REGULAR MEETING
DESTIN CITY COUNCIL
JUNE 3, 2024
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 Bobby Wagner	Councilmember Kevin Schmidt
Councilmember Torey Geile	Councilmember John Stephens
Councilmember Johnny King	Councilmember Jim Bagby
Councilmember Terésa Hebert	Councilmember Dewey Destin

Destin City Staff

City Manager Louis Zunguze	City Clerk Rey Bailey
IT Director Andy Peters	City Engineer Ryan Scott
Principal Planner Steve O'Connor	Building Official Noell Bell
Code Compliance Deputy Director Brian Davis	Public Works Director Michael Burgess
Parks & Recreation Director Lisa Firth	Finance Director Krystal Strickland
Parks & Recreation Dep Director Ryan Reed	Engineering Assistant II Joe Bodi
Projects/Grants/Contract Manager Jeffrey Cozadd	Code Compliance Officer William Morales
City Attorney Kimberly Kopp	

CALL TO ORDER, INVOCATION AND PLEDGE OF ALLEGIANCE

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

AGENDA APPROVAL

- Add approval of the Boathouse Oyster Bar 5K Run on June 15, 2024, and place it under agenda item 6G.
- Continue agenda item 5A – *Calhoun Harbor Development Conditional Use,* under Public Hearing to June 17, 2024, at 6 PM.

Motion by Councilmember Hebert, seconded by Councilmember King, to approve the agenda, as amended, passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

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

A. Rotary Club of Destin - Citizen Above Self Award 2024

Mayor Wagner read the Proclamation designating June 3, 2024, as the Rotary Club of Destin's "Citizen Above Self" Day in the City of Destin, and then presented it to Ms. Jennifer Lehrmann, recipient of the award for 2024.

2. PUBLIC COMMENTS

Ms. Janice Nicole Moran, 208 Snapper Drive, raised concerns about threats and corruption, the loss of a loop on Marino Point Drive, and the need for overnight parking.

Capt Gary Jarvis emphasized the need for speed and conviction on various projects, including the Destin Cross Town Connector and the undergrounding of utilities. He also suggested charter review and prioritization of the fishing industry.

Ms. Alicia Belcher, representing Dolphin Point, discussed the Marino Point Drive proposal, emphasizing safety and public interest. She pointed out that the proposal, which they have been working with city staff for a year and a half, meets all city requirements and was unanimously approved by the council on April 15th. In addition, the Dolphin Point Homeowners' Association will cover any financial obligations resulting from that proposal.

Mr. Jimmy Perkins, a Destin resident and business owner, criticized the quick dismissal of fishermen's concern during the May 20th city council meeting in favor of yacht owners.

Councilmember Bagby requests a replay of the portion of the May 20th city council meeting where he made comments during discussion of proposed modification to the livery vessel definitions, and to place this item under his name on the next council meeting agenda.

Ms. Carrie Harbarger, a Destin resident and business owner, voiced concerns about illegal businesses and lack of ordinance enforcement on the beaches. She stated that this has been going on for so long, and that she had already brought this matter verbally to the city's Code Compliance Department but the illegal operations have continued to happen.

Mr. Randall Bracewell, 28 Moreno Point resident and a short-term rental owner, highlighted the importance of parking for short-term rental guests and residents.

Mr. Kyle Coleman, a Niceville resident and business owner, defended his ice cream business against accusations of illegal operations and emphasized compliance with city regulations.

Mr. Don Dallas, 442 Snapper Drive, addressed recurring flooding issues on Snapper Drive and requested action from the city.

Another Snapper Drive resident echoes flooding concerns and the need for proper drainage on Snapper Drive.

Mr. Christian Carly, Chairman of the Destin Chamber of Commerce and Rotary Club President, thanked the council for their service and highlighted the community contributions of the Rotary Club.

3. CONSENT AGENDA

A. Approval of minutes of May 20, 2024, Council Executive Session
B. Approval of minutes of May 6, 2024, Regular City Council Meeting

Motion by Councilmember Hebert, seconded by Councilmember Stephens, to approve Consent Agenda items 3A and 3B, as printed above, passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

4. CITY MANAGER REPORTS

A. 2024 Debt Issuance Update

The Finance Director provided the following information:

Background Recap:

- In the past fall, the Council passed two reimbursement resolutions:
    - The first resolution to reimburse the city for the purchase of One Harbor Boulevard at a cost of $9 million.
    - The second resolution to reimburse the city for the undergrounding of overhead utilities. Management costs against this program have already been incurred, and materials have been ordered.
    - Approval is sought for the construction contractor contract for the laydown yard to accept arriving materials.

