, supervisors shall rate and discuss the overall job performance with each employee. The performance evaluation evaluates quantity of work, quality of work, work habits and relationships with fellow employees and the public. If the rated employee is a supervisor, his/her supervisory ability also is evaluated.

The City Manager's Office shall forward a Performance Evaluation Form and cover memo to the appropriate supervisor when an employee becomes eligible for permanent status, a merit increase or an annual rating.

If an increase is indicated, the supervisor shall make the appropriate recommendations and return the form to the the City Manager's Office for approval. If approved, a Change of Status form shall be prepared entitling him/her to an increase. The Employee Service Report then shall be signed by the employee and retained in the personnel file.

The employee may submit a rebuttal statement as part of the evaluation and such statement shall remain in the employee's personnel file as long as the evaluation is retained on file.

All questions on the Performance Evaluation shall be forwarded to the City Manager.

TITLE: MERIT INCREASES

A salary increase shall be based on merit. A merit increase in salary rewards an employee who is doing above satisfactory performance.

An employee shall become eligible for his/her first merit increase after satisfactorily completing one (1) year service for the City, being the employee's anniversary date.

An employee becomes eligible for consideration for further merit increases on the anniversary of the first merit increase granted. All merit increases stop when an employee reaches the maximum amount of his/her pay grade.

The Department Head shall notify the City Manager's Office one (1) month before an employee becomes eligible for a merit review. See Section **19** for procedure.

TITLE: OUTSIDE EMPLOYMENT

An employee shall not accept outside employment, either incidental, occasional or otherwise, where City time, equipment or material is to be used or where such employment or any part thereof is to be performed on City time.

An employee may be authorized to accept incidental or occasional outside employment as long as such employment is not contrary, detrimental or adverse to the interest of the City or any of its Departments.

Approval by the Department Head is required for all outside employment. Such approval or denial shall be retained in the employee's Personnel File.

Requests to engage in outside employment must be in writing and must explain the type of employment and hours involved for which the request is made. Such requests shall be submitted to the Department Head for approval or disapproval, and a copy of the request shall be forwarded to the City Manager's Office for inclusion in the personnel file. Questions concerning whether such employment may be in violation of the City Conflict of Interest Policy should be channeled from the Department Head to the City Manager's Office for a decision.

Permission to engage in supplemental employment may be denied or withdrawn at any time when the Department Head feels such employment is interfering with the employee's efficiency or is in conflict with the interest of the City.

TITLE: HOURS OF WORK**22.1 Hours of Work**

The normal hours of work for City Departments will be 9 AM to 5 PM Monday through Friday except for legal or designated holidays. Alternate working hours may be established by each Department Head with the approval of the City Manager.

The lunch period is thirty (30) minutes and employees are encouraged to utilize their lunch period during the designated hours. This time cannot be accumulated and cannot be saved for the purposes of leaving work early.

Each employee is required to maintain a weekly record of hours worked, to be turned in to his/her supervisor or Department Head at the end of each work week. Failure to keep, or falsification of, the weekly record of hours worked shall be grounds for disciplinary action or dismissal.

22.2 Absence from Work/Lateness

An employee who is not at work during the approved hours shall be considered unexcused, unless such absence is approved by the Department Head.

Lateness, which is unexcused absence from work, shall cause an employee to be penalized in quarter hour (15 minute) units for each fraction of such period absent.

Repeated lateness and unexcused absence is significant to operational effectiveness and is grounds for disciplinary action against the employee.

TITLE: OVERTIME AND COMPENSATORY TIME

Departmental schedules should be prepared to provide for the completion of work tasks and delivery of public services within the standard forty (40) hour work week of each and all employees assigned to the Department.

Overtime hours are permissible only by an actual emergency or such other unusual circumstances, requiring the assignment of employees to overtime hours of work, certified by the Department Head and approved by the City Manager. For purposes of this section, the term "emergency" shall be construed to mean circumstances including, but not limited to, civil disturbances, natural disasters such as hurricanes, or a significant shortage of personnel or unusual surplus of work to be performed.

Overtime shall be voluntary except in emergency situations, at which time an employee can be required to work. The Department Head, or supervisor, will give the employee as much notice as possible before requiring overtime.

23.1 Authorization Required

Prior to assigning overtime work, it shall be the Department Head's responsibility to notify and obtain approval from the City Manager for the circumstances requiring the overtime work. The only exception shall be in emergency situations where the immediate repair of facilities shall be essential to prevent loss of equipment, further damage to the facility or an interruption of essential public services. In case of such emergency, it shall be the Department Head's responsibility to notify the City Manager as soon as possible regarding the details surrounding the overtime worked.

23.2 Practice for Overtime and Compensatory Time

Actual hours worked in excess of the normal forty (40) hours in any work week shall be compensated at the rate of one and one-half (1 1/2) times the employee's hourly rate of pay; for the purpose of this provision, actual hours worked shall include sick leave and annual leave only when approved in advance under the rules as established in this manual.

TITLE: OVERTIME AND COMPENSATORY TIME

Compensatory time at the rate of one and one-half (1 1/2) hour for each overtime hour, in lieu of paid overtime, may be granted upon request of the employee, subject to the approval of the Department Head and City Manager. Accrual of compensatory leave shall be governed by the provisions of FLSA. The maximum comp time to be accrued in public safety, emergency response or seasonal activity is 480 hours (or 320 hours of actual overtime work); other employees are permitted a maximum compensatory accrual of 240 hours (160 hours of actual overtime work).

Compensatory time, recorded in the employee's Personnel File, shall be removed from the books and paid to the affected employee:

- o As the result of a properly authorized Leave of Absence, or
- o At the time of termination, in good standing, whether voluntary or involuntary.

It is the responsibility of the employee, the appropriate Department Head and City Manager's Office to monitor compensatory time earned. In accordance with the provisions of FLSA, all employees who have accrued the maximum compensatory time shall be paid in cash for additional overtime hours of work until they have used some of their accrued compensatory time.

23.3 Eligibility

Department Heads and others designated by the City Council, upon the recommendation of the City Manager, are not entitled to overtime payment or accrual of recorded compensatory time.

The City Manager shall have the authority to provide reasonable and commensurate work schedule flexibility, where not in conflict with the essential work and delivery of public services of the City, to salaried personnel, whose duties and responsibilities regularly require substantial hours of work beyond a normal work week.

24.1 Punctuality

Lateness, like absence, causes additional burden on the City. Therefore, an employee shall be expected to make every effort to be on the job at starting time.

Problems occasionally occur causing an employee to be late. Whenever possible, the employee shall be expected to advise his/her Department prior to starting time.

Lateness, which is unexcused absence from work, shall cause an employee to be penalized in quarter hour (15 minute) units for each fraction of such period absent.

24.2 Recording Attendance

The City shall maintain time records to ensure that all employees are correctly paid for time worked. Accuracy in reporting time worked is extremely important.

The City shall maintain individual records on employees':

- o sick leave and available time
- o personal leave and available time
- o vacation leave and available time
- o compensatory leave and available time
- o holiday leave and available time

Each payroll period, each employee shall submit an accurate record of his/her time for that period to his/her Department Head. The Department Head shall summarize the time for the entire Department on a Payroll Summary Sheet. Employees must arrive and depart only at their scheduled hours. Employees will be paid according to their work schedule, with adjustment for leaves of absence and any overtime authorized as reported by the Department Head.

The City Manager or his/her designee shall review and record all lost time and forward payroll data for processing.

Any apparent abuse of leave time shall be brought to the immediate attention of the City Manager's Office by the Department Head.

An unauthorized absence automatically results when an employee fails to report within one (1) hour of the scheduled work time and fails to communicate to the Department Head, explaining the reason for the absence and requesting leave.

25.1 Resignation Due to Unauthorized Absence

If an employee is absent without authorization for a period exceeding one (1) day, the Department Head shall notify the City Manager immediately.

Unauthorized absence for a period of two (2) consecutive days shall be considered as a resignation without notice from the employee. Acceptance of the resignation shall be by letter from the City Manager.

TITLE: PROMOTION

Promotions may be either inter- or intra-departmental and must be recommended by the Department Head(s) and approved by the City Manager. All promotions shall be based on merit.

Employees promoted to a position in a higher classification, having a higher maximum salary, than the position from which the assignment is made, shall be placed in probationary status for the usual period of ninety (90) days. See Section 18, Probationary Period.

If a promoted employee performs unsatisfactorily during the probationary period and is therefore ineligible to be granted permanent appointment to the higher position, and if the affected employee's work was satisfactory prior to the promotion, the employee shall be returned to his/her previous position or to another suitable position in the same class previously held, if either is available. If no position is available, the employee shall be terminated.

TITLE: DEMOTION

A demotion is the assignment of an employee to a position in a lower classification, having a lower maximum salary, than the classification from which an assignment is made.

Department Heads shall have the authority to recommend demotion of an employee. If it becomes necessary to recommend demotion of an employee, the Department Head should make the recommendation to the City Manager, in writing, citing the reasons. The causes for demotion shall normally be due to the removal of higher level duties and responsibilities, or inability of the employee to assume or perform duties. Demotions may be initiated directly by the City Manager.

All demotions require the written approval of the City Manager.

An employee not on a probationary status in the position from which he/she has been demoted has the right to appeal demotions through the grievance procedure as outlined in this personnel manual.

An employee who has not completed his/her probationary period prior to the demotion will be required to serve a new probationary period. Permanent employees may be required to serve a new probationary period upon the recommendation of the Department Head.

TITLE: TRANSFER

A transfer is the moving of an employee to a job on an equal level in the same or another Department.

An employee may submit a written request for a transfer to another Department or to another division or section within the Department, if a position is vacant. A transfer must be approved by the affected Department Heads and the City Manager. Employee requests for transfer to another Department shall be made, in writing, to the City Manager with a copy to the Department Head.

The City Manager may transfer an employee temporarily, or permanently, when said transfer is deemed to be in the best interests of the City.

A transferred employee shall not be placed in probationary status. Permanent status and all accrued benefits shall be transferred with the employee.

TITLE: TEMPORARY ACTING POSITIONS

Appointments in an acting capacity to positions in a higher class shall be approved by the City Manager.

Persons appointed in acting capacity for a period exceeding thirty (30) days will receive compensation at the entry level for the position being filled, if higher than his or her normal salary.

If the temporary acting position is for a substitution of an employee absent on authorized leave, it shall be understood that said assignment may be in effect only until such time that the absent employee returns, or until the job is declared to be vacant, and subsequently, is filled.

30.1 General Policy

The following types of leave are officially established: Holidays, Sick Leave, Leave with Pay and Leave without Pay. Leaves may be granted by the respective Department Head in conformance with the rules established for each type and after verification from the City Manager's Office in the case of Sick Leave or other Leave with Pay that the affected employee has accrued the number of leave hours being requested. Leave without Pay also requires the approval of the City Manager. Any employee who is on leave of absence and obtains employment elsewhere, which employment conflicts with the employee's normal work schedule for the City, shall automatically be deemed to have resigned his/her position with the City, without notice, and shall forfeit his/her vacation and sick leave.

30.2 Leave of Absence Request Form

The purpose of this form is to document the employee's request and approval to be absent during scheduled working hours and to provide for an orderly review by the employee's Department Head.

Except in emergency situations, an employee shall submit a completed request form to the Department Head one (1) month prior to the intended absence. An employee who is absent from work without advance notice shall complete a request form immediately upon his/her return to work.

30.3 Routing of Request Form

After the Department Head receives the request form and if the leave request is acceptable to the Department Head, it is signed and forwarded to the City Manager's Office. The City Manager or his/her designee shall review the hours of paid leave requested against the employee's accrual record and shall countersign the request form, if sufficient accrual exists to cover the paid leave period sought. The type, amount and dates of the leave shall be recorded in the employee's Personnel File and the original leave request form shall be retained therein. A copy shall be returned to the employee's Department as proof of approval.

TITLE: OFFICIAL LEAVE

The City Manager may grant requests for leave of absence with pay for the purpose of having employees attend professional meetings, technical conferences, short-term courses, seminars in matters relating to official duties or for other purposes. Such leave shall not be deducted from any other leave earned by the employee. Approval must be obtained prior to taking the leave.

Travel expenses and reimbursements for authorized official leave shall be processed in accordance with the rules and regulations contained herein.

The City recognizes that a matter of unusual or emergency nature may cause an employee to leave the job for a specific period of time.

32.1 Approved Uses

With the approval of the City Manager, a Department Head may grant a full-time employee leave without pay for a period not in excess of fifteen (15) calendar days in one (1) calendar year. A permanent full-time employee requesting leave of absence without pay must utilize accrued sick, compensatory, personal and vacation leave prior to the commencement of leave without pay.

The City Manager may grant a leave of absence to full-time employees with permanent status for a period not to exceed one (1) year. Leaves of absence may be granted for:

- o Sickness and disability, maternity or paternity leave, after all accumulated sick leave has been exhausted.
- o Extended religious holidays.
- o Engagement in a course of study.
- o Other good and sufficient reasons in the best interest of the City service.

Leaves of absence shall not be granted to permit an employee to accept employment elsewhere or to establish a business.

32.2 Benefits

All job-related benefits cease when an employee is granted leave of absence without pay in excess of fifteen (15) days. When an employee returns, the City Manager's Office shall be notified immediately so that reinstatement may be effected. Approved absences shall not constitute a break in the continuity of service, if less than fifteen (15) days.

32.3 Revocation of Leave

Except in cases of sickness or disability, leave of absence without pay may be subsequently withdrawn and the employee recalled to service.

32.4 General - Other

All employees on leave of absence without pay are subject to the applicable provisions of these rules.

Employees must be reminded of the consequences of taking Leave without Pay, but responsibility for these consequences resides with the employee.

TITLE: SICK LEAVE

Sick leave with pay may be granted to permanent status, full-time employees and full-time probationary employees who have completed ninety (90) days of service. Sick leave with pay shall be earned at the rate of one (1) day per month.

Sick leave will be calculated from the first of the month in which the employee begins work, if the starting date occurs between the first and fifteenth of the month. Employees entering on duty after the fifteenth will begin earning leave from the first day of the month following employment.

33.1 Approved Uses

Sick leave shall not be considered a right which an employee may use at his/her own discretion but, rather, a privilege. Sick leave shall not be used as general time-off or vacation leave. An employee on vacation leave who becomes seriously ill or injured may request that earned sick leave be substituted for annual leave, while he/she is under the care of a physician. Such request must be accompanied by a statement signed by the employee's attending physician.

Sick leave shall be allowed for the following reasons:

- o Absence due to personal illness or injury.
- o Personal medical and dental appointments.
- o Absence due to contagious illness in the employee's immediate family (father, mother, sister, brother, children and spouse).
- o Absence due to attendance upon members of the family within the household of the employee whose illness requires the care of such employee.

33.2 Eligibility

A probationary, full-time employee, assigned to a permanent position (not temporary), shall begin to earn sick leave immediately upon date of appointment (first day on duty), but shall not be entitled to use sick leave during the probationary period.

Any permanent status, full-time employee, other than those appointed to a temporary position, shall be entitled to request the use of his/her earned sick leave.

33.3 Advance Approval

Whenever possible, an employee shall give his/her Department Head advance notice of sick leave. If this is not possible, an employee shall be expected to contact the Department Head within one (1) hour after starting time, unless extenuating circumstances prevent such communication.

33.4 Release to Resume Duties

An employee who is absent from work due to an illness in excess of three (3) consecutive working days may be required to submit a physician's statement of physical condition. When deemed necessary, the Department Head may require proof of any illness.

33.5 Abuse of Sick Leave

Excessive abuse of sick leave may be grounds for disciplinary action and shall be closely monitored by the City Manager and the Department Head. Fraudulent use of sick leave shall be sufficient grounds for termination.

33.6 Maximum Accrual/Compensation for Unused Leave

At time of separation from the City, an employee in good standing who has completed his/her probationary period shall be paid for twenty-five (25%) percent of his/her unused sick leave, to a maximum of sixty (60) days, at his/her normal hourly rate.

Personal Day - After working one (1) full year for the City, full-time employees shall be entitled to earn one (1) day for each six (6) months that sick leave is not taken. This day will be called a "personal day" and shall be used within the next six (6) month period, or may be accumulated up to a maximum of one (1) week only upon approval of the City Manager.

