

**REGULAR MEETING
DESTIN CITY COUNCIL
SEPTEMBER 18, 2023
CITY HALL ANNEX COUNCIL CHAMBERS
5:30 PM**

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

Destin City Council

Mayor Bobby Wagner
Councilmember Torey Geile
Councilmember Terésa Hebert
Councilmember Jim Bagby

Councilmember Dewey Destin
Councilmember Johnny King
Councilmember Kevin Schmidt

Destin City Staff

City Manager Lance Johnson
City Engineer Ryan Scott
IT Director Andy Peters
Finance Director Krystal Strickland
HR Manager Jaime Dittmer
Parks/Rec Director Lisa Firth
City Attorney Kimberly Kopp

City Clerk Rey Bailey
Public Works Director Michael Burgess
Community Development Director Louis Zunguze
Grants/Project Manager Jeffrey Cozadd
Public Information Manager Tamara Young
Code Compliance Director Troy Williams
Deputy Code Compliance Director Brian Davis

CALL TO ORDER, INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Bobby Wagner called the meeting to order at 5:30 PM. Pastor David J. Butler of Faith Assembly Christian Church gave the invocation, which was then followed by the recitation of the Pledge of Allegiance.

AGENDA APPROVAL

Requests were made to move agenda item 4A – *401 Beach Drive Update*, to the top of the agenda, and to move agenda item 4C – *Undergrounding Overhead Utilities*, to the top of the City Manager Reports section of the agenda.

Motion by Councilmember Hebert, seconded by Councilmember King, to approve the agenda, as amended, passed 6-0 (Council members Schmidt, King, Hebert, Bagby, Destin, and Geile voted “yes”; Councilmember Sweetser was absent from the meeting).

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

- A. Public Works/Public Safety Committee 2023-2024 Work Plan, presentation by Committee Chairman Jim Wood

Mr. Jim Wood, Public Works/Safety Committee Chairman, presented the committee's annual workplan.

Motion by Councilmember Bagby, seconded by Councilmember Destin, to approve the Public Works/Public Safety Committee 2023-2024 Work Plan passed 6-0 (Council members Schmidt, King, Hebert, Bagby, Destin, and Geile voted "yes"; Councilmember Sweetser was absent from the meeting).

The next item discussed was agenda item 4A

2. PUBLIC COMMENTS

3. CONSENT AGENDA

- A. Operations Financial Report
- B. Capital Project Status
- C. Amendment to Gulf Shore Drive Extension Construction Agreement For Completion of Construction by December 31, 2023.
- D. Resolution 23-20 39th Annual Christmas Parade
- E. Annual Insurance Renewals
- F. City of Destin Vulnerability Assessment - Dewberry Work Authorization
- G. 607 Choctaw Ave- Proposed Residential Marine Construction Project for the construction of a new marginal dock, consisting of a 36.2' x 6' section and an 8' x 6' section
- H. Approval of minutes of September 7, 2023, Regular City Council Meeting
- I. Approval of minutes of July 17, 2023, Regular City Council Meeting

Councilmember Schmidt moved for approval of Consent Agenda items 3A through 3I; seconded by Councilmember King. Motion passed 6-0 (Council members Schmidt, King, Hebert, Bagby, Destin, and Geile voted "yes"; Councilmember Sweetser was absent from the meeting).

Following approval of the Consent Agenda, the next item discussed was agenda item 4B.

4. CITY MANAGER REPORTS

- A. 401 Beach Drive Update

The City Attorney announced that the Okaloosa County School Board included on their Monday, September 25th meeting agenda a request for authorization for a submittal of a proposal to purchase a 7.6-acre vacant parcel of land located at 401 Beach Drive, Destin, Florida, which is contiguous to the boundary of the Destin Elementary School Campus. It will be presented by Deputy School Board Superintendent Steve Horton, and the School Board Superintendent is recommending approval by the School Board. Dr. Diane Kelly, a school board member, Mr. Grant Myer, Director of Operations, and Doctor Bill Smith, Program Director of Facilities are present in the audience tonight.