2024 Budget:

- During the adoption of the 2024 budget, it was noted that the city might need to borrow up to $25 million. This was calculated using a rate of 5% over 20 years.
- This amount is to cover:
    - $9 million for One Harbor Boulevard
    - $4.5 million for the Cross-Town Connector
    - $11.5 million for the undergrounding of overhead utilities
- Borrowing this amount now would allow the completion of these projects within 18 to 24 months.
- The 20-year debt service timeline aligns with the anticipated cash inflows from various sources.

Funding Sources:

- The repayment of the debt will not come from ad valorem property taxes but from other sources such as:
    - Harbor CRA
    - Town Center CRA
    - Electric franchise fees (the largest source)
    - Gas tax (towards the transportation project)

❖ General fund supplements

Borrowing Options:

➢ The finance department proposes using the public bond market rather than a commercial bank loan due to several reasons:

  ❖ Commercial banks are less likely to lend for 20 years, whereas the bond market is more accommodating for long-term loans.

  ❖ Interest rates in the public bond market are currently more favorable compared to commercial bank loans.

➢ The bond issuance team is partially set up, with existing agreements for bond council and financial advisor services. However, the underwriter needs to be selected.

➢ Three potential underwriters are in consideration: William Shank, PNC Bank, and Truist.

Next Steps:

➢ The bond issuance process is expected to take about three months:

  ❖ The first month will involve preparing the preliminary official statement, which includes past data and project descriptions for potential investors.

  ❖ The second month will focus on routing the information to bond rating agencies and insurers.

  ❖ In the third month, the preliminary official statement will be reviewed by the council for final approval before marketing to investors.

➢ The underwriter will assist in marketing the bond issuance, setting a pricing date, collecting prices, and finalizing the transaction within approximately three weeks after marketing.

Mr. John Ford from Ford and Associates explained the advantages of a public bond offering over a commercial bank loan.

Councilmember Bagby moved to include the full funding of the Destin Crosstown Connector in the debt issuance; seconded by Councilmember Hebert.

Councilmember Destin expressed concerns about borrowing on a 20-year term for projects like roadways that have a shorter lifespan. He questioned the prudence of this approach.

The Finance Director explained that the underlayment and storm water system, which constitute the bulk of the cross-town connector cost, have a much longer lifespan than the road surface.

The need to borrow $25 million now to align with the cash inflows and complete the project within the proposed timeline was emphasized.

Councilmember Bagby clarified that the motion is to determine whether to include the cross-town connector funding in the total debt, not the specific terms or method of borrowing.

Motion passed 6-1 (Council members Schmidt, King, Hebert, Bagby, Geile, and Stephens voted "yes"; Councilmember Destin voted "no").

Councilmember Bagby moved to direct staff to produce an RFQ that will be presented to different banking facilities, specifically those that are located within the City of Destin, and to the 3 investment arms of the banks with which staff had already been in contact; seconded by Councilmember Hebert.

Councilmember Destin will support the motion, emphasizing the need for flexibility and thorough evaluation of all financing options.

The Finance Director highlighted the additional 60-day timeline for issuing the RFQ and receiving responses, and noted that while significant for the city, the bond issuance might attract limited interest from underwriters due to its relatively small size.

Motion passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Geile, Destin, and Stephens voted "yes").

Councilmember Bagby moved to direct staff to bring back an adjusted timeline for the 2024 debt issuance with the development of an RFQ at the next council meeting passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

B. Norriego Point - DEP Request

The City Engineer provided an update on the progress and budget challenges of the Norriego Point Park project.

Mr. Pearce Barrett from the Department of Environmental Protection (FDEP) provided the following update on the Norriego Point Park project:

- The FDEP released the bid for the construction of Recreational Enhancements at Norriego Point on March 26, 2024.
- Three qualified bids were received by FDEP on May 8, 2024. The low bid was in the amount of $5.2 million. The bid consists of a base bid and 3 alternate bids described as follows:
    - Base Bid – ($4,565,770). Includes restroom facilities, shower, drinking fountains, lift station, informational/educational signage, Harborside boardwalk, dune crossover (middle), beach access boardwalk, bike racks, and shoreline stabilization at northern end of the park.
    - Alternate #1 – ($233,918). Includes the southernmost crossover boardwalk.
    - Alternate #2 – ($164,096). Includes the northernmost crossover boardwalk.
    - Alternate #3 – ($275,232). Includes the terminus curve at the end of the Harborside Boardwalk.