34.1 Approved Uses

Personal leave shall not be considered a right which an employee may use at his/her own discretion but, rather, a privilege which shall be allowed for the following reasons:

- o Absence due to serious illness of a member of an employee's family.
- o Absence due to death of a person other than a member of an employee's immediate family.
- o Absence to transact personal business which cannot be conducted on an employee's own time.
- o Absence due to any religious holidays (up to three (3) days for this purpose must be granted if requested).
- o Extension of annual leave.

34.2 Advance Approval

An employee wishing to use personal leave shall submit a properly completed Request for Leave of Absence form for prior approval at least one (1) week in advance of the actual day. Approval of this request is at the discretion of the Department Head.

34.3 Termination

Upon separation from City service in good standing, an employee shall be paid for accumulated personal days or balance of earned personal hours at 100 percent of his/her normal hourly rate. In no event shall such leave payment exceed five (5) days.

TITLE: VACATION LEAVE

All full-time employees, excluding those classified as temporary, shall be entitled to vacation leave after satisfactorily completing a probationary period. Vacation leave earned during the probationary period shall be credited to the employee's account. Vacation Leave cannot be taken in the year earned, but the employee can be paid for such leave upon separation.

35.1 Scheduling

Request for vacation leave shall be made at least one (1) month in advance of actual use. An employee wishing to use vacation leave shall submit Request for Leave to his/her Department Head for approval. Without prior approval, the leave may be charged as unauthorized absence at the discretion of the supervisor and may be subject to disciplinary action against the employee.

An employee eligible for ten (10) days annual vacation shall take a minimum of five (5) consecutive days per year. An employee eligible for fifteen (15) days annual vacation shall take a minimum of ten (10) consecutive days per year. An employee eligible for twenty (20) days annual vacation shall take a minimum of ten (10) consecutive days per year. Vacation leave may be accumulated, but it may not exceed thirty (30) working days at any time during an employee's tenure of employment.

Vacations shall be scheduled with as much consideration as possible for the desire of the employee. However, maintenance of service, adherence to schedules and approved leave for co-workers may restrict the scheduling of vacations. Holidays occurring while an employee is on vacation shall not be charged against vacation time.

35.2 Vacation Credit

An employee shall earn vacation leave based upon the number of years the employee has worked for the City. All service must be continuous to be credited toward accumulated vacation leave.

Vacation leave shall be earned at the following rate:

<u>YEARS OF EMPLOYMENT</u>	<u>PAID VACATION DAYS PER YEAR</u>
1st through 2nd	6
3rd through 7th	12
8th through 12th	15
Thirteen or more	18

When there has been a break in service of fifteen (15) working days or more, the employee, upon reinstatement or reemployment, will begin earning annual leave as a new employee. For purpose of calculation, annual leave will be calculated from the first of the month in which the employee begins work, if the starting date occurs between the first and fifteenth. Employees entering on duty after the fifteenth will begin earning leave from the first day of the month following employment.

35.3 Carry-over of Annual Leave

It is the intent of these policies that all employees take their vacations yearly. Department Heads should make every effort to ensure that his/her employees receive a vacation, if earned.

If a Department Head or an employee is not afforded the opportunity to use annual leave or is refused the time for leave, the excess shall be carried in the employee's annual leave account.

An employee shall not be paid for earned annual leave in lieu of taking such leave during any calendar year unless it is demonstrated that it is in the best interest of the City and must be recommended by the Department Head or City Manager and approved in advance by the City Council.

The maximum amount of annual leave which can be carried over from one calendar year to the next is thirty (30) days.

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TITLE: VACATION LEAVE

35.4 Annual Leave Pay Upon Termination.

Permanent employees who resign or are separated in good standing shall receive pay for their accrued and unused annual leave. Only full calendar months of employment will be considered in computing annual leave and will be based upon the employee's regular rate of pay at separation. Annual leave pay for terminated employees will be included in their final pay check when possible.

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TITLE: COMPENSATORY LEAVE

Compensatory leave may be used for the same purposes as vacation leave or sick leave. Requesting and approving procedures are the same as for vacation leave.

The City, under FLSA, is required to provide compensatory leave only for emergency services personnel, such as fire and police. The City currently does not provide fire and police services. Should the City in the future offer such services this section would apply.

TITLE: MILITARY LEAVE

Any employee who is a member of the National Guard or the Military Reserve Forces of the United States and who is ordered by the appropriate authorities to attend a prescribed training program or to perform other duties shall be granted a leave of absence with pay as provided by Florida Statutes. The employees shall receive pay for the number of working days occurring in the authorized period, according to his/her work schedule, less any service pay received, or may retain his/her military pay and use accrued vacation time in lieu of military leave. Any permanent Officer member who is drafted, or who enters active duty in the Armed Forces Reserve or National Guard, shall be granted military Leave Without Pay for the period of military commitment.

Employees who request such leave must present appropriate military service orders not later than two (2) weeks prior to the scheduled date of departure. This special leave with pay shall not be granted to an employee if he voluntarily extends the training time or if he is required to spend additional training time caused by excessive absences from reserve meetings during the preceding year.

TITLE: CIVIL LEAVE

In an attempt to help employees meet civil responsibilities, the City shall provide leave for jury duty, for appearance as a witness in cases related to the City and to vote.

If an employee is required to appear in a litigation involving the City or arising out of his/her work with the City, he/she will be placed in a Leave With Pay status. Any witness fees shall be surrendered to the City. If the witness fee is not surrendered, the employee will be placed in Leave Without Pay status. Likewise, any jury duty fees will be surrendered to the City.

After witnessing or upon completion of jury duty for any given day, the employee will return to work if sufficient time remains before working hours end as to be meaningful.

An employee involved in litigation not involving the City or his/her duties with the City is not eligible for Civil Leave. Other forms of leave may be used.

Time off for jury duty shall not be included in computation of hours necessary to qualify for overtime compensation.

All employees may be granted up to one (1) hour with pay in order to vote on Election Day. Time off to vote will be scheduled by the employee's Department. Employees shall present their voter registration card to their Department Head at the time they request leave to vote. Employees must notify their Department of their plan to request voting leave prior to Election Day.

TITLE: TRAVEL POLICY

On occasion, it may be necessary for City employees to travel outside the City boundaries to conduct City business or attend a conference or City business-related meetings. Transportation costs for such purposes shall be borne by the City.

Under circumstances where employee drives his/her own personal vehicle, mileage shall be reimbursed at a rate of twenty-two and one-half (22 1/2) cents per mile or at the then existing rate allowed by the Internal Revenue Service. Any other directly-related transportation expenses incurred, as documented by receipt(s), also shall be reimbursed.

Other reasonable, direct expenses for food and lodging, supported by receipts or other appropriate documentation, may be reimbursed by the City, with the approval of the City Manager.

Prior approval for all such travel expenses, except in cases of emergencies where prior approval is not possible, shall be obtained from the City Manager.

TITLE: HOLIDAYS

Eligible full-time employees are entitled to the following paid holidays per year:

- | | |
|--|--|
| ☐ New Year's Day | ☐ Veteran's Day |
| ☐ President's Day | ☐ Thanksgiving Day |
| ☐ Memorial Day | ☐ Day after Thanksgiving |
| ☐ Independence Day | ☐ Christmas Day |
| ☐ Labor Day | ☐ 1/2 day New Year's Eve |
| | ☐ 1/2 day Christmas Eve |

When Christmas and New Years fall on Tuesday, Wednesday, Thursday or Friday, a half-day off for Christmas Eve and New Year's Eve will be observed. Employees who, for public safety purposes or in case of emergency, must work on a legal holiday will be paid double the regular rate of pay for that day's work.

The Holiday will be the day off with pay unless: the holiday falls on Saturday, in which case the observed day will be the preceeding Friday; the holiday falls on Sunday, in which case the observed day will be the following Monday.

TITLE: SEPARATION BY RESIGNATION

35.1 Voluntary

An employee who desires to resign in good standing shall submit his/her written resignation and/or verbal notice to his/her supervisor or Department Head at least two (2) weeks before leaving, and must state the date the resignation shall become effective and the reason for separation. Such resignation entitles the employee to payment of any benefits due. Failure to comply with this procedure may be considered cause for denying such employee future employment by the City.

35.2 Unauthorized Absence

A resignation, as a result of unauthorized absence, does not entitle the employee to payment of any benefits due. It is a resignation by an employee considered to be "not in good standing" as a direct result of the unauthorized absence. See Section 25.

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TITLE: SEPARATION FOR DISABILITY

An employee may be separated for disability when he/she can no longer perform the required duties of his/her position because of physical or mental impairment. The City may require an examination, at its expense, to be performed by a physician of its choice. See Section 15, MEDICAL EXAMINATIONS and Section 50, OCCUPATIONAL INJURY/DEATH.

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TITLE: SEPARATION AT DEATH

Separation shall be effective as of the date of death. All compensation due to the employee as of the effective date of separation shall be paid to the next of kin or the estate. Further, all benefits due an employee separated by death shall be paid to the next of kin or to the estate. The Department Head shall arrange for the return of all City property (badges, keys, tools, equipment, etc.), if any, signed out and in the possession of the deceased employee.

44.1 Lay-Off

The City Manager shall have the authority to lay off any employee(s) because of lack of funds, lack of work or when there has been an insufficient appropriation to meet salary requirements necessary to maintain existing personnel in any Department. The City Manager shall notify the City Council of this action at the first appropriate opportunity. A reduction in the number of employees in a job classification shall be made by recommendation of the Department Head with the concurrence of the City Manager. The City Manager shall give written notice to any employee being separated at least two (2) weeks prior to the effective date contained in the notice. Whenever it becomes necessary to reduce the number of employees in a given job classification and notice of such lay-off is given to the affected employee(s) for any of the reasons enumerated herein, this notice shall be final and not subject to appeal.

Employees laid off will be entitled to receive payment for their recorded, accrued time, the same as if they had resigned in good standing.

44.2 Recall

Names of employees laid off by the City will be maintained on a recall register for a period of six (6) months. During this period, should an appropriate job become available, one for which the laid-off employee has adequate job-related skills, the former employee will be notified.

Following this notice, the employee would subsequently be treated like any new applicant applying for City employment.

Should a laid off employee refuse two (2) job opportunities offered by the City, his/her name shall be removed from the recall register.

45.1 Steps of Progressive Discipline

In performing the normal day-to-day supervisory duties, a supervisor (referring to either an immediate supervisor, Department Head or the City Manager) may find it necessary to use constructive criticism, a verbal warning and/or written reprimand when an employee's performance is unsatisfactory or the employee fails to observe Departmental, administrative or City policies, rules or regulations. An employee who does not improve to a satisfactory performance level and/or adhere to all rules and regulations may be dismissed upon recommendation of his/her Department Head and approval of the City Manager for such cause(s).

The Department Head shall be responsible for thoroughly documenting the reasons for dismissal, which documentation shall evidence that the following steps of progressive discipline have been taken in advance of the dismissal recommendation:

1. Counsel: An appointment will be made with the Department Head and the employee to discuss unsatisfactory performance and to set reasonable goals and timetables for improvements.
2. Warn: A verbal warning is issued and documented by the Department Head if the employee fails to meet reasonable goals for improvement within the stated timetable. A definite time limit is set for improvement.
3. Reprimand: A written reprimand is issued by the Department Head if an employee fails to respond to Steps 1 and 2. This becomes a part of the employee's permanent personnel file. A time limit for correction of unsatisfactory behavior is set.
4. Suspend: If an employee's unsatisfactory performance is not improved following Steps 1, 2, and 3 above, the employee can be suspended upon recommendation of the Department Head with approval of the City Manager. Suspension shall be for a specific duration and without pay. See Subsection 45.2 below, regarding notice to employee and Section 47, EMPLOYEE RIGHTS OF APPEAL, STEP 2 and STEP 4.

5. Dismiss: An employee who does not respond positively and improve performance shall, upon recommendation of the Department Head and approval of the City Manager, be dismissed. See Subsection 45.2 below, regarding notice to employee and Section 47, EMPLOYEE RIGHTS OF APPEAL, STEP 4.

45.2 Notice of Suspension or Notice of Dismissal

It is the intent and the policy of the City of Destin that, under normal circumstances, an employee who may be suspended or dismissed upon the recommendation of the Department Head shall be given advance notice and shall be afforded an opportunity to refute or rebut the Department Head's recommendation prior to final action on the employee's status by the City Manager.

The Department Head shall furnish the employee a written statement specifying the reasons for suspension or dismissal and the proposed effective date and time of such action. The notice shall further explain that the employee has the right to respond to the charge(s), both in writing to, and orally before, the Department Head within twenty-four (24) hours of receipt of the notice and prior to final decision by the Department Head and approval of the City Manager. The time for the employee's response may be extended upon request of the employee and approval of the Department Head. The notice shall be delivered by the Department Head, or his authorized agent, personally, to the employee, who shall sign and date a record-file copy of the notice to be as a receipt by the Department Head.

If extraordinary circumstances exist, where the timeframe for advance notice to and meeting with the employee prior to final decision on a suspension or dismissal would conflict with and be detrimental to the interests of departmental operations, the City and/or the general public served by the City, the employee shall be furnished with a written notice of the specific reasons for suspension or dismissal within twenty-four (24) hours after the effective date of the suspension or dismissal.

The notice shall further explain the employee's right to request a POST-SUSPENSION or POST-DISMISSAL HEARING before the City Manager within three (3) working days after the effective date of the suspension or dismissal. This hearing shall be granted to the employee no later than five (5) working days after receipt of the employee's request. The City Manager shall render a written decision to the employee within five (5) working days after the hearing. The employee is not in pay status while requesting and awaiting the outcome of the Hearing, but will be made whole if the City Manager's decision is in his/her favor.

45.3 Exception to Provisions of this Section - Probationary and Temporary Employees

Probationary and temporary employees may be terminated at any time for good cause, bad cause or no cause at all upon the recommendation of the Department Head and approval of the City Manager. Such decision shall be final with no right of appeal of any type.

TITLE: DISMISSAL FOR CAUSE

Any employee may be dismissed by the Department Head for cause, with the approval of the City Manager. For permanent employees, a written statement of the reasons therefore shall be submitted to the employee affected.

Although dismissal may be based on other cause(s), any one or more of the following shall be sufficient:

1. Incompetence or inefficiency in the performance of duties.
2. Conviction of a criminal offense or of a misdemeanor involving moral turpitude or directly related to the duties of the position.
3. Willful or repeated violation of any of the provisions of the City Charter, policies, rules or regulations.
4. Willful violation of any lawful and reasonable regulation, order or direction made or given by a superior, which violation has amounted to insubordination or serious breach of proper discipline or has resulted in loss or injury to the public.
5. Drinking intoxicating liquors while on duty, or being addicted to the use of narcotics.
6. Repeated offensive conduct or language toward the public or fellow employees.
7. Carelessness or negligence in the use of the property of the City or City funds.
8. Attempting to induce any officer or employee of the City to commit an act in violation of any lawful or reasonable regulation.
9. Conduct, either while on or off duty, which reflects discredit upon the City.
10. Hindering the regular operation of the Department or Division because of excessive absenteeism.

TITLE: DISMISSAL FOR CAUSE

11. Incapacity for the proper performance of duties because of a permanent or chronic physical or mental ailment or defect that cannot be accommodated by the City without placing an undue hardship on the conduct of business.
12. Being absent without leave or failing to report for more than one (1) work day.
13. Failure to notify the Department Head within one (1) working day of suspension or revocation of valid operator or chauffeur's license (applies only to employees whose job requires valid operator or chauffeur's license).
14. Making a false statement of a material fact or practicing or attempting to practice any fraud or deception.
15. Unauthorized use of City vehicle or equipment.
16. Repeated failure to wear City uniform, if required.
17. Failure to maintain current status of related licenses and certificates required for performance of the position.

47.1 Grievance Procedure

Any permanent employee who is suspended, discharged, dismissed or demoted, or claims that the Rules have been improperly applied or misinterpreted to his/her detriment, may file a grievance in accordance with the procedure herein provided within ten (10) work days after such action is taken.

Probationary, part-time and temporary employees are excluded from these provisions.