At this time, the mayor opened the floor for public comments with regards to this topic.

Mr. Jay Howard, Vice President of Business Development, Howard Group, announced he had secured two separate \$100,000 private donations towards the purchase of the property. If the money is not needed, those donations can be used towards the improvement of the school playground and landscaping around the playground.

Having no other public comments, the mayor turned the matter over to the city council for further discussion and action.

Councilmember Schmidt stated that though he is quite appreciative of the school district's intention to purchase the property, they have not actually made an offer or provided a proposal to purchase the property, and the due date to make an offer is tomorrow afternoon. He added that the school board does not meet until Monday, September 25th. He recommends having a council decision tonight to make an offer contingent upon the school board voting to purchase the property at their meeting next week.

Councilmember Geile moved to authorize the City Manager and City Attorney to negotiate and make some type of offer in the realm of the appraisal value of the property; seconded by Councilmember Schmidt.

Councilmember Destin noted they would have to put down 10% earnest money when they make an offer. He would like to know what happens to the city's earnest money if the school board or another entity ends up buying the property.

According to the City Attorney, they could address that issue with the terms of the offer to be made whether the seller wants the city to lose the earnest money if they were to back out from the deal. She also stated that the council could make the offer they are comfortable with, she will discuss it with the broker, and proceed from there.

Councilmember Bagby stated that he trusts the school board to do the right thing and that he feels confident the school board will be able to obtain the property.

Councilmember Bagby offered a substitute motion to authorize the City Manager and City Attorney to negotiate up to the school board's appraisal price and contingent on the school board approving 95 percent of that appraisal value; seconded by Councilmember Destin.

Councilmember Hebert wants to know if they could simply ask the broker to extend the deadline until after the school board meets and possibly make an offer on the property rather than the city making the offer and putting down the earnest money.

The City Attorney stated that the city could certainly make the request, and that it would likely be approved as the broker may want to have all the offers in hand before making a final decision. Also, in her conversation with the broker, she got the impression they want to reserve the right to make modifications to the current solicitation. However, it involves a Canadian Bankruptcy Court and there is no guarantee how things may end up.

Councilmember Schmidt expressed some concern over the statement Mr. Steve Horton, Assistant Superintendent of School Operations, made at the previous city council meeting when he stated that they have a desire for just a fraction of the parcel to create more green space for the students.

Councilmember Destin stated that he is confident the school board will make a good faith effort to purchase the property.

Councilmember Geile reiterated that the school board will not meet until Monday, September 25th, and that it was his understanding that the broker has already received other offers, and that they would likely entertain some of those offers. He believes the city attorney understands exactly the desire of this council and what is best for this community and that she could write the offer in a manner that would help protect the interest of the city. He recommends giving the city attorney the liberty to negotiate something not unbearable for the City of Destin but would be fair to give the school board a chance to do what is necessary to get the job done.

Motion passed 5-1 (Council members King, Hebert, Bagby, Destin, and Geile voted "yes"; Councilmember Schmidt voted "no"; Councilmember Sweetser was absent from the meeting).

Following this item, the next item discussed was agenda item 4C.

B. Property Exchange - Shore at Crystal Beach Park

According to the City Manager, the proposed property exchange would consist of the city acquiring 2940 Scenic Hwy 98 and a "donation" offer of \$50,000 from the property owner in exchange for 2970 Scenic Hwy 98. This does not reflect the city's appraisals relating to the difference between property values. The city attempted to make a counteroffer, but the property owner has indicated no willingness to further negotiate. The staff is looking for the council's direction with regards to the potential land swap agreement being proposed by the owner of 2940 Scenic Hwy 98 and to possibly increase the amount of funds being offered by the owner of 2940 Scenic Hwy 98.

Councilmember Bagby moved to direct the City Manager and City Attorney to make a counteroffer of \$250,000 for the potential land swap agreement; seconded by Councilmember Destin.

Councilmember Schmidt recommends directing the City Manager and City Attorney to reach out to the owner of the white house (2968 Scenic Hwy 98 East) to see if they have any interest in selling the property to the City of Destin.