- ❖ Total bid with all three alternates = $5,239,816.

Mr. Barrett requested the city to contribute $233,918 for the southern boardwalk crossover, emphasizing the substantial funding already received by the city from BP oil spill settlements and other grants.

Councilmember Schmidt questioned the history behind the decision to place the boardwalk on the harborside rather than the beach side.

Mr. Pearce indicated that the harbor side is safer and more protected from storms, which would make permitting easier.

Councilmember Hebert supported the project's design, highlighting the extensive planning and expected public benefits.

Councilmember Bagby moved for approval of the base bid with alternate #3, and to exclude alternates 1 and 2; seconded by Councilmember Hebert.

Mr. Barrett explained the financial constraints and potential funding sources, urging council to consider the long-term benefits of the project.

Councilmember Destin offered a substitute motion to approve the base bid with Alternates 1, 2, and 3, seconded by Councilmember Stephens.

Councilmember Bagby voiced concerns about future maintenance costs and the practicality of the crossover.

Motion passed 5-2 (Council members King, Hebert, Geile, Destin, and Stephens voted "yes"; Council members Bagby and Schmidt voted "no").

C. Code Compliance Lien Reduction Request-4550 Biscayne Bay and 216 Grand Key Loop

Represented by Attorney Stephen Tatum, property owners for two parcels, CRHGZH LLC, requested a reduction of liens for both parcels. The liens, each $26,250, accumulated due to violations related to short-term rental registrations.

Attorney Tatum detailed the history of communication attempts with city officials and the confusion surrounding the registration process. He argued that his clients were not defiant but were misled by inadequate instructions from the city.

Councilmember Geile moved to deny the lien reduction requests; seconded by Councilmember Hebert.

Councilmember Geile strongly opposed any leniency, emphasizing that property owners are responsible for knowing and complying with the law.

Councilmember Hebert noted the property owners were making money through rentals while accruing fines and stated she could not support a reduction.

Councilmember Schmidt cited the owners' attempts to comply and the issues with the registration process.

Councilmember Schmidt offered a substitute motion to reduce the lien amount by 30 percent, in accordance with city code. It was seconded by Councilmember Stephens and passed 4-3 (Council members Schmidt, King, Bagby, and Stephens voted "yes"; Council members Geile, Hebert, and Destin voted "no").

D. Dolphin Point/Moreno Point Road – Parking Options Evaluation

The City Engineer presented two options for parking redesign at Dolphin Point: one with parallel parking and one maintaining the existing 90-degree parking with minor adjustments for ADA compliance. He expressed concerns about traffic flow and safety with the parallel parking option.

Councilmember Bagby suggested exploring an expanded paved area to allow for vehicle turnarounds, similar to existing solutions in other parts of the city.

Councilmember King proposed making the new parking spaces paid parking to help manage usage.

Councilmember Hebert moved to go back to the original motion which the council approved on April 15th - *to direct the City Manager to work with the applicant and staff to move forward to permit the project for the removal of the public parking spaces, and to include an agreement for installation and maintenance in perpetuity.* Motion died for lack of a second.

Councilmember Bagby moved for the approval of the 4 parallel parking spaces, direct staff to work with Mr. Charles Clary, the Dolphin Point Design Professional or an authorized representative, to resolve the issue relating to the three-point turnaround movements required for the parallel parking, including the widening of the paved area, and to add these parking spaces to the city's paid parking system with no overnight parking allowed. Councilmember King provided a second to the motion, which passed 6-1 (Council members King, Hebert, Bagby, Geile, Destin, and Stephens voted "yes"; Councilmember Schmidt voted "no").

E. Utility Undergrounding Phase 1 - ADS Contract

The council reviewed the contract for phase one of the utility undergrounding project with Accurate Drilling System (ADS). The City's Projects/Grants/Contract Manager and Special Counsel Schef Wright presented the contract and a request for a limited notice to proceed with an initial amount not to exceed $230,000.

Councilmember Destin expressed concerns about the impact of the new transmission towers by Florida Power and Light (FPL) on the project and suggested delaying the contract approval until more information was obtained.

Councilmember Bagby argued that the current phase one project is not impacted by the transmission towers and recommended proceeding with the contract to avoid delays.