STEP ONE

An aggrieved employee who has a supervisor other than a Department Head shall present any grievance orally to his/her immediate supervisor. Discussion will be informal for the purpose of resolving differences in the simplest and most direct manner. The immediate supervisor shall consult with the Department Head, reach a decision and communicate that decision orally to the aggrieved employee within three (3) working days from the date the grievance was presented to him/her. Supervisors are not empowered to make policy decisions. If the grievance is not resolved at this step, it shall be the responsibility of the aggrieved employee to reduce any grievance to writing within five (5) working days of the date of the supervisor's response.

An aggrieved employee whose supervisor is the Department Head shall present any grievance orally to his/her Department Head. Discussion will be informal for the purpose of resolving differences in the simplest and most direct manner. The Department Head shall reach a decision and communicate that decision orally to the aggrieved employee within three (3) working days from the date the grievance was presented to him/her. If the grievance is not resolved at this step, it shall be the responsibility of the aggrieved employee to reduce any grievance to writing within five (5) working days of the date of the Department Head's response.

STEP TWO

If the grievance is not resolved in Step 1, the employee shall reduce the grievance to writing, sign it and present it to the Department Head.

If the aggrieved employee has an immediate supervisor other than the Department Head, the Department Head shall meet with the immediate supervisor and employee and shall attempt to obtain the facts concerning the alleged grievance within five (5) working days of receipt of the written grievance. Within five (5) working days after the meeting, the Department Head shall notify the aggrieved employee and immediate supervisor of his/her decision.

If the aggrieved employee's immediate supervisor is the Department Head, the Department Head shall again confer with the employee, shall investigate and review the alleged grievance and shall notify the employee of his/her decision within five (5) working days of the receipt of the written grievance.

STEP THREE

If the grievance has not been satisfactorily resolved in Step 2, the employee may forward the grievance to the City Manager within three (3) working days of receipt of the Department Head's decision. The City Manager shall meet with the aggrieved employee within ten (10) working days after receipt of the grievance unless such time is mutually extended in writing. If an adjustment of the grievance is not reached at this meeting, the City Manager shall furnish a copy of his/her decision to the aggrieved employee with five (5) working days after the meeting, unless this period is extended by mutual agreement in writing.

STEP FOUR

If the grievance has not been satisfactorily decided in Step 3, the employee may appeal the decision to the City Council within five (5) working days after receipt of the City Manager's decision unless such time is mutually extended in writing. Upon such appeal, the City Manager, the Department Head and the appealing employee shall have the right to be heard and to present evidence. The employee may, if he/she desires, be represented by counsel. The City Council shall make the final decision by a seventy percent (70%) vote, thus disposing of the appeal. If the City Council finds that the grieved action was taken for wrongful or other insufficient or unlawful reason, the employee will be made whole.

47.2 Time Limits

The time limits contained in the Rule must be strictly observed. Unless an extension of time is mutually agreed upon in writing, a grievance not presented in a timely fashion by the employee shall be deemed resolved and withdrawn. Similarly, with the exception of Steps 3 and 4, if a timely grievance does not receive a timely response, the grievance may proceed to the next Step on the last day within the proper time limit, as if a negative response had been received.

TITLE: EXITING PROCESS

48.1 Return of City Property

Each employee who is entrusted with City property is responsible for the safety and maintenance of said property. At the time of separation from service and prior to receiving final payment due, all property entrusted to said employee including, but not limited to, records, books, uniforms, keys and tools, shall be transferred or returned to the Department, and certification to this effect shall be made by the Department Head or supervisor.

48.2 Exit Interview

A terminating employee, regardless of the type of separation of service, shall complete and sign an exit interview form. This form will be forwarded to the City Manager for review. The exit interview form is a tool to assist the City to evaluate its status in the areas of personnel practices. Exiting employees should be encouraged to complete the form candidly and honestly.

The employee's standing at time of separation shall not be affected in any manner by his/her comments on the exit form. An employee may refuse to complete the form in full but shall be required to note "no comment" and sign his/her name. Exit interviews shall be retained in the personnel files.

49.1 Policy Statement and Responsibility of City Manager

The City is vitally interested in the safety and well being of every employee and the general public. It is the intent of the City to provide safe equipment, procedures and surroundings for all employees and the general public and to provide safe and healthful working conditions. The City Manager shall have responsibility for the establishment of safety standards and for the administration and on-going development of safety education and training to accomplish these goals.

49.2 Safety Precautions

The Department Heads are responsible to the City Manager for the observance of safety precautions by all their employees.

All employees shall observe the following rules and practices:

- o Take every precaution for the prevention of accidents to themselves, their fellow employees and the public.
- o Bring any hazardous condition to the attention of their Department Head.
- o Observe the proper procedures for safe operation of all equipment used in the performance of the employee's duties, particularly vehicles and heavy equipment.
- o Observe safety rules, regulations and procedures.
- o Wear required safety equipment.
- o See to it that the safety equipment they are required to use or wear in the performance of their duties is in proper condition and is used as instructed.

49.3 Reporting Accidents

It shall be the responsibility of each employee to immediately report any accident to the Department Head. It shall be the responsibility of the Department Head to investigate the circumstances of the accident; to secure the names of employees and/or other persons who witnessed the occurrence; to make such investigation as may appear to be desirable; to make a written report of the information secured; and to forward such to the City Manager for review and appropriate action.

49.4 Vehicular Accident Review Board

Following the reporting process outlined in Subsection 49.3 above, the City Manager shall convene a Vehicular Accident Review Board to review the circumstances of vehicular collisions, or other accidents or incidents, which result in bodily injury or property damage.

This Review Board shall be comprised of three (3) employees, permanent, temporary, contract or otherwise, only one of which may be a Department Head, and will be appointed by the City Manager. No member of the Review Board may be a member of the Department reporting the matter to be reviewed. The term of service expires at the conclusion of the investigation and submission of a report to the City Manager. The City Manager may recall former Review Board members for future occasions or may rotate service. There will be no additional compensation for this service.

The Vehicular Accident Review Board shall review the Department Head's report, police reports, if applicable, may require further testimony from witnesses, the involved employee(s) and the Department Head, make on-site inspection of the accident scene and take other action necessary to reach its findings. The Board shall report to the City Manager its determination as to cause, contributing factors, "preventability" and measures to prevent reoccurrence, if possible. The Vehicular Accident Review Board shall not make any recommendation regarding the employee(s) involved in the accident. Such determination remains the purview of the Department Head and/or City Manager.

49.5 Disciplinary Action

Accidents which, after investigation, show carelessness or negligence on the part of any employee and indicate a disregard for his/her safety or the safety of others shall be cause for disciplinary action, including termination of employment.

49.6 Safety Advisory Committee and Safety Officer

The City Manager may appoint a member of his/her staff to serve as Safety Officer and may authorize the establishment of a Safety Advisory Committee, to be comprised of one employee representative from each Department. The Safety Officer shall be the Chairman of the Committee. The employee representatives shall be appointed from informal vote of his/her Department co-workers. There will be no additional compensation for this service.

The Safety Advisory Committee shall meet periodically to establish, promote and monitor safety measures throughout the organization. Minutes of the meetings shall be kept and copies shall be sent to the City Manager and each Department.

All members of the Safety Advisory Committee shall encourage the observance of safety regulations, serve as good examples for their co-workers and shall develop programs to stimulate awareness of the importance of safety to the employees and general public.

TITLE: OCCUPATIONAL INJURY/DEATH

.1 General Policy

If an employee is injured, regardless of how minor the injury, a Supervisor's Report of Accident form must be completed and submitted to the City Manager no later than one (1) working day following the accident. Notice of serious injuries requiring immediate medical attention should be phoned into the City Manager's Office and later confirmed by the report.

It is the supervisor's responsibility to prepare and submit the Supervisor's Report of Accident. Under no conditions should the report be prepared by an injured employee.

The City Manager shall refer the employee to a doctor and shall set up the initial appointment with the doctor for regular treatment; however, hospital room emergency treatment may be authorized by the Department Head or immediate supervisor in cases of serious injury.

The supervisor must immediately notify the City Manager when an employee has been transported to an emergency room, since employment verification by the hospital will be made through that office.

The City Manager's Office shall be responsible for filing the Notice of Injury and for all future correspondence relating to the claim.

The City Manager's Office must be notified of any lost time due to the injury.

Upon returning to work after an injury, an employee must have a physician's statement releasing him/her to resume duties.

After the injury has been thoroughly investigated by the City Manager's Office, the injured employee may be eligible for Workers' Compensation, pursuant to Florida Statutes.

TITLE: OCCUPATIONAL INJURY/DEATH

Florida Statutes 440.12(1) provides, in part, that no compensation is allowed for the first seven (7) days of a disability, except for payment for medical services and treatment rendered. However, if the disability continues beyond fourteen (14) days, compensation may be allowed retroactively to the date the disability began.

It is the policy of the City that no compensation or any accrued leave time, including sick leave, will be paid to the employee for the first seven (7) days after the date "disability" commenced. If the disability continues beyond seven (7) days accrued leave, including sick leave, will be paid upon request to the employee until workers' compensation payment for the disability commences.

If any additional information is needed to answer questions regarding workers' compensation or an individual employee's injury, his/her supervisor shall contact the City Manager's Office.

50.2 Occupational Death

If an employee's death results from the performance of his/her duty and is not caused by willful negligence on the part of the employee, the survivors or beneficiaries of the employee may be entitled to line of duty accidental death benefits.

State law requires that all employees' line of duty injuries or death be covered by Workers' Compensation benefits.

The City provides life, health and dental insurance coverage effective the first (1st) day of the first (1st) month after the ninety (90) day probationary period, excluding those employees classified as temporary, at no cost to the employee.

Should an employee desire dependent coverage, said coverage may be purchased by payroll deduction beginning at the time of the employee's eligibility.

When an employee becomes eligible for insurance, the City Manager's Office shall forward evidence of insurance and an insurance booklet outlining the benefits of the policy to the employee.

51.1 Group Health Insurance

For up-to-date information on hospitalization and major medical benefits, the employee should refer to the insurance schedule booklet.

51.2 Group Life Insurance and/or Accidental Death Benefits

The amount of life insurance is the amount stipulated by the insurance schedule. Life insurance and/or accidental death coverage is extended only to employees.

SECTION NO. 52

PAGE 1 OF 1

TITLE: UNIFORMS

Each employee required to wear a uniform by virtue of his/her position will be provided a complete set of uniforms that reflect his/her position and respective Department. It is the responsibility of the employee to keep them in a neat and orderly manner. The complete uniform must be worn at all times while on duty, and no uniform may be altered or changed in appearance. Any employee not wearing his/her assigned uniform will be sent home on his/her own time to change. After three (3) such offenses the employee will be subject to suspension without pay or dismissal.

TITLE: CODE OF ETHICS

All employees are expected to adhere to certain recognized principles and practices in the conduct of their public lives. These principles are embodied in the following Code of Ethics:

1. Employees may not, either directly or indirectly, use their official position with the City, or information obtained in connection with their employment, for private gain.
2. Employees shall not accept any gifts, favor or service that may reasonably tend improperly to influence the discharge of their official duties.
3. No employee shall make any false statement, certification or recommendation of any appointment under any provision of these policies, or in any manner commit or attempt to commit any fraud preventing the impartial execution of the provisions of these policies, with regard to employment, promotion or transfer.
4. No City employee shall transact any business in his/her official capacity with any business entity of which that employee is an officer, agent or member, or in which he/she owns a controlling interest.
5. No City employee shall have personal investments in any enterprise which will create a substantial conflict between the private interest and the public interest.
6. Employees shall not conduct personal business while in City uniform, nor shall they consume alcoholic beverages while on duty, inclusive of meal time, nor on off-duty hours while in uniform.
7. The political activities of any employee shall be in accord with and regulated by Florida Statute 104.31 as it may be amended from time to time.
8. Any violations of the provisions of this policy shall be subject to review and appropriate disciplinary action. If the employee has any doubt as to the application of the policy as it relates to his/her position, the possible violations should be discussed with the Department Head; who shall either approve or forbid the activity, or refer the question to the City Manager.

SECTION NO. 54

PAGE 1 OF 1

TITLE: SOCIAL SECURITY

The City of Destin and its employees do not participate in the retirement portion of the Social Security Program. Employees hired after April 1, 1986 will participate in the Medicare portion of the Social Security program. The employee's contribution will be deducted each pay period at the then existing Federal rate.

TITLE: RETIREMENT

The City offers a comprehensive retirement program for its employees with the basic Retirement Plan and an optional Deferred Compensation Plan.

55.1 Retirement Plan

Following the three (3) month probationary period, employees are entered into the retirement plan. The City contributes an amount equal to six (6%) percent of the employee's annual salary into the plan.

55.2 Deferred Compensation Plan

Following the three (3) month probationary period, employees can elect to participate in the Deferred Compensation Plan. Participants select an amount of salary, not to exceed \$7500 per year, to contribute by payroll deduction. The City will match the employee's contribution up to a maximum of five (5%) percent of the employee's annual salary.

55.3 Vesting Schedule

The vesting percentage of City contributions is determined in accordance with the following schedule:

<u>NUMBER OF YEARS OF SERVICE</u> <u>CREDIT FOR VESTING</u>	<u>VESTED</u> <u>PERCENTAGE</u>
0-1	0
2	20
3	30
4	40
5	50
6	60
7	70
8	80
9	90
10	100

SECTION NO. 56

PAGE 1 OF 1

TITLE: EDUCATION REIMBURSEMENT

The City of Destin recognizes the value of a program promoting additional in-service education and training for its personnel.

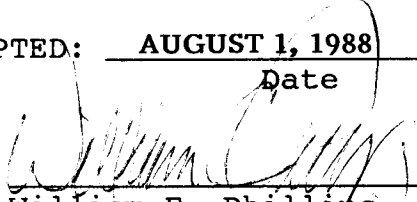
Accordingly, the City will reimburse the costs of enrollment/ tuition for job-applicable coursework or training, provided however, that the employee's participation in the program has been approved in advance by the Department Head and City Manager's office and that the employee receive a grade of "C" or better, if a graded course, or a certificate of satisfactory completion, if ungraded. Educational costs will be considered for reimbursement upon completion of the course and receipt of final grade or certificate.

SECTION 57. Savings Clause. If any section or part of a section of this Ordinance is held by any Court or legislation to be invalid or unconstitutional, the same shall not invalidate or impair the validity, force and effect of any other section or part of a section of this Ordinance unless it clearly appears that such other section or part of a section is wholly or necessarily dependent for its operation upon a section or part of a section so held invalid or unconstitutional.

SECTION 58. Effective Date. This Ordinance shall become effective upon its adoption by Council and signature of the Chairman.

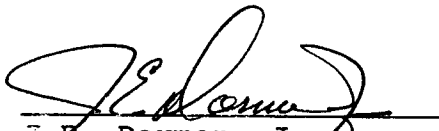
ADOPTED: AUGUST 1, 1988

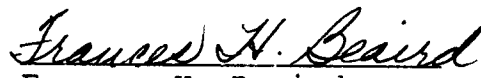
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BY: 

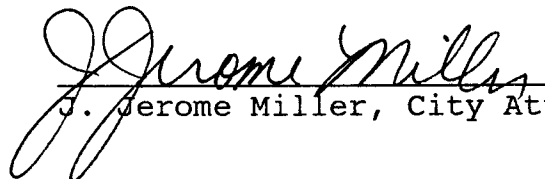
William E. Phillips
City Council Chairman

ATTEST:


J.E. Dorman, Jr.
City Manager


Frances H. Beaird
City Clerk

The form and legal sufficiency of the foregoing has been reviewed and approved by the City Attorney.