Councilmember Destin recommends doing both – making a counteroffer for the potential land swap and reaching out to the owner of the white house.

According to Councilmember Bagby, he would be willing to amend his motion to include both actions, however, he would like to know the City Attorney's understanding of the council's direction.

The City Attorney stated that she would ask the owner of the white house about his current asking price for his property and bring that information back to council as well as the response to the council's counteroffer for the property swap. She will have the conversation with each property owner and bring the results back to the city council.

Councilmember Bagby offered an amended motion to direct the City Manager and City Attorney to make a counteroffer of \$250,000 for the potential land swap agreement, and to reach out to the owner of the white house (2968, Scenic Hwy 98 East) to see if they have any interest in selling the property to the City of Destin, and send that information back to council as well as the response to the \$250,000 counteroffer for the land swap; seconded by Councilmember Destin. Motion passed 6-0 (Council members Schmidt, King, Hebert, Bagby, Destin, and Geile voted "yes"; Councilmember Sweetser was absent from the meeting).

Upon completion of this item, the city council moved on to agenda item 4D – City Manager Announcements.

C. Undergrounding Overhead Utilities – Update

Finance Director Krystal Strickland stated that the city has been receiving the cost estimates from the carriers – FPL, Cox Cable, Unity, and Century Link – if they do the labor to underground the facilities as well as the cost estimate if the city contractor performs the work. The city has the option allowing FPL and carriers to perform the work or to issue an RFP to hire a contractor to conduct the conversion of overhead utilities to underground.

Ms. Stephanie Lindsay, Project Manager for Utility Consultants of Florida, outlined the following positive reasons for the city to hire its own contractor:

1. If FPL and the carriers perform the work, they cannot guarantee the schedule and when crews will be in and out of the project. The crew's availability will be dependent on other projects, outages, storms, and other factors.
2. FPL and the carriers are not responsible for site restoration, sidewalk restoration, sub surface compaction, landscaping, and service laterals.
3. FPL and the carriers are not responsible for trenching and backfilling service laterals.

4. The FPL/Carriers option creates significant coordination challenges with city, business and residents being made aware of when and where FPLs and different Carrier's crews will be.
5. FDOT will require site areas to be restored or closed down until surface restoration is complete. The city would have to have a contractor ready each time FPL crews come out to the site. This requires continuous mobilization efforts with limited notice, including maintenance of traffic (MOT).
6. The cost for the contractor option is estimated. The cost is based on the estimates received from the utility owners and applied to current unit prices from recent bids, including Gulf Breeze.
7. FPL will require the city to make available all aerial to underground conversion from transformers to meters.
8. The "General" under the "FPL & Carriers Section" includes the estimated cost for lateral work not performed by FPL. The "General" under the "Contractor" is for survey, as-builts, and MOT.

Motion by Councilmember Bagby, seconded by Councilmember Hebert, to authorize staff to issue a Request for Proposals (RFP) to hire an FPL-approved general contractor to conduct the conversion of overhead utilities to underground passed 6-0 (Council members Schmidt, King, Hebert, Bagby, Destin, and Geile voted "yes"; Councilmember Sweetser was absent from the meeting).

Following this item, the next item discussed was the Consent Agenda.

D. Announcements

1. Monday, September 25th, 5:30 PM, in the Annex Council Chamber: Joint City Council and Local Planning Agency Workshop – Discussion and Recommendation of policies specific to the Land Development Code language of the new Article 4 –Zoning Districts, Overlays, and On-site Regulations.
2. Monday, October 23rd, 6:00 PM, in the Annex Council Chambers, Code Compliance Public Workshop.
3. September 16th, Finance Director Krystal Strickland was shown in as a board member of the Panhandle Chapter of Florida Government Finance Officer Association.
4. The resurfacing project for Vintage Circle and Vintage Court at Heritage Run Subdivision will be on September 26th.
5. The resurfacing project for the Destin Community Center and Sheriff's Substation parking lot is on or about September 28th.
6. Will start using the ARPA funds soon to replace the corrugated metal piping in West Destin with the schedule has yet to be determined.
7. The RFB for the demolition of three structures and appurtenances for the City of Destin is out. Deadline for bid submission is October 5th. The Destin Fire Control District would like to conduct three training exercises in the Legion Drive tri-plex prior to demolition. Staff want to make sure

- the council has no objection. The city will make sure waivers and harmless certificates are in place.
8. The RFB for the Destin Library Carpet Replacement is out and the deadline for bid submission on October 5th.