Councilmember Bagby moved for the approval of the construction contract for RFP 24-01-ENG with Accurate Drilling Systems, Inc, as presented, and direct staff to issue a limited Notice to Proceed in an amount not to exceed $230,000 to ADS as soon as practicable after the contract is executed by both parties. Councilmember Hebert provided a second to the motion, which passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

Councilmember Destin asked staff to invite a representative from Florida Power & Light to attend the next council meeting to provide some clarifications as to the exact size and location of the large transmission tower which they plan to install in the city, and the impact it would have to the city's underground utilities.

F. Parks and Recreation Cost Recovery Policy

The Parks & Recreation Director Lisa Firth presented the Parks and Recreation cost recovery policy, adopted in 2014. Key points included:

- Current policy misalignment: Residents currently pay no charge, while the policy states they should pay 30% and 50%.
- Daily fee discrepancy: The policy states a $15 fee per launch, but $25 is currently charged.
- Senior programs: The operational budget covers 100% of Destin seniors' costs at Buck Destin Park, not included in the cost recovery policy.
- Request for direction from the council on necessary changes to the cost recovery policy and fee adjustments.

Councilmember King proposed allowing city employees to use facilities at no charge, suggesting it would enhance their quality of life.

Council members discussed the feasibility and potential implications of treating employees as residents for facility use.

Ms. Firth clarified that currently, employees are recognized as residents for fee purposes but pay for programs like any other resident.

Motion by Councilmember King, seconded by Councilmember Hebert, to update the policy to reflect current practices and ensure city employees are treated as residents for fee purposes. Motion passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

Councilmember Schmidt emphasized the need to update the policy to reflect current practices accurately, particularly for senior programs at Buck Destin Park. He proposed that non-resident fees be set 50% higher than resident fees instead of doubling them. He also suggested continuing to provide 100% cost coverage for Destin seniors.

Councilmember Bagby suggested discussing and voting on individual policy changes for clarity.

Councilmember Destin supported the need for itemized discussion but highlighted the urgency of updating the policy to reflect real costs, including indirect costs like utilities and insurance.

Ms. Firth mentioned ongoing efforts to calculate average utility and operational costs to provide accurate fee structures.

G. Parks and Recreation Fee Schedule

The council acknowledged the need to gather detailed data on actual costs, including indirect costs, before making further policy changes; and for staff to ensure detailed cost data includes breakdowns by program and facility to provide clarity on fee adjustments. Future discussions will focus on aligning policy with actual costs and ensuring transparency in fee structures for residents and non-residents.

Councilmember Bagby moved to table further policy changes until staff can come up with indirect costs for recreational programs/rentals/tournaments; seconded by Councilmember Destin. Motion passed 5-2 (Council members King, Hebert, Bagby, Destin, and Stephens voted "yes"; Council members Schmidt and Geile voting "no").

H. Land Development Code Rewrite Update

The city's Principal Planner presented the following information:

- There will be a total of 11 proposed draft articles for city council's consideration along with a newly developed and proposed Destin Design Manual. Due to the large effort of development, review, and approval processes required for this project, Staff is requesting guidance from City Council on how to proceed with these reviews.

- Currently, the main challenge with the LDC is that it is cumbersome to read, which has often led to inconsistent interpretations and challenges in enforcement. One of the main purposes of the LDC rewrite project was to make the LDC easier to read and interpret. Therefore, the proposed language of the new LDC has been rewritten in manner that allows the vast majority of users, to read and understand the regulations without having to ask Staff to interpret or have an attorney involved.

- There is a proposed change to consolidate 20 LDC articles to 11 articles plus a Design Manual. Some of the consolidation is due to the proposed relocation of some current regulations from the LDC to the Code of Ordinances when the Code of Ordinances is the more suitable home.

- Staff are proposing the following process for review and approval of the new LDC, to be as transparent as possible while being efficient and diligent. In the interest of openness and meeting State requirements for approval, Staff recommends each individual Article be adopted by ordinance individually with an effective date in the future so that all approvals occur simultaneously. Once all articles are approved, one ordinance may be adopted at the end to establish the effective date of the entire Code. Further, due to the sheer amount of information and the impact upon the community Staff recommends having Council Workshops to discuss each of the combined articles before any final decision is made. Staff specifically recommends that the following Articles be subject to Council Workshops before adoption due to their impact and complexities, but if the Council wishes, Staff will bring more for workshops.