Jerome Miller, City Attorney

First Reading 7-5-88

Second Reading 8-1-88

ORDINANCE NO. 109.2

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, RELATING TO AMENDING THE PERSONNEL RULES AND REGULATIONS OF THE CITY; PROVIDING FOR AUTHORITY; PROVIDING FOR SECTION 5, APPLICATION, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY ADDING BURDEN OF PROOF AND APPEAL FROM FINAL DECISION PROCEDURES; PROVIDING FOR SECTION 7, EQUAL EMPLOYMENT OPPORTUNITY AFFIRMATIVE ACTION STATEMENT, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY DELETING GENERAL AFFIRMATIVE ACTION OBJECTIVES AND BY ADDING EQUAL OPPORTUNITY AND NON-DISCRIMINATION POLICIES; PROVIDING FOR SECTION 8, DEFINITIONS, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY ADDING EXEMPT EMPLOYEES, NON-EXEMPT EMPLOYEES, SHORT TERM LEAVE WITHOUT PAY AND EXTENDED LEAVE WITHOUT PAY; PROVIDING FOR SECTION 9, RECRUITMENT, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY REVISING APPLICATION PROCEDURES; PROVIDING FOR SECTION 10, HIRING, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY REVISING CONSIDERATION OF APPLICATIONS ON FILE; PROVIDING FOR SECTION 15, MEDICAL EXAMINATIONS, OF THE PERSONNEL RULES AND REGULATIONS AMENDED AS TO PRE-EMPLOYMENT EXAMINATIONS AND IN SERVICE EXAMINATIONS; PROVIDING FOR SECTION 16, NEPOTISM, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY DELETING WAIVER REQUIREMENT; PROVIDING FOR SECTION 18, PROBATIONARY PERIOD, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY CLARIFYING PROBATIONARY REVIEW PROCEDURES; PROVIDING FOR SECTION 19, PERFORMANCE EVALUATION REPORT, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY ADDING CORRECTIVE ACTION PROCEDURES; PROVIDING FOR SECTION 21, OUTSIDE EMPLOYMENT, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY ALLOWING CITY MANAGER AUTHORITY OVER OUTSIDE EMPLOYMENT; PROVIDING FOR SECTION 23, OVERTIME AND COMPENSATORY TIME, OF THE PERSONNEL RULES AND REGULATIONS AMENDED AS TO ACTUAL HOURS WORKED; PROVIDING FOR SECTION 29, TEMPORARY ACTING POSITIONS, OF THE PERSONNEL RULES AND REGULATIONS AMENDED AS TO CONCLUSION OF TEMPORARY ACTING ASSIGNMENTS; PROVIDING FOR SECTION 32, LEAVE OF ABSENCE WITHOUT PAY, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY REVISING SHORT-TERM LEAVE OF ABSENCE WITHOUT PAY, BY ADDING PROCEDURES FOR EXTENDED LEAVE OF ABSENCE WITHOUT PAY, AND BY REVISING BENEFITS; PROVIDING FOR SECTION 33, SICK LEAVE, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY REVISING MAXIMUM ACCRUAL OF UNUSED LEAVE; PROVIDING FOR SECTION 34, PERSONAL DAY, OF THE PERSONNEL RULES AND REGULATIONS DELETED; PROVIDING FOR SECTION 34, FUNERAL LEAVE, OF THE PERSONNEL RULES AND REGULATIONS ADDED; PROVIDING FOR SECTION 35, VACATION LEAVE, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY REVISING ACCRUAL OF VACATION DAYS; PROVIDING FOR SECTION 36, COMPENSATORY LEAVE, OF THE PERSONNEL RULES AND REGULATIONS AMENDED AS TO EXEMPT EMPLOYEES; PROVIDING FOR

SECTION 37, MILITARY LEAVE, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY DELETING LEAVE WITH PAY POLICIES; PROVIDING FOR SECTION 38, CIVIL LEAVE, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY ADDING PROCEDURE PROHIBITING LEAVE WITH PAY FOR EMPLOYEE WHO HAS FILED SUIT AGAINST CITY; PROVIDING FOR SECTION 39, TRAVEL POLICY, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY ADDING POLICIES RELATING TO MODE OF TRAVEL, LODGING FACILITIES, AND MEAL EXPENSES; PROVIDING FOR SECTION 40, HOLIDAYS, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY REVISING PAID HOLIDAYS PER YEAR AND HOLIDAY PAY; PROVIDING FOR SECTION 41, SEPARATION BY RESIGNATION, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY REVISING EMPLOYEE WITH UNAUTHORIZED ABSENCES NOT ELIGIBLE FOR REHIRE; PROVIDING FOR SECTION 44, LAY-OFF AND RECALL, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY ADDING PROCEDURES FOR LAY-OFF AND RECALL OF EMPLOYEES; PROVIDING FOR SECTION 45, DISCIPLINARY ACTION, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY ADDING POLICIES RELATING TO TYPE OF DISCIPLINE AND DELETING SPECIFIC INFRACTIONS; PROVIDING FOR SECTION 46, DISMISSAL, OF THE PERSONNEL RULES AND REGULATIONS AMENDED AS TO REASONS FOR DISMISSAL; PROVIDING FOR SECTION 48, EXITING PROCESS, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY DELETING EXIT INTERVIEW REQUIREMENT; PROVIDING FOR SECTION 49, SAFETY AND REPORTING ACCIDENTS, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY ADDING PROCEDURES FOR REPORTING ACCIDENTS; PROVIDING FOR SECTION 50, OCCUPATIONAL INJURY/DEATH, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY ADDING NEW GENERAL POLICY PROVISIONS; PROVIDING FOR SECTION 51, GROUP INSURANCE, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY REVISING EFFECTIVE DATE, PROCEDURES FOR INSURANCE COVERAGE AND BY ADDING C.O.B.R.A. BENEFITS; PROVIDING FOR SECTION 55, RETIREMENT, OF THE PERSONNEL RULES AND REGULATIONS AMENDED BY ADDING EMPLOYEE CONTRIBUTION AND DEFERRED COMPENSATION PLAN PROVISIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DESTIN, FLORIDA:

SECTION 1. AUTHORITY. The authority for the enactment of this ordinance is Article I, Section 1.01 (a) of the City Charter and

Section 166.021, Florida Statutes.

SECTION 2. SECTION 5, APPLICATION, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 5, Application, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 5. Application. All positions existing and hereinafter created within the City's service, except those listed in Section 3 above, are placed within the jurisdiction of the City and shall be subject to the rules and procedures as are indicated in this ordinance, or as are set forth by action of the City Council. The policies described herein are not intended, nor are they to be construed, to create a contract between the City and its employees. conditions of employment, and the language is not intended, nor is it to be construed, to create a contract between the City and its employees. Further it is specifically understood that all employees are terminable at will and none of the personnel rules and regulations give rise to any due process rights. All grievance and complaint procedures, including those procedures where a Hearing Officer may be requested, shall not place any burden upon the City or the Hearing Officer to make any findings of fact or conclusions of law. Further no appeal from a final decision as provided within these internal procedures may be taken to any judicial, administrative or quasi-judicial forum.

SECTION 3. SECTION 7, EQUAL EMPLOYMENT OPPORTUNITY AFFIRMATIVE ACTION STATEMENT, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 7, Equal Employment Opportunity Affirmative Action Statement, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 190.1, is hereby amended as follows:

**SECTION 7
EQUAL EMPLOYMENT OPPORTUNITY
AFFIRMATIVE ACTION STATEMENT**

The City of Destin, Florida, is an equal opportunity employer and is pledged to provide equal employment opportunity without regard to race, age, color, religion, national origin, marital status, handicap or sex. This pledge applies to all employees and to all applicants for employment with regard to recruiting, hiring, placement, promotion, transfer, demotion, advertising or solicitation for employment, rates of pay, or other forms of compensation, treatment while employed, training, lay-off or termination.

~~It is the policy of the City to hire well qualified people to perform the many tasks necessary in providing services it is called upon to render and to recruit and administer hiring, working conditions, benefits and privileges of employment, compensation, training, appointments for advancement, including upgrading and~~

~~promotions, transfers and terminations of employment without discrimination because of race, color, religion, national origin, marital status, sex, age, or physical or mental handicaps, where the persons are able to perform the work they are seeking.~~

Whenever possible, the City makes every effort to fill job vacancies from within the ranks of its own employees. If no City employee either qualifies for or desires to be transferred or promoted to a vacancy, then recruiting efforts will seek applicants from other sources.

~~7.1 General Affirmative Action Objectives~~

- ~~• To assure that each Department/Division receives a copy of the City's Affirmative Action Statement and that Department Heads and supervisors shall implement and support the plan.~~
- ~~• To assure that conditions of employment, recruitment and hiring practices are in accord with the intent of the Affirmative Action Statement.~~
- ~~• To assure periodic review of job specifications, actual tasks performed and qualifications required of workers.~~
- ~~• To assure monitoring and periodic evaluation of the Affirmative Action Statement effectiveness.~~

7.1 Equal Opportunity and Non-Discrimination

The City of Destin is opposed to and will not tolerate sexual harassment. The City is also equally opposed to bad faith claims of sexual harassment which means claims of sexual harassment that have no rational basis in fact or justifiable employee perception and are deliberately designed to effect adversely the employment or personal relationships of persons against whom the complaint is made.

Employees who believe they have been sexually harassed, may file a grievance with their supervisor's immediate superior or directly with the City Manager. Anyone having sexual harassment allegations against the City Manager should file a claim with the appropriate investigative agency, such as the EEOC or the Florida Human Rights Commission.

It is imperative, however, for any employees who believe they have been the victims of sexual harassment to report this immediately to the City Manager or their Department Head. It is difficult for an employer to investigate such allegations if they are not reported timely. Witnesses may have departed the City's employ, memories may have faded and the employer may be less able to accomplish an in-depth investigation if complaints are not brought to the City's

attention expeditiously.

The City of Destin establishes the following procedure for investigating and resolving claims of sexual harassment or other types of claims or problems dealing with improper personal behavior which either has caused, or in the opinion of management, has the potential of causing disruption or interference with the operation of the City:

1. All employees have been informed as to the City's policy concerning sexual harassment. All management has been advised concerning improper personal involvement with others and behavior towards others. All such claims or problems will be filed initially with the immediate superior of the employee's supervisor or the City Manager. All such claims, once reported, will be investigated and handled by the City Manager or designee.

Because of the extremely sensitive nature of these types of problems and the potential "spill over effect" to the job future as well as the personal lives of all involved:

- a. A file for each complaint or problem reported will be opened by the City Manager or designee which will be separate from the personnel files of individuals involved. The file will be confidential to the extent permitted by law.
- b. An investigation will be conducted by the City Manager or designee and management personnel as appropriate. Upon completion of the investigation, a record will be made in the separate file to document the findings.
- c. If disciplinary action is appropriate, the Department Head will take such action. If the claim is against a Department Head, such disciplinary action will be taken by the City Manager up to and including two weeks suspension.
- d. Those persons directly involved will be made aware of the decision. If the decision involved discipline of any employee (e.g., written reprimand, suspension or discharge), a copy of the actual notice of disciplinary action will be placed in the employee's personnel file. If the person against whom the claim was made is exonerated, no entry will be made in their personnel file.

Because of the extremely sensitive nature of these types of claims

and cases, investigators will request all persons interviewed to keep the contents of their interview confidential to the extent of permitted by law.

Management personnel who discuss cases in which they or any of their employees are involved with anyone other than those persons directly involved, will be subject to discipline, including discharge, unless they have been given specific instructions to the contrary.

SECTION 4. SECTION 8, DEFINITIONS, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 8, Definitions, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 8
DEFINITIONS**

As used in these rules, unless the context clearly requires otherwise, the following words shall have the meaning herein given them.

8.1 Allocate

The act of assigning each position to its proper class.

8.2 Anniversary Date

The recurring date of original appointment or the date of promotion, except that such shall be adjusted for suspensions, unauthorized leaves of absence, and separation and re-employment.

8.3 Appeal

An application for review of an alleged grievance ~~by disciplinary action.~~

8.4 Appointment

The offer and acceptance by a person of a position either on a permanent, part-time, temporary or seasonal basis. A temporary appointment shall terminate automatically upon completion of the activity necessitating the appointment.

8.5 Class/Classification

A position or group of positions having similar duties and responsibilities, requiring similar qualifications, which can be properly designated by one title indicative of the nature of the work and which carry the same salary range.

8.6 Compensatory Time

Time off from work in lieu of monetary payment for having worked in excess of forty (40) hours during a work week.

8.7 Continuous Service

Employment in the classified service which is uninterrupted except

for authorized leave(s) of absence.

8.8 Demotion

The assignment of an employee to a position in a lower class and/or having a lower maximum salary than the class from which the assignment is made.

8.9 Department Head/Division Head

An employee responsible for the day-to-day operation of a major division of the City and work force assigned to it, whose responsibility includes developing efficient work schedules, proper assignment of personnel for efficient operation, budgeting expenses, developing the potential of employees in the division and keeping the City Manager informed as to the progress of the division. The Department Head generally shall authorize disciplinary action deemed necessary for the orderly and efficient operation of the division subject to the approval of the City Manager.

8.10 Full Time Employee

Any employee working a forty (40) hour week in either a permanent or probationary position, budgeted on an annual basis.

8.11 Job Description

A written statement describing the duties and responsibilities and entrance qualification requirements of a position.

8.12 Layoff

The involuntary, non-disciplinary separation of an employee from employment with the City.

8.13 Overtime

Time worked in excess of 40 hours per work week for those persons not working in an exempt position under FLSA guidelines.

8.14 Part-Time Employee

An employee working less than thirty-four (34) hours per week who is paid on an hourly basis for those hours actually worked and who is not entitled to City benefits.

8.15 Pay Status

An employee who is physically at work or is on an approved leave of absence with pay.

8.16 Position

A group of duties assigned to one person or job.

8.17 Probationary Employee

Any employee who is serving his probationary period following original appointment (hiring) or following promotion, prior to being regularly appointed to a regular position and class in the classified service.

8.18 Probationary Period

A specified period of time whereby the employee's performance is carefully evaluated in order to attain regular status. At any time during the probationary period, the Department Head may recommend termination and/or the City Manager may terminate the employee. Any termination prior to expiration of the probationary period shall be final with no right of appeal of any type.

8.19 Promotion

The assignment of an employee to a position in a higher class and/or having a higher maximum salary than the position from which the assignment is made.

8.20 Regular Employee

An employee who has been appointed to a regular full-time or part-time position in the classified service in accordance with the provisions of these rules after completing a probationary period.

8.21 Regular Position

Any position (vacant or filled), without time limitations or special restrictions as to continued employment, which is designated as such by the budget or by the Council.

8.22 Regular Status

A classification conferred upon an employee in a position designated by the City budget and who has satisfactorily completed a probationary period.

8.23 Temporary Employee

An employee holding a position other than regular, except as provided in the rules, which is of temporary, seasonal, casual or emergency nature. A temporary employee is not entitled to City benefits.

8.24 Temporary Position

All positions that are not designated as regular.

8.25 Transfer

The voluntary or involuntary change of an employee's assignment from one position to another position of a substantially similarly level.

8.26 Work Day

The scheduled number of hours an employee is assigned to work.

8.27 Work Period

The scheduled number of hours an employee is assigned to work during two (2) calendar weeks, for which the employee receives a bi-weekly paycheck. This also may be known as the Pay Period.

8.28 Work Week

The scheduled number of hours an employee is assigned to work

during a calendar week.

8.29 Vacancy

A position not occupied, for which funds are available.

8.30 Exempt Employee

Executive, professional, managerial or administrative employees within the organization who are exempt from wage and hour law requirements and are not paid overtime or compensatory time for hours worked over forty (40) hours in a seven (7) day period.

8.31 Non-Exempt Employee

Support personnel who are eligible for overtime and compensatory time payment at the rate of one and one-half times the regular hourly rate for actual work required beyond forty (40) hours in a seven (7) day work week.

8.32 Short-Term Leave without Pay

Time away from the job without pay for up to thirty (30) days. Leave without pay may be granted by the Department Head upon approval by the City Manager. The City will continue benefits, regardless of reason for leave.

8.33 Extended Leave without Pay

Time away from the job without pay for a period in excess of thirty (30) consecutive days, not to exceed one (1) year. A leave of absence may be granted by the City manager upon approval of the Department Head, however, the employee may lose his/her benefits after thirty (30) days.

SECTION 5. SECTION 9, RECRUITMENT, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 9, Recruitment, of the City of Destin Personnel Rules and Regulations, Ordinance 190 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 9
RECRUITMENT**

The goal of the City of Destin is to select the best qualified individual without regard for race, color, religion, national origin, marital status, sex, age, or physical or mental handicap disability.

The City shall treat all job candidates uniformly and give close attention to internal promotion.

9.1 Job Vacancies - General

All vacancies in the City workforce shall be filled by original appointment, promotional appointment, re-employment, reinstatement, transfer or demotion.