5. PUBLIC HEARINGS

- A. Second reading of Ordinance 23-13-CN - Adopting the Fiscal Year 2024 Millage Rate.

The City Attorney read Ordinance 23-13-CN by title, and then presented it to the city council on second reading.

AN ORDINANCE OF THE CITY OF DESTIN OF OKALOOSA COUNTY, FLORIDA, ADOPTING THE FINAL LEVYING OF AD VALOREM TAXES FOR THE CITY OF DESTIN FOR FISCAL YEAR 2024; 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 discussion and consideration.

Motion by Councilmember Hebert, seconded by Councilmember Destin, to adopt Ordinance 23-13-CN on second reading, adopting the Fiscal Year 2024 operating millage rate of 1.6150 mills, which is more than the rollback rate of 1.4553 by 10.97% passed 6-0 (Council members Schmidt, King, Hebert, Bagby, Destin, and Geile voted "yes"; Councilmember Sweetser was absent from the meeting).

- B. Second reading of Ordinance 23-14-CN - Adopting the Fiscal Year 2024 Budget

The City Attorney read Ordinance 23-14-CN by title, and then presented it to the city council on second reading.

AN ORDINANCE OF THE CITY OF DESTIN MAKING APPROPRIATIONS FOR CERTAIN EXPENDITURES, EXPENSES, CAPITAL IMPROVEMENTS AND CERTAIN INDEBTEDNESS OF THE CITY OF DESTIN, FLORIDA, FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023, AND ENDING SEPTEMBER 30, 2024; 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 discussion and consideration.

According to Councilmember Destin, in order to purchase the large properties that they talked about, they would need to readjust their priorities as they move forward with the budget. He added that delaying the purchasing of new vehicles for a year, raising fees, and/or doing a 3 percent or higher reduction to the departmental budget across the board are some of the options available.

Motion by Councilmember Hebert, seconded by Councilmember Bagby, to adopt Ordinance 23-14-CN on second reading to provide for a balanced budget for FY 2024 passed 6-0 Council members Schmidt, King, Hebert, Bagby, Destin, and Geile voted “yes”; Councilmember Sweetser was absent from the meeting).

Councilmember Geile requests that a complete list of city-owned properties and estimated value of those properties be made available to the council.

Councilmember Bagby requests that the Renewal and Replacement spreadsheet be provided to the council by the first council meeting in November.

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

- A. Councilmember Sweetser
- B. Councilmember Geile
- C. Councilmember Destin
- D. Councilmember Bagby

