

**MINUTES
SPECIAL MEETING
DESTIN CITY COUNCIL
AUGUST 12, 2024
ANNEX COUNCIL CHAMBERS
6:00 PM**

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

Destin City Council

Mayor Bobby Wagner
Councilmember Torey Geile
Councilmember Kevin Schmidt
Councilmember Johnny King

Councilmember Jim Bagby
Councilmember John Stephens
Councilmember Dewey Destin
Councilmember Terésa Hebert

City of Destin Staff

Acting City Manager Krystal Strickland
Projects/Grants/Contract Manager Jeffrey Cozadd
Library Director Wen Livingston
Community Development Director Tina Deater
Parks & Recreation Director Lisa Firth
City Attorney Kimberly Kopp

City Clerk Rey Bailey
City Engineer Ryan Scott
HR Director Jaime Haynes
IT Director Andy Peters
Code Compliance Officer Allan Smith
Public Work Director Michael Burgess

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mayor Bobby Wagner called the meeting to order at 5:15 PM, followed by the recitation of the Pledge of Allegiance.

A. Interim City Manager Contract.

On August 5th council meeting, the council directed the City Attorney and HR Director to negotiate an Interim City Manager contract with Mr. Larry Jones. Acting City Manager Krystal Strickland presented the proposed contract to the council.

Councilmember Bagby moved to amend paragraph 5M of the proposed contract as follows:

- **Add a statement that, “*The Interim City Manager shall adhere to the ethical standards set forth by the ICMA, FCCMA, and FLC.*”**
- **Remove the remaining language beginning on line 4 of paragraph 5M, which is a reference to the former Community Development Director’s contract as Interim City Manager.**

Councilmember Hebert provided a second to the motion, which passes 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted “yes”).

Motion by Councilmember Bagby, seconded by Councilmember Destin, to approve the Interim City Manager contract, as amended, passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted “yes”).

B. 2024 Debt Issuance RFQ Underwriters and Bank Loan

On June 3, 2024, staff brought forth a debt issuance update to the council confirming amount to borrow and proposing a timeline, process, and choice of an SEC licensed broker (underwriter). The Council adopted the following motions:

1. To approve the issuance of \$25 million to underground overhead utilities from the Marler Bridge to Airport Road to complete construction of the Destin Cross Town Connector, and for the purchase of One Harbor Blvd property.
2. Direct staff to undertake a competitive solicitation for either a bank loan or an underwriter.
3. Direct staff to bring back an adjusted timeline for the 2024 debt issuance to include additional time needed to develop and route competitive solicitations.

At the August 5, 2024, regular council meeting, a motion was made to bring back revised ITN to clearly request a 10-yr amortization of principal and a 15-year amortization with a 10-year balloon.

The Finance Director presented the revised Request for Qualifications (RFQ) to be routed to Underwriters, and a revised Invitation to Negotiate (ITN) to be routed to banks that hold current BTRs with the City of Destin and that have approached the city with interest in lending over the past 24 months. She recommends the release of the RFQ and the ITN on August 15th.

Councilmember Bagby moved to release the RFQ and the ITN, as proposed on August 12, 2024, not earlier than August 15, 2024. Seconded by Councilmember Hebert. Motion passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted “yes”).

Councilmember Destin requests a summary of all estimated charges to be provided to the council earlier than the date the council will need to make a decision on this matter.

C. FY 2023 Budget Vs Actuals Parks and Rec CIP and RR – Informational Only.

At the August 5, 2024, regular council meeting, Councilmember Bagby requested staff provide a detailed plan for the allocation of funds that were identified in the 2024 budget, that were rolled over into 2024 budget, and that remained unspent for the Parks and Recreation Department.

The Finance Director explained that in 2023, the Parks and Recreation Department had a total budget of \$8.4 million. However, the city expended or encumbered a total of \$15.2 million, which left \$13.2 million unutilized. A significant portion of this unspent amount was associated with a planned beach acquisition, particularly the purchase of the White House at Crystal Shores, which did not go through as expected. Focusing on the renewal and replacement portion of the

budget, the allocated amount was \$58,000. However, the city ended up spending \$189,000, which resulted in a balance of \$309,000 being carried over to the following year.