9.2 Notice of Vacancy

When a vacancy occurs within a Department, the Department Head

shall notify the City Manager and request a replacement to fill a temporary or regular position. The City Manager's approval is required prior to notice of vacancy being issued.

9.3 Sources of Recruitment

All job vacancies below the level of Department Head shall be posted in-house for promotional or transfer consideration. Where there is no in-house appointment for the position:

- The Florida State Employment services may be notified of the vacancy ~~for recruitment purposes as well as for Veteran's preference.~~
- ~~Active applications on file shall be reviewed and considered.~~ Applications will be accepted only when there is a vacancy and applications will only be active for a period not to exceed ninety (90) days.
- Advertisements shall be placed in local newspapers or professional journals, or both.
- Organizations reaching minorities, women and ~~handicapped~~ disabled individuals may be notified.

9.4 Employment Services - Placement Fees

The City shall not pay placement fees to employment services or place orders with commercial employment services where the City may become responsible for placement fees.

9.5 Recruitment Area

Individuals shall be recruited from a geographic area as wide as is necessary to assure obtaining qualified candidates for the various types of positions.

There shall be no requirements of residence for filing application for a position in the classified service. Specific response time requirements for employees in Departments where quick response time is essential may be required.

9.6 Veteran's Preference

Veterans, spouses of totally and permanently disabled veterans, and spouses of Missing in Action persons shall receive preference in employment and in retention should a layoff occur. This preference is in compliance with "Veteran's Preference in Appointment and Retention In Employment" rule, Chapter 22VP-1 of the Florida Administrative Code.

SECTION 6. SECTION 10, HIRING, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 10, Hiring, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 10 HIRING

10.1 Application for Employment

All applicants shall complete forms relevant to the requirements of the position or vacancy for which they are applying. References may be required.

10.2 Interviewing

All applications shall be carefully screened and referred to the appropriate Department Head for further review. The Department Head shall notify applicants they desire to interview. The City Manager or his/her designee shall set up and control the interview schedule. Department Heads shall make every effort to adhere to the interviewing schedule.

10.3 Testing

The City Manager or designee shall may test specific applicant skills that are required to fulfill the duties of the vacancy. Such tests shall be designed and the parameters for satisfactory completion shall be promulgated by the head of the affected department. All testing shall be consistent with State and Federal regulations concerning employee selection.

10.4 References

The City Manager or designee shall make any necessary contacts for the purpose of checking references. References shall preferably be obtained by telephone, but where necessary, written reference checks will be made. When written reference checks are required, applicants will be offered employment with the understanding that their employee status is dependent upon the results of reference checks.

Falsification or withholding of pertinent information shall result in immediate termination of the interviewing process or of employment.

10.5 Pre-employment Physical Examinations

Pre-employment physical examination requirements are specified in Section 15, Medical Examinations.

10.6 Selection and Notification of Offer

The Department Head shall select the applicant whose qualifications most ideally meet the requirements of the vacant position. The Department Head shall recommend to the City Manager the name of the applicant selected.

Upon approval of the City Manager, the Department Head may notify the successful applicant of the offer of employment.

Department Heads are selected by the City Manager and notification

and offer to the successful applicant is made by the City Manager.

10.7 Disqualification of Applicants

The Department Head or City Manager may remove from further consideration, at any time, the application of any applicant who:

- Does not possess the minimum job-related qualifications.
- Has made false statements of any material fact or practiced deception in the application.
- Fails to accept appointment within two (2) days or report for duty within the time prescribed in the offer.

10.8 Notice of Rejection of an Application

Whenever an application or applicant is rejected, notice of such rejection shall be given to the applicant by the City Manager's office.

10.9 Application Files

~~Only active applications of qualified unsuccessful candidates will be considered if the position(s) the applicant initially applied for becomes vacant. Applications of qualified unsuccessful candidates for a specific opening shall be retained on file with the City Manager's Office for subsequent review for future openings for which the applicant may complete, for a period of two (2) years.~~

~~Applications of candidates which have been disqualified under the provisions of paragraph 4.7 will not be reconsidered for that position.~~

10.10 Reporting for Duty

A new employee shall be instructed to report directly to the Department in which he/she will be working on the first day of work, for in-processing.

SECTION 7. SECTION 15, MEDICAL EXAMINATIONS, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 15, Medical Examinations, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 15 MEDICAL EXAMINATIONS

15.1 Pre-Employment Examinations

~~Once a prospective employees has been offered employment, he/she shall be required to undergo a pre-employment medical examinations through a City designated physician to determine if he/she meets accepted standards of health for the position. This examination shall be in addition to the medical history statement. A pre-employment psychological examination may be required as well. An applicant determined to be physically or mentally unfit for service~~

~~shall not be eligible for employment. The City of Destin does comply with the provisions of the Americans With Disabilities Act in making the final determination of employment as it relates to the essential functions of the position.~~

~~15.2 In-Service Examinations~~

~~An employee, during his/her period of employment, may be required to undergo periodic examinations to determine his/her physical and mental fitness to perform his/her job.~~

~~Such periodic examinations shall be at the expense of the City.~~

~~An employee determined to be physically or mentally unfit to continue in his/her designated position may be demoted, transferred or separated from City service.~~

~~When an employee of the City is reported by the examining physician or psychologist to be physically or mentally unfit to perform work in the position which he is employed, such employee, may within five (5) days from the date of his notification of such determination by the examining physician, indicate in writing to the Department Head his/her intention to submit the question of his/her physical or mental unfitness to a physician or psychologist of his/her own choice. In the event there is a difference of opinion between the original examining professional and the professional chosen by the employee, then the City Manager shall designate a third professional whose decision shall be final and binding as to the physical and mental fitness of such employee to perform the work of the position of reasonable direct costs of the examinations and shall provide the employee with reasonable time off to meet these appointments. The City shall not be responsible for any overnight travel and expense costs related to these appointments. The City reserves the right to require employees to submit to examination by a physician which will be paid for by the City under circumstances where the City deems it necessary to protect the employee from physical harm and/or the City from potential liability.~~

~~15.3 Accident or Illness~~

~~If an employee is absent from work due to an accident, a statement of physical condition shall be required upon return to work. The same shall be required if an employee is absent for an illness in excess of three (3) continuous working days. In both of these cases, the employee shall be responsible for payment of the doctor's fees.~~

SECTION 8. SECTION 16, NEPOTISM, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 16, Nepotism, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 16 NEPOTISM

It is the policy of the City that no employee shall be hired to work under the direct supervision of a relative as defined below, except in accordance with the terms of this subsection:

- If two employees change their family relationship by adoption or other means so as to come in conflict with these prohibitions, one of them shall be transferred to a different Department if possible, ~~granted a waiver by the City Manager~~ or separated from the City service.
- ~~• If it is determined that an existing vacancy cannot be filled with qualified personnel by normal recruiting efforts, the appropriate Department Head shall request the City Manager to grant a waiver.~~

The relative of an official or an employee shall be defined as the following relationships: parent, sibling, uncle, aunt, first cousin, nephew, niece, parent-in-law, child-in-law, sibling-in-law, stepparent, stepsibling, half-sibling or child. If related employees are eligible for promotion, advancement or a raise in pay or status, other than cost of living increases, the appropriate Department Head shall make a special evaluation of the proposed change and report to the City Manager for a determination before any change takes place.

SECTION 9. SECTION 18, PROBATIONARY PERIOD, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 18, Probationary Period, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 18 PROBATIONARY PERIOD

The probationary period is regarded as an integral part of the placement process. It is utilized to closely observe the employee's performance for securing the most effective adjustment of the new employee to the position and for rejecting an employee whose performance or conduct does not meet the required ~~work~~ standards.

18.1 Termination of Employment

At any time during the probationary period, the Department Head may recommend termination and the City Manager may terminate the employee. Any termination prior to expiration of the probationary period shall be final with no right of appeal of any type.

18.2 Initial and Final Probationary Reviews for New Hires and Promoted Employees

A new employee or an employee promoted to a higher classification shall be formally reviewed by his/her Department Head once immediately after ninety (90) days and then again immediately after 180 days from date of hire or from date of promotion. These reviews shall in no way affect the employee's salary but, rather, shall be a means of notifying the employee, the Department Head and City Manager of the employee's progress. The initial and final review of new employees reflecting less than satisfactory progress may be one cause for immediate termination of employment. The review forms shall be forwarded to the Department Head by the City Manager's Office at the time the review is to be conducted. The completed review form shall be signed by the Department Head, the employee and the City Manager. The review form shall provide space for comments of the employee.

~~18.3~~ Final Probationary Review Procedures

~~A new employee or an employee promoted to a higher classification shall be reviewed immediately after 180 days from date of hire or promotion in order to be considered for regular status in his/her position.~~

Upon completion of 180 days of service, the Department Head shall evaluate the employee's performance and complete an Employee Evaluation Form, indicating final recommendation on the employee's probationary status. The Department Head shall sign the form and shall return the form for review and approval by the City Manager. If approved by the City Manager, a change-of-status form shall be prepared taking the employee off probation. After approval by the City Manager, the form shall be signed by the employee, who shall receive a copy of same from the City Manager's Office. Original review and change-of-status forms are retained in the employee's permanent Personnel File. New employees attaining regular status, following successful probationary period, shall be entitled to receive all City benefits as described in other sections. Promoted employees shall not experience loss of City benefits while serving a probationary period for a position in a higher classification. A final probationary review reflecting less than satisfactory progress shall be sufficient grounds for immediate termination of employment. See also Section 26, Promotion.

18.4 3 Extension of Final Probationary Review

The circumstances where extension of probationary period beyond 180 days may be permissible are specifically as follows:

- An employee hired at a salary or hourly rate which is greater than the entry step for the position may, as a condition of offer of employment, be required to serve a one (1) year probationary period at the discretion of the City Manager. Such affected employee shall, however, be reviewed after ninety (90) days and, if determined to be making satisfactory progress, the employee shall be entitled to City benefits.

- At the conclusion of the one (1) year probationary period, a final review and determination of status shall be done according to the process outlined under subsection 18.3 2, Final Probationary Review, above.
- Probationary employees who have been absent without pay and excused from duty for a collective total of twenty (20) scheduled work days or more during the probationary period may, upon approval of the City Manager, have their probationary period extended for a period equivalent to time lost during the initial probationary period. Newly-hired employees affected by this provision shall not be entitled to City benefits until final probationary review and approval to regular status. The review procedure shall conform to subsection 18.3 2 above.
- Excessive absence, even if excused, has a negative impact on completion of departmental workloads. This provision to extend the probationary period is set forth to recognize those unique and unusual circumstances, such as major illness or injury to a probationary employee or member of his/her family, necessitating an excused absence of greater duration than normal.

18.5 4 Anniversary Date - Merit Increase Review

The date of original appointment or promotion to a position shall be the anniversary date and the employee shall be considered, following a performance review and above satisfactory evaluation, for a merit increase one (1) year from this date, with the recommendation of the Department Head and approval of the City Manager.

SECTION 10. SECTION 19, PERFORMANCE EVALUATION REPORT, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 19, Performance Evaluation Report, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 19 PERFORMANCE EVALUATION REPORT

19.1 Performance Evaluation Report

At least once a year at the employee's anniversary date, supervisors shall rate and discuss the overall job performance with each employee. The performance evaluation evaluates quantity of work, quality of work, work habits and relationships with fellow employees and the public. If the rated employee is a supervisor, his/her supervisory ability also is evaluated.

The City Manager's Office shall forward a Performance Evaluation Form and cover memo to the appropriate supervisor when an employee

becomes eligible for regular status, a merit increase or an annual rating.

If an increase is indicated, the supervisor shall make the appropriate recommendations and return the form to the City Manager's Office for approval. If approved, a Change of Status form shall be prepared entitling him/her to an increase. The Employee Service Report then shall be signed by the employee and retained in the personnel file.

The employee may submit a rebuttal statement as part of the evaluation and such statement shall remain in the employee's personnel file as long as the evaluation is retained on file.

All questions on the Performance Evaluation shall be forwarded to the City Manager.

19.2 Employee Performance Problem - Corrective Action

It is recognized that unacceptable job performance may stem from misunderstanding, lack of knowledge, skills and abilities, or general unsuitability to meet the requirements of the job. Corrective action requires counseling, training or retraining; if this process is unsuccessful, transfer, demotion or termination will result. The City retains the right to treat each incident on an individual basis without creating a precedent for other cases which may arise in the future and to determine appropriate corrective action on a case-by-case basis.

The steps below are recommended but not mandatory and should apply to specific offenses; however, the action utilized shall be discretionary with management and nothing herein shall require that a particular action be utilized in any case prior to the utilization of another. In determining the action, management may consider the severity of the problem or offense, the cost involved, the time interval between occurrences, the employee's work record, the employee's length of service with the City, the employee's overall value to the City, the ability and potential of the employee concerned and other factors as may bear on the efficient and harmonious operation of the government.

Step 1: Documented Verbal Counseling- The problem(s) should be handled promptly and discussed with the employee to ensure that he or she clearly understands the problem and what corrective action must be taken. If such counseling corrects the problem, no additional action is required.

Step 2: Documented Corrective Action- Document the problem(s) in writing and cite specific examples of deficiencies and review the document with the employee. Develop a planned improvement program with measurable goals to be achieved in an acceptable time frame, i.e. 30, 60, or 90 days.

Step 3: Review the improvement goals and timetables and document the results of the review. Obtain the employee's signature and that of the City Manager. If significant improvement have been achieved to the extent that the employee's performance has met the job requirements, the program may be successfully documented and concluded.

If the employee has not corrected the deficiencies in his/her job performance during or by the conclusion of the planned improvement program, the supervisor should review the case with the City Manager to determine the following:

1. Offer the employee an opportunity to be placed in a position equal to his/her demonstrated skills and abilities, if such position is available; or
2. terminate the employee due to "inability to do the job".

SECTION 11. SECTION 21, OUTSIDE EMPLOYMENT, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 21, Outside Employment, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 21
OUTSIDE EMPLOYMENT**

An employee shall not accept outside employment, either incidental, occasional or otherwise, where City time, equipment or materials is to be used or where such employment or any part thereof is to be performed on City time.

An employee may be authorized to accept incidental or occasional outside employment as long as such employment is not contrary, detrimental or adverse to the interest of the City or any of its departments.

Approval by the Department Head is required for all outside employment. Such approval or denial shall be retained in the employee's Personnel File.

Requests to engage in outside employment must be in writing and must explain the type of employment and hours involved for which the request is made. Such requests shall be submitted to the Department Head for approval or disapproval, and a copy of the request shall be forwarded to the City Manager's Office for inclusion in the personnel file. ~~Questions concerning whether such employment may be in violation from the Department Head to the City Manager's Office for a decision.~~ If outside employment appears to be contrary to the City policies concerning such employment, a final decision shall be made by the City Manager as to whether or not any employee can engage in such employment.

Permission to engage in supplemental employment may be denied or withdrawn at any time when the Department Head feels such employment is interfering with the employee's efficiency or is in conflict with the interest of the City.

SECTION 12. SECTION 23, OVERTIME AND COMPENSATORY TIME, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 23, Overtime and Compensatory Time, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 190.1, is hereby amended as follows:

**SECTION 23
OVERTIME AND COMPENSATORY TIME**

Departmental schedules should be prepared to provide for the completion of work tasks and delivery of public services within the standard forty (40) hours work week of each and all employees assigned to the Department.

Overtime hours are permissible only by an actual emergency or such other unusual circumstances, requiring the assignment of employees to overtime hours of work, certified by the Department Head and approved by the City Manager. For purposes of this section, the term "emergency" shall be construed to mean circumstances including, but not limited to, civil disturbances, natural disasters such as hurricanes, or a significant shortage of personnel or unusual surplus of work to be performed.

Overtime shall be voluntary except in emergency situations, at which time an employee can be required to work. The Department Head, or supervisor, will give the employee as much notice as possible before requiring overtime.

23.1 Authorization Required

Prior to assigning overtime work, it shall be the Department Head's responsibility to notify and obtain approval from the City Manager for the circumstances requiring the overtime work. The only exception shall be in emergency situations where the immediate repair of facilities shall be essential to prevent loss of equipment, further damage to the facility or an interruption of essential public services. In case of such emergency, it shall be the Department Head's responsibility to notify the City Manager as soon as possible regarding the details surrounding the overtime worked.