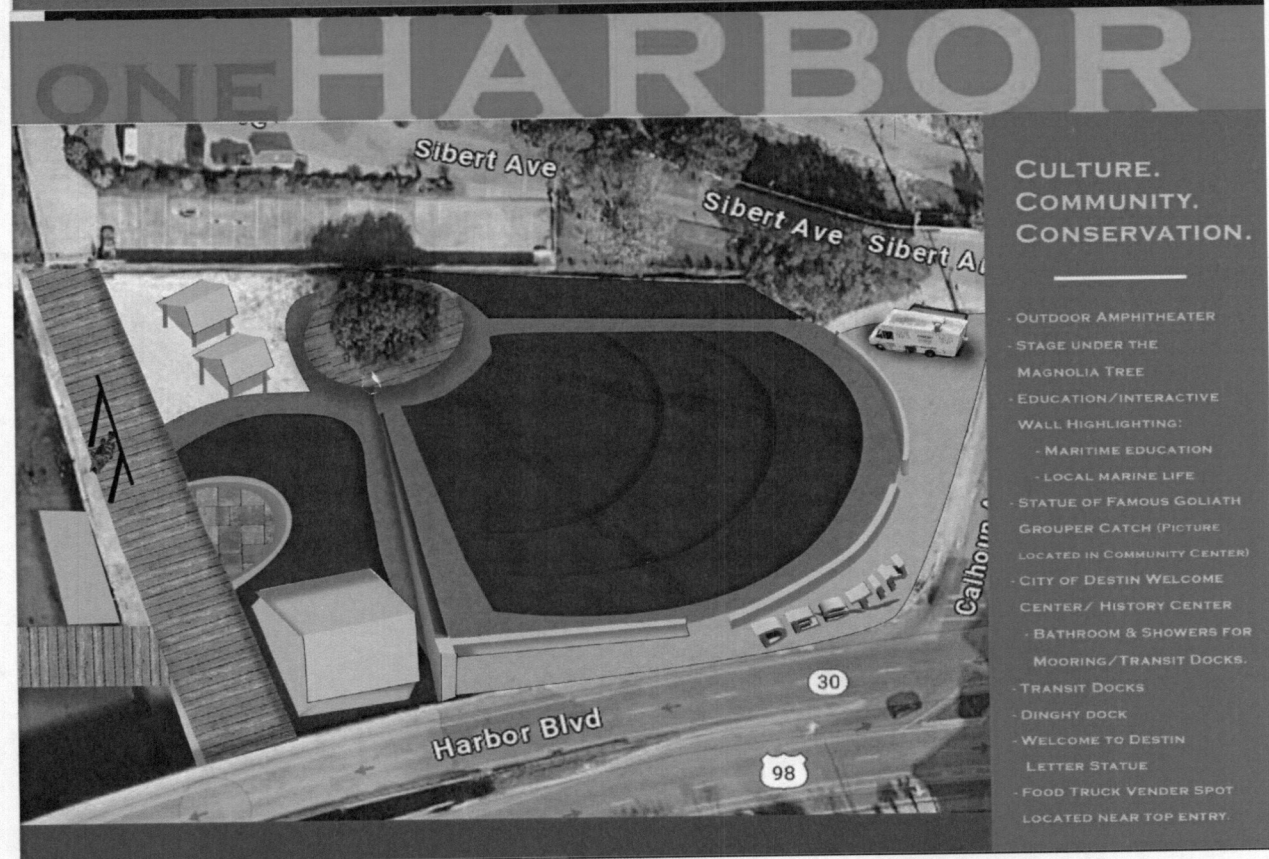
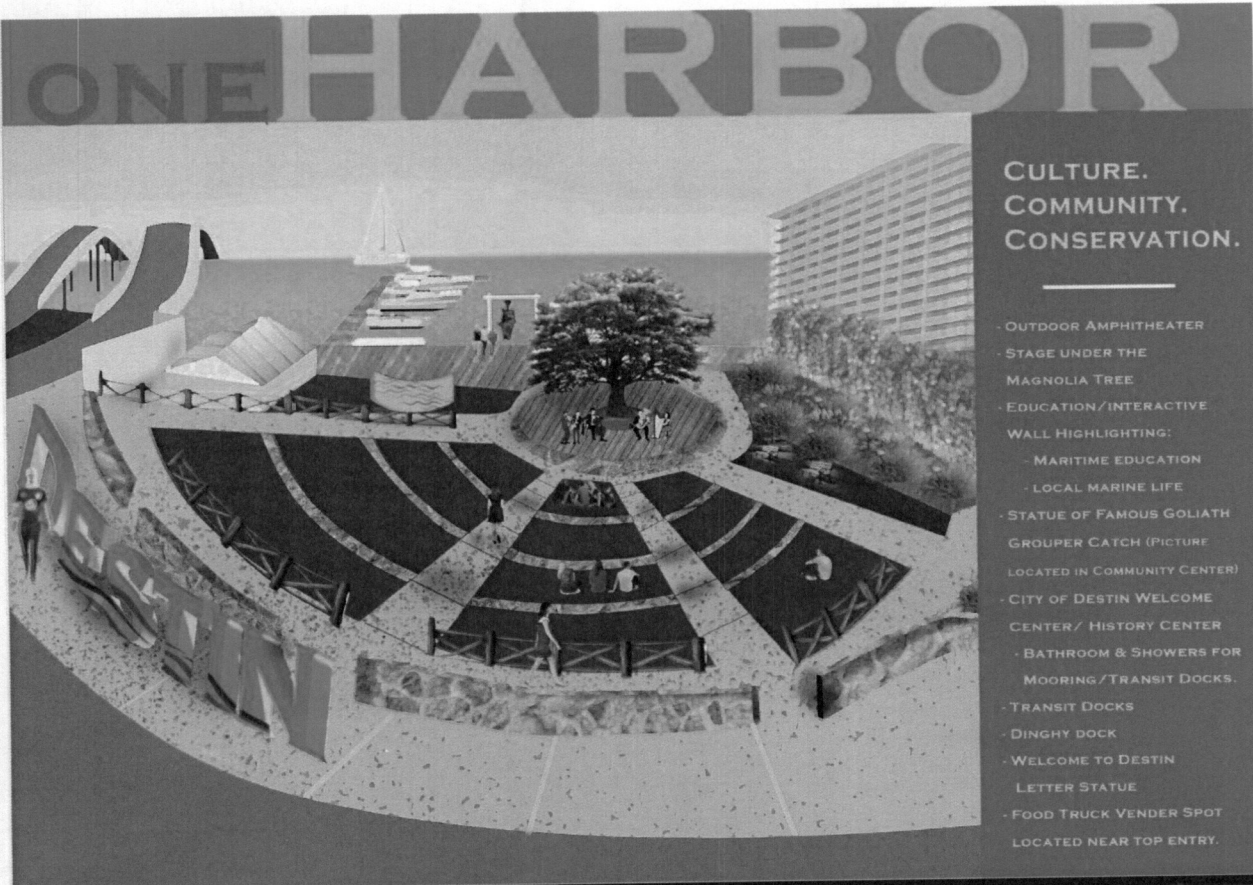
Councilmember Bagby requests that the “Parks Foundation By-Laws” be placed on the next council meeting agenda, and the draft bylaws ready for the council’s review. He stated this will be a great source of income that this city sorely needs. This is a way where people can donate parcels and money to the city and get a tax break.