- Article 2 - Administration
- Article 4 - Zoning Regulations, Overlays, and On-site Regulations
- Article 6 - General Development Regulations
- Article 7 - Resource Conservation and Protection
- Article 8 - Sign Regulations
- Destin Design Manual

- Staff will provide the draft article being discussed each month at the City Council meeting prior to the workshop date, to allow council members and the public sufficient time to review the article prior to discussion. The final draft article, based on the workshop, will be brought to city council for public hearing. Staff is requesting approval for the following city council workshop dates.

  July 29
  August 26
  September 23
  October 28
  November 14
  December 9

Councilmember Bagby suggested rescheduling the November workshop date to accommodate the new council members post-election.

Councilmember Destin emphasized the need for side-by-side comparisons of old and new codes to ensure compliance with the comprehensive plan.

Councilmember Bagby moved for approval of the LDC process and workshop calendar as discussed with a change in the November workshop from November 14th to November 19th; seconded by Councilmember Hebert. Motion passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

I. Pickleball Courts 90% Plans Update

The City Engineer updated the council on the pickleball courts project, explaining the recommendation from the Parks and Recreation Committee to add a temporary gravel parking lot during construction of Phase 1.

Councilmember Bagby expressed concerns about the necessity and cost of the gravel parking lot.

The Parks & Recreation Chair Sandy Trammell clarified the need for additional parking to accommodate various activities at the community center and the potential future expansion of pickleball courts.

Motion by Councilmember Bagby, seconded by Councilmember Hebert, to direct the City Manager to work with staff and Jenkins Engineering to move forward to 100% construction documents, obtain the necessary permits, and bring back a draft RFP to the city council at a future meeting passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

Councilmember Bagby asked staff to provide the cost for the Parks and Recreation Committee's recommendation to 1A and 1B on the drawing sheet for a gravel parking lot to be added for temporary parking during construction of Phase 1.

J. Tarpon Beach Parking- 100% Design Plans

The City Engineer presented the 90% plans for the Tarpon Beach parking project, highlighting the key changes and updates made through discussions with staff and the county. He stated that city staff are working towards bringing a completed development order package to the city council as soon as it is ready.

Councilmember Geile suggests making parking a paid parking for non-residents, with Councilmember Hebert supporting the idea.

Councilmember Schmidt sought clarification on the design elements and future parking needs.

K. Median & Grounds Maintenance - Draft RFB for Council consideration/comment

The city's Public Works Director presented the updated RFB for Miscellaneous Median Maintenance Continuing Services, including new quality control measures and penalties for non-compliance or non-performance as requested by the council.

Motion by Councilmember Bagby, seconded by Councilmember Hebert, to authorize the City Manager to advertise the RFB for Miscellaneous Median Maintenance Services, and once a vendor is selected by the city's Bid Committee, to bring back the recommended vendor for the council's approval passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

L. Announcements - none

5. PUBLIC HEARINGS

A. Calhoun Harbor Development Conditional Use

Item continued to June 17th council meeting per request by the applicant.

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

A. Councilmember Stephens
B. Councilmember Geile
   1) Projects Status/Updates
C. Councilmember Destin
D. Councilmember Bagby
E. Councilmember Hebert
   1) Revocation of rental registration for continued noncompliance

Councilmember Hebert moved to consider the revocation of rental registration for continued noncompliance for any rental properties, short-term or long-term, in any area of Destin; seconded by Councilmember Geile. Motion passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

F. Councilmember King
G. Councilmember Schmidt
   1) Boathouse Oyster Bar 5K Run on June 15, 2024

Motion by Councilmember Schmidt, seconded by Councilmember Hebert, to approve the Boathouse Oyster Bar 5K Run on June 15, 2024, passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

H. Mayor Wagner
   1) Supporting Okaloosa Transit Mobility on Demand RFP

Councilmember Bagby moved to authorize the mayor to sign the city's letter of support for the Okaloosa Transit Mobility on Demand in the Crystal Beach area, seconded by Councilmember Hebert. Motion passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

I. City Attorney

7. PUBLIC COMMENTS

Ms. Janice Nicole Moran expressed concerns about the removal of parking spaces near Dolphin Point, citing historical use and potential negative impacts on property values.

Mr. Bill Reddington, 722 Vintage Circle, suggested alternative methods for parking management, such as requiring stickers for rental properties.

Ms. Sandy Trammell clarified the need for additional parking at the community center to accommodate future growth and activities.

ADJOURNMENT

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

Bobby Wagner, Mayor

ATTEST:

CITY OF DESTIN SEAL FLORIDA

Rey Bailey, City Clerk