23.2 Practice for Overtime and Compensatory Time

Actual hours worked in excess of the normal forty (40) hours in any work week shall be compensated at the rate of one and one-half (1-1/2) times the employee's hourly rate of pay; for the purpose of this provision, actual hours worked shall include ~~sick leave and annual leave only when approved in advance under the rules as established in this manual~~ only those hours actually worked, and

holidays.

Compensatory time at the rate of one and one-half (1-1/2) hour for each overtime hour, in lieu of paid overtime, may be granted upon request of the employee, subject to the approval of the Department Head and City Manager. Accrual of compensatory leave shall be governed by the provisions of FLSA. The maximum comp time to be accrued in public safety, emergency response or seasonal activity is 480 hours (or 320 hours of actual overtime work); other employees are permitted a maximum compensatory accrual of 240 hours (160 hours of actual overtime work).

Compensatory time, recorded in the employee's Personnel File, shall be removed from the books and paid to the affected employee:

- As a result of a properly authorized Leave of Absence, or
- At the time of termination, in good standing, whether voluntary or involuntary.

It is the responsibility of the employee, the appropriate Department Head and City Manager's Office to monitor compensatory time earned. In accordance with the provisions of FLSA, all employees who have accrued the maximum compensatory time shall be paid in cash for additional overtime hours of work until they have used some of their accrued compensatory time.

23.3 Eligibility

Department Heads and others designated by the City Council, upon the recommendation of the City Manager, are not entitled to overtime payment or accrual of recorded compensatory time.

The City Manager shall have the authority to provide reasonable and commensurate work schedule flexibility, where not in conflict with the essential work and delivery of public services of the City, to salaried personnel, whose duties and responsibilities regularly require substantial hours of work beyond a normal work week.

SECTION 13. SECTION 29, TEMPORARY ACTING POSITIONS, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 29, Temporary Acting Positions, of the City of Destin Personnel Rules and Regulations, Ordinance 101 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 29 TEMPORARY ACTING POSITIONS

Appointments in an acting capacity to positions in a higher class shall be approved by the City Manager.

Persons appointed in acting capacity for a period exceeding thirty (30) days will receive compensation at the entry level for the position being filled, if higher than his or her normal salary.

~~If the temporary acting position is for a substitution of an employee absent on authorized leave, it shall be understood that said assignment may be in effect only until such time that the absent employee returns, or until the job is declared to be vacant, and subsequently, is filled. Temporary acting assignments may conclude due to the return of the regular employee holding the position, the hiring or promotion of an individual to fill the position, the elimination of the position or upon notification by the City Manager, without regard to the reason.~~

SECTION 14. SECTION 32, LEAVE OF ABSENCE WITHOUT PAY, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 32, Leave of Absence Without Pay, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 32
LEAVE OF ABSENCE WITHOUT PAY**

The City recognizes that a matter of unusual or emergency nature may cause an employee to leave the job for a specific period of time.

32.1 Approved Uses Short-Term Leave of Absence Without Pay
With the approval of the City Manager, a Department Head may grant a full-time employee leave without pay for personal reasons for a period not in excess of fifteen (15) thirty (30) calendar days in one (1) calendar year. A regular status full-time employee requesting leave of absence without pay must utilize accrued sick, compensatory, personal and vacation leave prior to the commencement of leave without pay. Sick leave can be used in conjunction with illness only. Approved absences shall not constitute a break in the continuity of service.

The City Manager may grant a leave of absence to full-time employees with regular status for a period not to exceed one (1) year. Leaves of absence may be granted for:

- Sickness and disability, maternity or paternity leave, after all accumulated sick leave has been exhausted.
- Extended religious holidays.
- Engagement in a course of study.
- Other good and sufficient reasons in the best interest of the City service.

Leaves of absence shall not be granted to permit an employee to accept employment elsewhere or to establish a business.

32.2 Extended Leave of Absence Without Pay

Medical Leave:

For an extended period beyond thirty (30) days, due to illness

or injury, the employee may apply for an extended leave of absence. The employee will be required to first utilize all accrued sick and/or annual leave. The City Manager may authorize leave up to one (1) year with physician's written verification of illness. The City will continue to pay for the employee's health benefits for the first thirty (30) days, after which time, the employee must request coverage under COBRA or his/her benefits will cease.

The application for extended leave of absence without pay shall be in writing and shall include a physician's certification of the condition and the period of time the employee will be incapacitated. Dates set forth by the physician shall be strictly adhered to; however, they may be amended by the physician. The City may require additional documentation from the physician issuing the certificate or may secure additional medical opinions from other physicians.

If an employee applies for disability insurance coverage, he/she may use their accrued leave for the first seven (7) days of disability. On the eighth (8th) day, disability coverage begins and the employee may use the remaining leave to make up the difference in his/her salary (33 and 1/3%). If the employee has no accrued sick leave, they may use their accrued vacation or comp time for their first seven (7) days and to make up the additional 33 and 1/3% of their salary. At no time shall the employee receive double payments from both sick leave and disability. It is the intention of this provision for sick leave to work in conjunction with disability, if applicable.

If a disability claim which is sickness or injury related is denied, the employee must use all accrued leave prior to going on Leave of Absence Without Pay status, provided sickness is in accordance with "approved uses" as outlined in Section 33, Sick Leave.

Due to the staffing needs of the City, there is no guarantee that a position will be available immediately upon the release of an employee to return to work. The employee will then be eligible for the first available opening for which they are qualified.

32.2 32.3 Benefits

All job-related benefits cease when an employee is granted leave of absence without pay (LWOP) for personal reasons in excess of fifteen (15) days ~~thirty (30) days~~. When an employee returns, the City Manager's Office shall be notified immediately so that reinstatement may be effected. Approved absences shall not constitute a break in the continuity of service, if less than fifteen (15) days ~~thirty (30) days~~.

If an employee on Leave of Absence without Pay status desires to continue their health-related benefits, they will be notified of their rights of insurance coverage under COBRA.

~~32.3~~ 32.4 Revocation of Leave

Except in cases of sickness or disability, leave of absence without pay may be subsequently withdrawn and the employee recalled to service.

~~32.4~~ 32.5 General - Other

All employees on leave of absence without pay are subject to the applicable provisions of these rules.

Employees must be reminded of the consequences of taking Leave without Pay, but responsibility for these consequences resides with the employee.

SECTION 15. SECTION 33, SICK LEAVE, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 33, Sick Leave, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 33
SICK LEAVE**

Sick leave with pay may be granted to regular status, full-time employees and full-time probationary employees who have completed ninety (90) days of service. Sick leave with pay shall be earned at the rate of one (1) day per month.

Sick leave will be calculated from the first of the month in which the employee begins work, if the starting date occurs between the first and fifteenth of the month. Employees entering on duty after the fifteenth will begin earning leave from the first day of the month following employment.

33.1 Approved Uses

Sick leave shall not be considered a right which an employee may use at his/her own discretion but, rather a privilege. Sick leave shall not be used as general time-off or vacation leave. An employee on vacation leave who becomes seriously ill or injured may request that earned sick leave be substituted for annual leave, while he/she is under the care of a physician. Such request must be accompanied by a statement signed by the employee's attending physician.

Sick leave shall be allowed for the following reasons:

- Absence due to personal illness or injury.
- Personal medical and dental appointments.
- Absence due to contagious illness in the employee's immediate family (father, mother, sister, brother, children and spouse, and legal dependents who are under the dependent care of the employee), or those with illness who are within the household of the employee and

under the care of such employee.

- ~~Absence due to attendance upon members of the family within the household of the employee whose illness requires the care of such employee.~~

33.2 Eligibility

A probationary, full-time employee, assigned to a regular position (not temporary), shall begin to earn sick leave immediately upon date of appointment (first day on duty). After completion of ninety (90) days service, the probationary employee shall be entitled to request use of his/her sick leave.

Any regular status, full-time employee, other than those appointed to a temporary position, shall be entitled to request the use of his/her earned sick leave.

33.3 Advance Approval

Whenever possible, an employee shall give his/her Department Head advance notice of sick leave. If this is not possible, an employee shall be expected to contact the Department Head within one (1) hour after starting time, unless extenuating circumstances prevent such communication.

33.4 Release to Resume Duties

An employee who is absent from work due to an illness in excess of three (3) consecutive working days may be required to submit a physician's statement of physical condition. When deemed necessary, the Department Head may require proof of any illness.

33.5 Abuse of Sick Leave

Excessive abuse of sick leave may be grounds for disciplinary action and shall be closely monitored by the City Manager and the Department Head. Fraudulent use of sick leave shall be sufficient grounds for termination.

33.6 Maximum Accrual/~~Compensation for of~~ Unused Leave

~~At time of separation from the City, an employee in good standing who has completed his/her probationary period shall be paid for twenty-five (25%) percent of his/her unused sick leave, to a maximum of sixty (60) days, at his/her normal hourly rate.~~
Accrual of unused sick leave is unlimited. Upon separation of employment, all accrued sick leave is forfeited.

SECTION 16. SECTION 34, PERSONAL DAY, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 34, Personal Day, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 34
PERSONAL DAY**

~~Personal Day -- After working one (1) full year for the City, full-time employees shall be entitled to earn one (1) day for each six (6) months that sick leave is not taken. This day will be called a "personal day" and shall be used within the next six (6) month period, or may be accumulated up to a maximum of one (1) week only upon approval of the City Manager.~~

~~34.1 -- Approved Uses~~

~~Personal leave shall not be considered a right which an employee may use at his/her own discretion but, rather, a privilege which shall be allowed for the following reasons:~~

- ~~• Absence due to serious illness of a member of an employee's family.~~
- ~~• Absence due to death of a person other than a member of an employee's immediate family.~~
- ~~• Absence to transact personal business which cannot be conducted on an employee's own time.~~
- ~~• Absence due to any religious holidays (up to three (3) days for this purpose must be granted if requested).~~
- ~~• Extension of annual leave.~~

~~34.2 -- Advance Approval~~

~~An employee wishing to use personal leave shall submit a properly completed Request for Leave of Absence form for prior approval at least one (1) week in advance of the actual day. Approval of this request is at the discretion of the Department Head.~~

~~34.3 -- Termination~~

~~Upon separation from City service in good standing, an employee shall be paid for accumulated personal days or balance of earned personal hours at 100 percent of his/her normal hourly rate. In no event shall such leave payment exceed five (5) days.~~

Section 34 Funeral Leave

In case of a death in an employee's immediate family, up to (3) three (3) days leave with pay will be available for the employee's use. This time may be extended, at the discretion of the City Manager. Funeral leave shall not be deducted from any other leave earned by the employee. All full-time employees are eligible, and eligibility commences on the first day of active employment with the City. Immediate family shall be defined as parent, spouse, children, step-parents, step-brother, step-sister, grandparents, brother, sister, parent-in-law, grandchildren or legal dependent. If required, the employee shall provide the Department Head with proof of death in family before compensation is approved.

SECTION 17. SECTION 35, VACATION LEAVE, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 35, Vacation Leave, of the City of Destin Personnel Rules and Regulations,

Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 35
VACATION LEAVE

It is the intent of the City to grant vacation leave as a reward for services rendered and for the purpose of rest and relaxation. All full-time employees, excluding those classified as temporary, shall be entitled to have vacation leave credited to their account after satisfactorily completing a probationary period. Upon approval, once an employee completes a year of service, he/she may use Vacation Leave as accrued. ~~Vacation leave earned during the probationary period shall be credited to the employee's account. Vacation Leave cannot be taken in the year earned,~~ but The employee can be paid for such leave upon separation, if he/she has successfully completed the probationary period.

35.1 Scheduling

Request for vacation leave shall be made at least one (1) month in advance of actual use. An employee wishing to use vacation leave shall submit Request for Leave to his/her Department Head for approval. Without prior approval, the leave may be charged as unauthorized absence at the discretion of the supervisor and may be subject to disciplinary action against the employee.

An employee eligible for ten (10) days annual vacation shall take a minimum of five (5) consecutive days per year. An employee eligible for fifteen (15) days annual vacation shall take a minimum of ten (10) consecutive days per year. An employee eligible for twenty (20) days annual vacation shall take a minimum of ten consecutive days per year. Vacation leave may be accumulated, but it may not exceed thirty (30) working days at any time during an employee's tenure of employment.

Vacations shall be scheduled with as much consideration as possible for the desire of the employee. However, maintenance of service, adherence to schedules and approved leave for co-workers may restrict the scheduling of vacations. Holidays occurring while an employee is on vacation shall not be charged against vacation time.

35.2 Vacation Credit

An employee shall earn vacation leave based upon the number of years the employee has worked for the City. All service must be continuous to be credited toward accumulated vacation leave.

Vacation leave shall be earned at the following rate:

<u>Years of Employment</u>	<u>Paid Vacation Days per Year</u>
<u>1st through 2nd</u>	<u>6</u>
<u>1st through 3rd</u>	<u>10</u>
<u>3rd through 7th</u>	<u>12</u>

<u>4th through 7th</u>	<u>12</u>
8th through 12th	15
13 or more	18

When there has been a break in service of fifteen (15) working days or more, the employee, upon reinstatement or reemployment, will begin earning annual leave as a new employee. For purpose of calculation, annual leave will be calculated from the first of the month in which the employee begins work, if the starting date occurs between the first and fifteenth. Employees entering on duty after the fifteenth will begin earning leave from the first day of the month following employment.

35.3 Carry-over of Annual Leave

It is the intent of these policies that all employees take their vacations yearly. Department Heads should make every effort to ensure that his/her employees receive a vacation, if earned.

If a Department Head or an employee is not afforded the opportunity to use annual leave or is refused the time for leave, the excess shall be carried in the employee's annual leave account.

An employee shall not be paid for earned annual leave in lieu of taking such leave during any calendar year unless it is demonstrated that it is in the best interest of the City and must be recommended by the Department Head or City Manager and approved in advance by the City Council.

The maximum amount of annual leave which can be carried over from one calendar year to the next is ~~thirty (30)~~ twenty (20) days.

35.4 Annual Leave Pay Upon Termination

Regular employees who resign or are separated in good standing shall receive pay for their accrued and unused annual leave. Only full calendar months of employment will be considered in computing annual leave and will be based upon the employee's regular rate of pay at separation. Annual leave pay for terminated employees will be included in their final pay check when possible.

SECTION 18. SECTION 36, COMPENSATORY LEAVE, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 36, Compensatory Leave, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 36 COMPENSATORY LEAVE

Compensatory leave may be used for the same purposes as vacation leave or sick leave. Requesting and approving procedures are the

same as for vacation leave.

~~The City, under FLSA, is required to provide compensatory leave only for emergency services personnel, such as fire and police. The City currently does not provide fire and police services. Should the City in the future offer such services this section would apply.~~

If a non-exempt employee is promoted to an exempt position, or if the position an employee is in is determined to be exempt, any compensatory time accrued prior to that date will remain available for use by that employee as outlined above. Once filling an exempt position, however, the employee will no longer accrue additional compensatory leave.

SECTION 19. SECTION 37, MILITARY LEAVE, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 37, Military Leave, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 37
MILITARY LEAVE**

Any employee who is a member of the National Guard or the Military Reserve Forces of the United States and who is ordered by the appropriate authorities to attend a prescribed training program or to perform other duties shall be granted a leave of absence with pay as provided by Florida Statutes and/or federal law. ~~The employees shall receive pay for the number of working days occurring in the authorized period, according to his/her work schedule, less any service pay received, or may retain his/her military pay and use accrued vacation time in lieu of military leave. Any regular Officer member who is drafted, or who enters active duty in the Armed Forces Reserve or National Guard, shall be granted military Leave Without Pay for the period of military commitment.~~

~~Employees who request such leave must present appropriate military service orders not later than two (2) weeks prior to the scheduled date of departure. This special leave with pay shall not be granted to an employee if he voluntarily extends the training time or if he is required to spend additional training time caused by excessive absences from reserve meetings during the preceding year.~~

SECTION 20. SECTION 38, CIVIL LEAVE, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 38, Civil Leave, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 38
CIVIL LEAVE**

In an attempt to help employees meet civil responsibilities, the City shall provide leave for jury duty, for appearance as a witness in cases related to the City and to vote.