- D. Councilmember Hebert
- E. Councilmember King
- G. Councilmember Schmidt

Councilmember Schmidt requests that staff look into the city’s median landscaping project on Main Street to see if there is anything missing based on their current contract or determine how landscaping can be improved in that area.

1. Conceptual Idea - 1 Harbor property

Councilmember Schmidt explained the details of his conceptual idea for the 1 Harbor parcel the city is trying to obtain, stating that the key focus is on the culture, the community, and the conservation. He expressed his gratitude to Mr. John Stephens and his wife Ally Stephens, for their creativity in creating the following conceptual drawings.



Mr. John Stephens added that this concept could potentially lead to the creation of a true mooring harbor and provide a station for a potential Harbor Master.

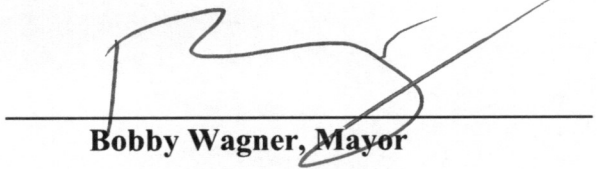
H. Mayor Wagner

J. City Attorney

7. PUBLIC COMMENTS

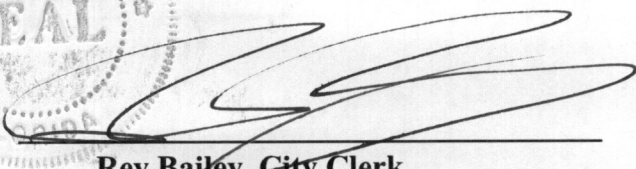
ADJOURNMENT

Having no further business at this time, the meeting was adjourned at 7:40 PM.



Bobby Wagner, Mayor

ATTEST:



Rey Bailey, City Clerk