D. FY 2024 Parks and Recreation Budget vs Actuals

The Finance Director explained that the Parks and Recreation budget for FY 2024 was revisited after a request made during the August 5th meeting. Staff were asked to return with a clear motion regarding the unspent remaining funds in the budget. The Parks and Recreation Department faced a decision between two projects but prioritized the renovation of the playground at Morgan Sports Center due to the availability of grant funds, which are set to expire on October 31, 2024. Staff suggested reallocating funds from the artificial infields, field netting, and window replacement projects to initiate the playground project.

Councilmember Hebert moved to perform an internal budget transfer in the amount of \$617,990 into RR572 to start renovating the playground at Morgan Sports Center. The funds shall be taken from artificial infields, field netting, and community center window projects. Motion was seconded by Councilmember Stephens.

Councilmember Destin expressed concern about reallocating funds away from the community center window repairs, highlighting the risk of deferring essential maintenance.

City staff clarified that the critical repairs to the community center windows, including stucco and roofing, are budgeted for 2025. The \$200,000 allocated for window repairs in 2024 was intended for preliminary work, which would now be reallocated if the motion passed.

Councilmember Bagby sought clarification on the funds' reallocation timeline and future budget implications. Staff explained that the \$200,000 for windows in 2024 would be used for the playground, with 2025 funding covering the remaining window repairs.

Concerns were raised about the adequacy of project estimates and the need for more precise bidding processes. Council members emphasized the importance of securing competitive bids, particularly for substantial projects like the playground renovation.

Councilmember Destin questioned the inclusion of a contract approval within the budget transfer motion, noting that such motions should be single subject per Robert's Rules of Order. He suggested separating the motion into two parts: one for the budget transfer and one for the contract approval.

Councilmember Hebert offered an amended motion to perform an internal budget transfer in the amount of \$617,990 into RR572 to start renovating the playground at Morgan Sports Center, seconded by Councilmember Stephens.

Concerns were raised about unallocated funds (\$111,000) in the Parks and Recreation budget. Staff explained that any unspent funds would remain in the renewal and replacement fund, available for future use.

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

Councilmember Schmidt made a motion to put out a bid request for the playground renovation at the Morgan Sports Center; seconded by Councilmember Hebert.

Councilman Bagby inquired if the contract for the playground equipment was similar to state contracts used for purchasing vehicles, which offer bulk pricing through state-negotiated contracts. It was confirmed that this was a correct assumption, with the contract being handled at a national level by an entity called Omnia, a private procurement business.

Councilman Bagby expressed concerns that going out for bids might delay the project by six months, potentially leaving the sports center without a playground for the next summer. He acknowledged that while typically he would support going out for bids, he believed this contract likely provided the best price and did not want to delay the project unnecessarily. He requested additional information on other local uses of the Omnia contract to validate its pricing.

Councilmember Hebert emphasized the importance of acting swiftly due to an approaching grant submission deadline in October. Missing this deadline could result in losing a grant that could discount the playground project by up to one-third.

The council's debate highlighted a balance between ensuring the best use of taxpayer funds and the urgency of completing the playground project to avoid delays that could affect the community's use of the sports center. The council also discussed the possibility of bringing back a refreshed quote and more specific details about the grant at the next meeting.

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

Motion by Councilmember Bagby, seconded by Councilmember Stephens, to approve the contract as written passed 6-1 (Council members King, Hebert, Bagby, Destin, Geile, and Stephens voted “yes”; Councilmember Schmidt voted “no”).

Councilmember Bagby requests staff provide the information to the council by the next council meeting as to which other jurisdictions in Northwest Florida, besides Okaloosa County TDC, that have used the OMNIA contract vehicle.

E. Fiscal Year 2025 Budget

The Finance Director gave the following presentation:

Changes since 7/15/24 Workshop#2

- **OPS + CIP REDUCTION \$342K**
- **Operations (reduced \$62k)**
 - ❖ **Reduce Personnel budget \$400k** (\$200k Sal+FICA for 3.83FTEs and \$200k Benefits –Health insurance 11% to 8.3%, and no “special pay”)
 - ❖ **Add \$140k for Annexation** (opinion survey, metes & bounds, exclude \$10k for special election)
 - ❖ **Increase Lifeguard \$82k** from \$200k to \$282k

- ❖ **Add \$37k** Software right-to-use (Aclarian SBITA)
- ❖ **Add \$67k** Software/Workstations/Peripherals TECH FUND
- ❖ **Add \$10k** Rentals (rent towable boom)

➤ **Capital Projects (reduced \$280k)**

- ❖ **Removed** CD510 Community Development request to redesign City Hall Annex to add office space for Planning/Building/Engineering (-\$150k)
- ❖ **Removed** PREQP Parks and Recreation request for Towable Boom (- \$40k Boom; +\$10k rent)
- ❖ **Removed** PRVEH Parks and Recreation request to purchase two new vehicles (- \$80k)
- ❖ **Reduced RC216** Clement Taylor Park Renovations to \$1.7m (- \$260k)
- ❖ **Moved from FY24 to FY25** RC128 MSC Bathrooms/Fieldhouse for potential grant (+\$250k)
- ❖ **Added** RC125 Buck Destin Bathroom sitework to be completed in FY25 (+75k). Architectural, engineering design and permitting by end of FY24.