If an employee is required to appear in a litigation involving the City or arising out of his/her work with the City, he/she will be placed in a Leave With Pay status. Any witness fees shall be surrendered to the City. If the witness fee is not surrendered, the employee will be placed in Leave Without Pay status. Likewise, any jury duty fees will be surrendered to the City.

After witnessing or upon completion of jury duty for any given day, the employee will return to work if sufficient time remains before working hours end as to be meaningful.

An employee involved in litigation not involving the City or his/her duties with the City is not eligible for Civil Leave. Other forms of leave may be used.

An employee who has filed suit against the City and/or any member of management of the City, will not receive leave with pay concerning any aspect of that litigation.

~~Time off for jury duty shall not be included in computation of hours necessary to qualify for overtime compensation.~~

All employees may be granted up to one (1) hour with pay in order to vote on Election Day. Time off to vote will be scheduled by the employee's Department. Employees shall present their voter registration card to their Department Head at the time they request leave to vote. Employees must notify their Department of their plan to request voting leave prior to Election Day.

SECTION 21. SECTION 39, TRAVEL POLICY, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 39, Travel Policy, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 39
TRAVEL POLICY**

On occasion, it may be necessary for City employees to travel outside the City boundaries to conduct City business or attend a conference or City business-related meetings. Transportation costs for such purposes shall be borne by the City.

In all instances, the employee shall receive quotes and compare air fare, rental car, privately-owned vehicle and city vehicle costs.

The mode of travel should always be at the lowest, most economical means, unless approved by the City Manager. If an employee chooses not to utilize the most economical mode of transportation, he/she will be responsible for the costs above the most economical.

Under circumstances where employee drive his/her own personal vehicle, mileage shall be reimbursed at a rate of ~~twenty-two and one-half (22 1/2)~~ twenty-seven and one-half (27.5) cents per mile or at the then existing rate allowed by the Internal Revenue Service. Any other directly-related transportation expenses incurred, as documented by receipt(s), also shall be reimbursed, such as bridge, road and parking tolls. Receipts for taxis are not required, but expenses must be itemized.

Other reasonable, direct expenses for food and lodging, supported by receipts or other appropriate documentation, may be reimbursed by the City, with the approval of the City Manager. When lodging is required, employees are expected to utilize standard, medium priced hotels and motels whenever possible. If an employee is to attend a formal, organized meeting or convention, he/she may stay at the hotel or motel where the meeting is held. In all cases, the City will pay no more than the single room rate.

Employees may be reimbursed for meal expenses incurred while traveling. All-day travelers will be allotted \$28 for meal expenses, each day, to be spent at the employee's discretion. If the employee is only away for one or two (1 or 2) meals, the following breakdown will apply:

<u>Breakfast</u>	<u>\$5.00</u>
<u>Lunch</u>	<u>\$8.00</u>
<u>Dinner</u>	<u>\$15.00</u>
<u>Total</u>	<u>\$28.00</u>

If he or she wishes to spend more than the amounts allotted for that meal, he/she will only be reimbursed at the above rates. The dollar amounts listed above are subject to adjustment due to locality and availability only upon prior approval by the City Manager.

Under circumstances where employee travels during hours normally worked (8 a.m. to 5 p.m.) Monday through Friday, or during these hours on Saturday or Sunday, travel time shall be considered "hours worked." ~~Time spent in travel away from home outside of regular working hours will not be considered as work time. This section applies to those employees eligible for compensatory time or overtime pursuant to FLSA. See Section 23, Overtime and Compensatory Time.~~

Prior approval for all such travel expenses, except in cases of emergencies where prior approval is not possible, shall be obtained from the City Manager.

SECTION 22. SECTION 40, HOLIDAYS, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 40, Holidays, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 40
HOLIDAYS**

Eligible full-time employees are entitled to the following paid holidays per year:

- | | |
|--------------------------|-------------------------------------|
| • New Year's Day | • Veteran's Day |
| • President's Day | • Thanksgiving Day |
| • Memorial Day | • Day after Thanksgiving |
| • Independence Day | • 1/2 day Christmas Eve |
| • Labor Day | • <u>Christmas Eve Day</u> |
| • Martin Luther King Day | • Christmas Day |
| | • 1/2 day New Year's Eve |

~~When Christmas and New Years fall on Tuesday, Wednesday, Thursday or Friday, a half day off for Christmas Eve and New Year's Eve will be observed. Employees who, for public safety purposes or in case of emergency, must work on a legal holiday will be paid double the regular rate of pay for that day's work. The employee required to work on a holiday will receive holiday pay plus the regular pay (not double time plus holiday pay) computed on an hourly basis. To qualify for holiday pay, the employee must work his/her regular shifts that immediately precede and follow the holiday. In order for any employee to qualify for holiday pay, that individual must work his or her regularly scheduled shifts that immediately precede and follow the holiday. Employees who are required to work on a holiday, will receive their regular pay in addition to holiday pay.~~

The holiday will be the day off with pay unless: the holiday falls on Saturday, in which case the observed day will be the preceding Friday; the holiday falls on Sunday, in which case the observed day will be the following Monday. When Christmas falls on a Monday, Christmas Eve will be observed on that Tuesday following Christmas.

SECTION 23. SECTION 41, SEPARATION BY RESIGNATION, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 41, Separation by Resignation, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 41
SEPARATION BY RESIGNATION**

41.1 Voluntary

An employee who desires to resign in good standing shall submit his/her written resignation and/or verbal notice to his/her

supervisor or Department Head at least two (2) weeks before leaving, and must state the date the resignation shall become effective and the reason for separation. Such resignation entitles the employee to payment of any benefits due. Failure to comply with this procedure may be considered cause for denying such employee future employment by the City.

41.2 Unauthorized Absence

A resignation, as a result of unauthorized absence, does not entitle the employee to payment of any benefits due. It is a resignation by an employee considered to be "not in good standing" as a direct result of the unauthorized absence and said employee shall not be eligible for rehire. See Section 25.

SECTION 24. SECTION 44, LAY-OFF AND RECALL, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 44, Lay-Off and Recall, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 44
LAY-OFF AND RECALL

44.1 Lay-Off

The City Manager shall have the authority to lay off any employee(s) because of lack of funds, lack of work or when there has been an insufficient appropriation to meet salary requirements necessary to maintain existing personnel in any Department. The City Manager shall notify the City Council of this action at the first appropriate opportunity. A reduction in the number of employees in a job classification shall be made by recommendation of the Department Head with the concurrence of the City Manager. The City Manager shall assess the need to provide essential services in each department. Then, temporary employees shall be released first. Probationary employees will be released second. Permanent, full-time employees will be released last. The City Manager shall give written notice to any employee being separated at least two (2) weeks prior to the effective date contained in the notice. Whenever it becomes necessary to reduce the number of employees in a given job classification and notice of such lay-off is given to the affected employee(s) for any of the reasons enumerated herein, this notice shall be final and not subject to appeal.

Employees laid off will be entitled to receive payment for their recorded, accrued time, the same as if they had resigned in good standing.

44.2 Recall

Names of employees laid off by the City will be maintained on a recall register for a period of ~~six (6) months~~ one (1) year. During this period, should an appropriate job become available, one for which the laid-off employee has adequate job-related skills, the former employee will be notified.

Following this notice, the employee would subsequently be treated like any new applicant applying for City employment. However, if recalled to the same position, a recalled employee who has previously completed a probationary period in said position, will not be required to complete an additional probationary period upon recall. All employee benefits will be offered to the employee immediately upon recall to his/her position.

Should a laid off employee refuse two (2) job opportunities offered by the City, his/her name shall be removed from the recall register.

SECTION 25. SECTION 45, DISCIPLINARY ACTIONS, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 45, Disciplinary Actions, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 45 DISCIPLINARY ACTIONS

Statement of Policy

It is the policy of the City of Destin to provide a well-defined system of discipline which sets forth standards of conduct and guidelines for disciplinary actions and which will be applied to all employees equitably, without bias or prejudice.

45.1- General Provision

It is the intent of the City that discipline should be characterized as corrective and constructive rather than punitive and that disciplinary actions be utilized as an element of an overall program to educate and motivate employees to exhibit behavior which will contribute to individual growth and development and to the successful operation of City government.

The type of discipline used may vary in each case, depending on the employee's past work record and/or seniority, ease with which he/she can be replaced, the severity of the misconduct, or other factors related to the efficient operation of City business. Nothing herein requires that any particular type of discipline be used as a condition precedent to the use of another form of discipline.

45.2- Applicability

Any City employee may be disciplined.

45.3- General Infractions

The need for disciplinary action may arise as a result of different kinds of action on the part of the employee, such as, but not limited to:

1. ~~Failure to perform his/her job in a satisfactory manner, that is unsatisfactory performance as to one or more of the requirements of the job.~~
2. Infractions of rules, regulations, policy or procedures as established either by the City Council or City Manager.
3. Offenses or misconduct which violate general rules of behavior or are specifically prohibited by law.

45.4- Specific Infractions

The following types of infractions, offenses, or misconduct represent typical reasons for disciplinary action and are not meant to be the only permissible reasons for such action.

1. Absence without calling in.
2. Disregard or violation of safety rules.
3. Distracting other employees.
4. Failure to report an injury.
5. Failure to keep the work area tidy.
6. Failure to follow instructions.
7. Leading or participating in a work slowdown.
8. Gambling while on duty.
9. Late for work without valid reason.
10. Leaving work area without permission.
11. ~~Incompetence or inefficiency in the performance of assigned duties.~~
12. Use of another employee's equipment without permission.
13. Involvement in an accident chargeable to employee while operating City vehicles or equipment.
14. Operating a City vehicle or equipment without a proper and valid driver's license.
15. Habitual extension of lunch periods or break periods.
16. Abuse of sick leave privilege.
17. Conduct unbecoming of a City employee.
18. Failure to report an accident.
19. Insubordination.
20. Leaving job without permission.

21. Outside employment that interferes with City job.
22. Possession or drinking of alcoholic beverage or use of drugs on the job.
23. Giving falsified information or refusal to give testimony.
24. Reporting to work when intoxicated or under the influence of drugs.
25. Sleeping on the job.
- ~~26. Union solicitation which is prohibited by law.~~
27. Threatening co-worker or supervisor.
- ~~28. Unauthorized posting of notices or distribution of union material.~~
29. Unauthorized use or unsafe operation of City property, equipment or vehicle.
30. Use of abusive language to an employee, co-worker, supervisor or public.
31. Abuse of City vehicle or equipment.
32. Conviction and imprisonment for a felony or first degree misdemeanor directly relating to the position held.
33. Excessive accidents resulting in injury to self, others or damage to equipment.
34. Falsifying application or concealing information during screening and processing.
35. Giving false testimony.
36. Leading or participating in a strike.
37. Falsifying attendance or leave records.
38. Failure to work required overtime assignments or unavailability during stand-by duty.
39. Fighting on the job or engaging in any intentional act which may inflict bodily harm on anyone.
40. Participation in prohibited political activity.
41. Theft or removal from City locations without proper authorization, any City property or property of any City employee.
42. Soliciting or accepting an unauthorized fee or gift.
43. Unauthorized display or possession of a firearm or concealed weapon on property or while performing official City duties.
44. Sale of narcotics or alcohol while on duty.
45. Alcohol and/or drug influence during working hours.
46. Any other action that would bring discredit or interfere with the city service.

45.5- Application for Disciplinary Action.

The following are general considerations to be utilized in administering disciplinary actions:

1. Although internal consistency in administering discipline (both departmentally and City-wide) is desirable, numerous

factors should be considered in determining the appropriate level of discipline to be assessed at each successive step.

2. Some of the factors involved include time intervals between offenses, effectiveness of prior disciplinary actions, willingness to improve, overall work performance, job attitudes, and disciplinary actions previously taken with other comparable employees for similar offenses.
3. Some infractions may be more serious in one case, because of the employee's responsibilities, than in another case. For example, failure to be at an assigned work station would be a more serious offense for a dispatcher or watchman than for a secretary or maintenance worker.
4. A repetition of the same offense or other serious offenses indicates that more severe disciplinary measures should be administered.
5. Certain offenses are of such a serious nature that immediate discharge upon first offense is applicable.
6. When circumstances permit, the City Manager and Department Heads are encouraged to pursue a philosophy of "progressive discipline" by administering gradually increasing disciplinary actions for each successive instance of employee misconduct. Each level of progressive discipline shall be fully documented for inclusion in the employee's personnel folder.
7. Incidents of misconduct may differ in individual cases from somewhat similar incidents, and the City retains the right to treat each incident on an individual basis without creating a precedent for cases which arise in the future.
8. These provisions are not to be construed as a limitation upon the retained rights of the City, but are to be used as a grade.

45.6- Types of Disciplinary Action.

The following types of disciplinary actions are available to management.

1. Oral Reprimand (Counseling Report)

The purpose of an oral reprimand is to allow the supervisor to bring to the employee's attention the need for improving ~~performance, work habits,~~ behavior, or attitude, and to serve as a warning against further repetition of the unsatisfactory conduct. The supervisor should utilize the occasion to identify and define the area needing improvement and inform the employee as to

how such improvement can be realistically achieved. Counseling forms are to be utilized to record actions taken.

2. Written Reprimand (Reprimand Form)

In situations where an oral warning has not resulted in the expected improvement, or when an employee commits a more serious offense, a written reprimand should be given to the employee. Reprimand forms are to be utilized to record actions taken and should include incident(s) detailed description, specific times, dates, locations, personnel involved, and rules violated. The reprimand should indicate an expected date of improvement or period allowable for improvement.

3. Suspension (Letter with causes)

In the event of continued and repetitive offenses for which the employee has already received oral or written reprimands, or where the nature of the offense is relatively serious, an employee may be suspended for a specific period of time.

Such suspension shall be without pay and, if for more than one day, shall be issued on a consecutive working day basis. A suspended employee may not be permitted to work on his normal day(s) off, nor take paid leave time, nor make up the time by working overtime, in lieu of a payroll loss for the period of suspension. A narrative report showing the number of days and specific dates of suspension, in order for the appropriate payroll computation to be made, should be sent to Personnel with an acknowledgement from the employee.

4. Dismissal

For unremedied, unremediable lesser offenses, repetition of serious offenses, or on the first occurrence of an extremely serious offense an employee may be dismissed from the City employment. A letter stating the reason(s) for termination must be given to the employee with a copy sent to Personnel for the employee's file.

In cases where an investigation may have to be made of the employee's conduct or of the seriousness of the offense, an employee should be placed on indefinite suspension which may later be changed to dismissal depending on the results of the investigation. Such suspension may be with or without pay and, ~~if with pay, requires the prior approval of the City Council.~~

45.7- Disciplinary Action Procedures

The authority for most disciplinary actions are initiated by the immediate supervisor. In general, the final authority to approve a disciplinary action is related to the type of action taken.

45.8- Action Approval Authority

The action and approval authority for respective action are as follows:

<u>Type of Action</u>	<u>Authority to Approve</u>
Oral Reprimand (Counseling Form)	Immediate Supervisor
Written Reprimand (Reprimand Form)	Department Head/City Mgr
Suspension (letter)	City Manager
Dismissal (letter)	City Manager

SECTION 26. SECTION 46, DISMISSAL, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 46, Dismissal, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 46 DISMISSAL

Any employee may be dismissed by the Department Head, with the approval of the City Manager. For regular employees, a written statement of the reasons therefore shall be submitted to the employee affected.

Although dismissal may be based on other cause(s), any one or more of the following shall be sufficient:

1. Incompetence or inefficiency in the performance of duties.
2. Conviction of a criminal offense or of misdemeanor involving moral turpitude or directly related to the duties of the position.
3. Willful or repeated violation of any of the provisions of the City Charter, policies, rules or regulations.
4. Willful violation of any lawful and reasonable regulation, order or direction made or given by a superior, which violation has amounted to insubordination or serious breach of proper discipline or has resulted in loss or injury to the public.
5. Drinking intoxicating ~~liquors~~ beverages while on duty, or ~~being addicted to the use of narcotics~~ utilizing illegal drugs, and/or controlled substances without a proper prescription, or off duty where such consumption impairs an employee's ability to perform his/her duties.
6. Repeated Offensive conduct or language toward the public

- or fellow employees.
7. Carelessness or negligence in the use of the property of the City of City funds.
 8. Attempting to induce any officer or employee of the City to commit an act in violation of any lawful or reasonable regulation.
 9. Conduct, either while on or off duty, which reflects discredit upon the city.
 10. Hindering the regular operation of the Department or Division because of excessive absenteeism.
 11. Incapacity for the proper performance of duties because of a permanent or chronic physical or mental ailment or defect that cannot be accommodated by the City without placing an undue hardship on the conduct of business.
 12. Being absent without leave or failing to report for more than one (1) work day.
 13. Failure to notify the Department Head within one (1) working day of suspension or renovation of valid operator or chauffeur's license (applies only to employees whose job requires valid operator or chauffeur's license).
 14. Making a false statement of a material fact or practicing or attempting to practice any fraud or deception.
 15. Unauthorized use of City vehicle or equipment.
 16. Repeated failure to wear City uniform, if required.
 17. Failure to maintain current status of related licenses and certificates required for performance of the position.

SECTION 27. SECTION 48, EXITING PROCESS, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 48, Exiting Process, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 48
EXITING PROCESS**

48.1 Return of City Property

Each employee who is entrusted with City property is responsible for the safety and maintenance of said property. At the time of separation from service and prior to receiving final payment due, all property entrusted to said employee including but not limited to, records, books, uniforms, keys and tools, shall be transferred or returned to the Department Head or supervisor.

~~48.2 Exit Interview~~

~~A terminating employee, regardless of the type of separation of service, shall complete and sign an exit interview form. This form will be forwarded to the City Manager for review. The exit~~

~~interview form is a tool to assist the City to evaluate its status in the area of personnel practices. Exiting employees should be encouraged to complete the form candidly and honestly.~~

~~The employee's standing at time of separation shall not be affected in any manner by his/her comments on the exit form. An employee may refuse to complete the form in full but shall be required to note "no comment" and sign his/her name. Exit interview forms shall be retained in the personnel files.~~

SECTION 28. SECTION 49, SAFETY AND REPORTING ACCIDENTS, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 49, Safety and Reporting Accidents, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 49
SAFETY AND REPORTING ACCIDENTS**

49.1 Policy Statement and Responsibility of City Manager

The City is vitally interested in the safety and well being of every employee and the general public. It is the intent of the City to provide safe equipment, procedures and surroundings for all employees and the general public and to provide safe and healthful working conditions. The City Manager shall have responsibility for the establishment of safety standards and for the administration and on-going development of safety education and training to accomplish these goals.

49.2 Safety Precautions

The Department Heads are responsible to the City Manager for the observance of safety precautions by all their employees.

All employees shall observe the following rules and practices:

- Take every precaution for the prevention of accidents to themselves, their fellow employees and the public.
- Bring any hazardous condition to the attention of their Department Head.
- Observe the proper procedures for safe operation of all equipment used in the performance of the employee's duties, particularly vehicles and heavy equipment.
- Observe safety rules, regulations and procedures.
- Wear required safety equipment.
- See to it that the safety equipment they are required to

use or wear in the performance of their duties is in proper condition and is used as instructed.

49.3 Reporting Accidents

It shall be the responsibility of each employee to immediately report any accident to the Department Head. The employee will also assist, if possible, the appropriate person in filing the "First Report of Injury" as required by the State's Worker's Compensation laws. It shall be the responsibility of the Department Head to investigate the circumstances of the accident; to secure the names of employees and/or other persons who witnessed the occurrence; to make such investigation as may appear to be desirable necessary; to make a written report of the information secured; and to forward such to the City Manager for review and appropriate action.

49.4 Vehicular Accident Review Board

Following the reporting process outlined in Subsection 49.3 above, the City Manager shall convene a Vehicular Accident Review Board to review the circumstances of vehicular collisions, or other accidents or incidents, which result in bodily injury or property damage.

This Review Board shall be comprised of three (3) employees, regular, temporary, contract or otherwise, only one of which may be a Department Head, and will be appointed by the City Manager. No member of the Review Board may be a member of the Department reporting the matter to be reviewed. The term of service expires at the conclusion of the investigation and submission of a report to the City Manager. The City Manager may recall former Review Board members for future occasions or may rotate service. There will be no additional compensation for this service.

The Vehicular Accident Review Board shall review the Department Head's report, police reports, if applicable, may require further testimony from witnesses, the involved employee(s) and the Department Head, make on-site inspection of the accident scene and take other action necessary to reach its findings. The Board shall report to the City Manager its determination as to cause, contributing factors, "preventability" and measures to prevent reoccurrence, if possible. The Vehicular Accident Review Board shall not make any recommendations regarding the employee(s) involved in the accident. Such determination remains the purview of the Department Head and/or City Manager.

49.5 Disciplinary Action

Accidents which, after investigation, show carelessness or negligence on the part of any employee and indicate a disregard for his/her safety or the safety of others shall be cause for disciplinary action, to include termination of employment.

49.6 Safety Advisory Committee and Safety Officer

The City Manager may appoint a member of his/her staff to service as Safety Officer and may authorize the establishment of a Safety Advisory Committee, to be comprised of one employee representative from each Department. The Safety Officer shall be the Chairman of the Committee. The employee representatives shall be appointed from informal vote of his/her Department co-workers. There will be no additional compensation for this service.

The Safety Advisory Committee shall meet periodically to establish, promote and monitor safety measures throughout the organization. Minutes of the meeting shall be kept and copies shall be sent to the City Manager and each Department.

All members of the Safety Advisory Committee shall encourage the observance of safety regulations, serve as good examples for their co-workers and shall develop programs to stimulate awareness of the importance of safety to the employees and general public.

SECTION 29. SECTION 50, OCCUPATIONAL INJURY/DEATH, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 50, Occupational Injury/Death, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 50 OCCUPATIONAL INJURY/DEATH

50.1 General Policy

~~If an employee is injured, regardless of how minor the injury, a Supervisor's Report of Accident form must be completed and submitted to the City Manager no later than one (1) working day following the accident. Notice of serious injuries requiring immediate medical attention should be phoned into the City Manager's Office and later confirmed by the report.~~

~~It is the supervisor's responsibility to prepare and submit the Supervisor's Report of Accident. Under no circumstances should the report be prepared by an injured employee.~~

~~The City Manager shall refer the employee to a doctor and shall set up the initial appointment with the doctor for regular treatment; however, hospital room emergency treatment may be authorized by the Department Head or immediate supervisor in cases of serious injury.~~

~~The supervisor must immediately notify the City Manager when an employee has been transported to an emergency room, since employment verification by the hospital will be made through that office.~~

~~The City Manager's Office shall be responsible for filing the Notice of Injury and for all future correspondence relating to the claim.~~

~~The City Manager's Office must be notified of any lost time due to the injury.~~

~~Upon returning to work after an injury, an employee must have a Physician's Statement releasing him/her to resume duties.~~

~~After the injury has been thoroughly investigated by the City Manager's Office, the injured employee may be eligible for Workers' Compensation, pursuant to Florida Statutes.~~

~~Florida Statute 440.12(1) provides, in part, that no compensation is allowed for the first seven (7) days of a disability, except for payment for medical services and treatment rendered. However, if the disability continues beyond fourteen (14) days, compensation may be allowed retroactively to the date the disability began.~~

~~It is the policy of the City that no compensation or any accrued leave time, including sick leave, will be paid to the employee for the first seven (7) days after the date "disability" commenced. If the disability continues beyond seven (7) days accrued leave, including sick leave, will be paid upon request to the employee until Workers' Compensation payment for disability commences.~~

~~If any additional information is needed to answer questions regarding Workers' Compensation or an individual employee's injury, his/her supervisor shall contact the City Manager's Office.~~

50.2 Occupational Death

~~If an employee's death results from the performance of his/her duty and is not caused by willful negligence on the part of the employee, the survivors or beneficiaries of the employee may be entitled to Line of Duty Accidental Death Benefits.~~

~~State law requires that all employees' Line of Duty injuries or death be covered by Workers' Compensation benefits.~~

50.1 - General Policy

All City employees are covered by and are entitled to the benefits of the Florida Workers Compensation Law. If an employee is injured in the course of performing his/her duties regardless how minor the injury, (s)he is responsible for immediately advising the immediate supervisor. The supervisor is responsible for preparing and submitting the "Supervisor's Report of Accident" to the City Manager's Office no later than (1) working day following the accident. The City Manager's Office shall be responsible for filing the Notice of Injury and for all future correspondence

relating to the claim.

Section 440.12(1) provides, in part, that no compensation shall be allowed for the first seven (7) days of the disability. However, if the injury results in disability of more than twenty-one (21) days, compensation shall be allowed from the commencement of the disability. Accordingly, compensation for time off the job due to a work-related injury, commences at the beginning of the second week. The employee has the option of using any accrued vacation and/or sick leave during the initial period of injury not covered under this provision. At the time of injury, the employee will sign a statement declaring whether or not he/she wants to exercise their option of using vacation and/or sick leave for the first week or only be paid the sum allowed by the Workers Compensation Law.

Upon returning to work after an injury, an employee must have a physician's statement releasing him/her to resume duties.

SECTION 30. SECTION 51, GROUP INSURANCE, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 51, Group Insurance, of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

**SECTION 51
GROUP INSURANCE**

~~The City provides life, health and dental insurance coverage effective the first (1st) day of the first (1st) month after ninety (90) days probationary period, excluding those employees classified as temporary, at no cost to the employee. Life, health and dental insurance coverage provided by the City shall become effective for all new full-time employees who have completed thirty (30) days of service, at no cost to the employee. The employee is also entitled to family coverage, if desired, with the City and the employee equally sharing the cost.~~

Should an employee desire dependent coverage, said coverage may be purchased by payroll deduction beginning at the time of the employee's eligibility. Insurability depends on any pre-existing conditions.

~~When an employee becomes eligible for insurance, the City Manager's Office shall forward evidence of insurance and an insurance booklet outlining the benefits of the policy to the employee. The employee will complete all insurance paperwork the first day they start work. It will be sent onto the insurance carrier and they implement the policy on the employee's effective date.~~

51.1 Group Health Insurance

For up-to-date information on hospitalization and major medical

benefits, the employee should refer to the insurance schedule booklet.

51.2 Group Life Insurance and/or Accidental Death Benefits

~~The amount of life insurance is the amount stipulated by the insurance schedule.~~ Life insurance amounts are \$15,000 for non-exempt employees and \$25,000 for exempt employees. Life insurance and/or accidental death coverage is extended only to employees.

51.3 Disability Insurance

The City provides a comprehensive disability program -- which consists of both short-term and long-term disability benefits -- for its employees. The coverage is effective following completion of the employee's three (3) month probationary period, excluding those employees classified as temporary, at no cost to the employee.

When an employee becomes eligible for disability insurance, the City Manager's Office shall forward evidence of insurance, and a disability insurance booklet, outlining the benefits of the policy to the employee.

For up-to-date information on disability benefits, the employee should refer to the insurance schedule booklet.

51.4 C.O.B.R.A. Benefits

An employee of the City has the right to choose continuation coverage (COBRA) if group health benefits are lost due to a reduction in hours or termination of employment, for reasons other than gross misconduct.

When the Health Plan Administrator is notified that one (1) of these events has happened, the Plan Administrator will in turn notify the employee that he/she has the right to choose continuation coverage. Employees have sixty (60) days (from the date they would lose coverage because of one of the events described above) to inform the Plan Administrator that they want the continuation coverage.

Once an employee chooses to receive COBRA benefits, premium payments will be due on the 25th of each month, preceding the employer's payment. Termination of coverage will result if payment is not received within thirty (30) days of the due date.

If the employee does not choose continuation coverage, his/her health insurance coverage will end.

SECTION 31. SECTION 55, RETIREMENT, OF THE CITY OF DESTIN PERSONNEL RULES AND REGULATIONS AMENDED. Section 55, Retirement,

of the City of Destin Personnel Rules and Regulations, Ordinance 109 as amended heretofore by Ordinance 109.1, is hereby amended as follows:

SECTION 55 RETIREMENT

The City offers a comprehensive retirement program for its employees with the basic Retirement Plan. ~~and an optional Deferred Compensation Plan.~~ The City also allows a payroll deduction for a Deferred Compensation Plan.

55.1 Retirement Plan

~~Following the completion of (90) ninety days' service, employees are entered into the retirement plan. The City contributes an amount equal to six (6%) percent of the employee's annual salary into the plan. The City will also match an employee's contribution up to a maximum of five (5%) percent of the employee's annual salary if the employee participates in the Deferred Compensation Plan. This contribution is in conjunction with the City's Retirement Plan.~~

55.2 Deferred Compensation Plan

~~Following the completion of (90) ninety days' service, employees can elect to participate in the Deferred Compensation Plan. Participants select an amount of salary, not to exceed \$7,500 per year, to contribute by payroll deduction. The City will match the employee's contribution up to a maximum of five (5%) percent of the employee's annual salary. Upon commencement of employment, employees will be given a separate handbook relating to the Deferred Compensation Plan.~~

55.3 Vesting Schedule

The vesting schedule of the City contributions is determined in accordance with the following schedule:

<u>NUMBER OF YEARS OF SERVICE CREDIT FOR VESTING</u>	<u>VESTED PERCENTAGE</u>
0-1	0
2	20
3	30
4	40
5	50
6	60
7	70
8	80
9	90
10	100

SECTION 32. Effective Date. This Ordinance shall become effective upon its adoption by Council and signature of the Mayor.

ADOPTED: October 4, 1993

BY: Dr. Walter E. Thomas
DR. WALTER E. THOMAS
MAYOR

ATTEST:

Philip Cook
PHILIP COOK
CITY MANAGER

Carolyn Lee Garrett
CAROLYN LEE GARRETT
CITY CLERK

The form and legal sufficiency
of the foregoing has been
reviewed and approved by the
City Attorney.

Jerome Miller
J. JEROME MILLER
CITY ATTORNEY

First Reading 9-20-93

Second Reading 10-4-93

Note: Additions are underlined; deletions are ~~stricken~~.

a:\ordd\employee.p&p

**CITY OF DESTIN
REQUEST FOR OUTSIDE EMPLOYMENT**

POLICY:

Section 21 of the City of Destin Personnel Policy reads as follows:

“An employee shall not accept outside employment, either incidental, occasional, or otherwise, where City time, equipment, or materials is to be used or where such employment or any part thereof is to be performed on City time.

An employee may be authorized to accept incidental or occasional outside employment as long as such employment is not contrary, detrimental or adverse to the interest of the City or any of its departments.

Approval by the Department Head is required for all outside employment. Such approval or denial shall be retained in the employee’s Personnel File.

Requests to engage in outside employment must be in writing and must explain the type of employment and hours involved for which the request is made. Such requests shall be submitted to the Department Head for approval or disapproval, and a copy of the request shall be forwarded to the City Manager’s Office for inclusion in the personnel file. If outside employment appears to be contrary to the City policies concerning such employment, a final decision shall be made by the City Manager as to whether or not any employee can engage in such employment.”

PROCEDURE:

- Λ It is suggested that before pursuing outside employment, you meet with your Department Head to discuss the nature of the employment you wish to seek.
- Λ The policy also requires that all requests be submitted in writing to the Department Head for approval or disapproval. A copy of this request is also to be forwarded to the City Manager’s office so that it can be filed in your personnel file.
- Λ The policy requires that you provide the following information:

DESCRIPTION OF OUTSIDE EMPLOYMENT

Type of Employment: _____

Name of Employer: _____

Estimated Hours: _____

Anticipated Start Date: _____

Seasonal or Permanent: _____

- Λ “Approval by the Department Head is required for all outside employment. Such approval or denial shall be retained in the Employee’s Personnel File.”
- Λ If outside employment appears to be contrary to the City policies concerning such employment, a final decision shall be made by the City Manager as to whether or not any employee can engage in such employment.
- Λ Permission to engage in supplemental employment may be denied or withdrawn at any time when the Department Head feels such employment is interfering with the employee’s efficiency or is in conflict with the interest of the City.

EMPLOYEE’S COMMENTS:

I, _____ have read and understand the above-stated policies and requirements. I would like to have my Department Head and/or the City Manager evaluate the information that I have provided regarding Outside Employment.

Signed: _____ Date: _____

DEPARTMENT HEAD’S COMMENTS:

CITY MANAGER’S COMMENTS:

Approved Disapproved Department Head Signature: _____ Date: _____
Circle One

Approved Disapproved City Manager Signature: _____ Date: _____
Circle One