FY 25 Proposed Budget = \$65.3m

FY 2025 Uses by Category	Operating	Capital	FY 2025	% of Total
			PROPOSED Budget	
General Government	\$ 10,873,824	\$ -	\$ 10,873,824	17%
Public Safety	5,938,834	164,000	6,102,834	9%
Physical Environment	461,852	14,844,975	15,306,828	23%
Transportation	2,592,035	14,036,842	16,628,877	25%
Economic Development	230,699	-	230,699	0%
Health & Human Service:	75,355	-	75,355	0%
Culture & Recreation	5,495,674	10,552,083	16,047,757	25%
Total Uses	\$ 25,668,273	\$ 39,597,900	\$ 65,266,173	

Operational Highlights

OpsChange
+3.9%

All Funds Expenditures by Type	2024 Budget	2025 Budget	Change (FY25-FY24)	Percent change FY25 vs FY24
Personnel	\$ 10,447,643	\$ 11,383,567	\$ 935,924	8%
Contract Services	5,148,114	4,932,301	(215,813)	-4%
Operations	3,680,012	3,727,296	47,283	1%
Debt Service	3,806,588	5,625,109	1,818,522	32%
Capital Outlays	51,822,459	39,597,901	(12,224,558)	-31%
Total Expenditures	\$ 74,904,815	\$ 65,266,174	\$ (9,638,641)	-15%

Operational Highlights

- **Personnel Update**
- **Bring Median Maintenance In-House**
- **Public Safety**
 - ❖ **Sheriff**
 - ❖ **Lifeguards**
 - ❖ **Code Compliance**

Personnel Highlights

130.83 FTEs (7/15/24 134.83)

	FY 2025
BASE SALARIES	\$ 7,597,191
COLA	225,035
MERIT	303,077
FICA	125,783
RETIREMENT	883,315
INSURANCE	1,950,961
WORKERS COMP	163,239
OTHER (OT, RELO, UNEN)	134,966
	\$ 11,383,567

	FY 2025 FTEs
Gen Gov	32.85
Public Safety	22.00
Stormwater	3.00
Transportation	19.00
Culture & Rec	53.98
	130.83

Reduced
from \$11.7m
7/15/24

Personnel Highlights

PERSONNEL is 17% of the Total Proposed FY 2025 Budget

2.37% Cost of Living (Mar CPI) \$225,035

4.0% Merit \$303,077

5.0 FTE New Positions* \$418,500

***fully loaded (fica, benefits, workers comp)**

freeze (do not hire in FY25): 3 vacant, 2 proposed

PRIMARY DEPARTMENT	EMP ID2	Recommended Title	Pay Plan Grade	# HRS per WEEK	FTE	7/15/24 est Fully Loaded
0151212 CITY MGR	W8 FREEZE	Content Creator - FREEZE	103	15	0.375	\$ 36,840
0151932 IT	W6 FREEZE	Systems Administrator Speciali	107	40	1	\$ 83,934
0151320 FINANCE	V16 FREEZE	Accounting Clerk - FREEZE	104	40	1	\$ 72,037
0152442 CODE ENFORCEMENT	909 FREEZE	Code Compliance Pt-FREEZE	105	29	0.725	\$ 36,938
0152442 CODE ENFORCEMENT	V28 FREEZE	Code Compliance Pt-FREEZE	105	29	0.725	\$ 45,677
					3.83	\$ 275,426

Personnel Highlights

5 FTE New Positions*

\$ 418,500

***fully loaded (fica, benefits, workers comp, reduced from \$538,400 7/15/24)**

PRIMARY DEPARTMENT	EMP ID	Recommended Title	Pay Plan Grade	# HRS per WEEK
0151531 COM DEV	W7	Planning Manager	112	40
0152442 CODE ENFORCEMENT	W1	Code Compliance Officer-I	105	40
0154160 PUBLIC WORKS	W2	Lead Maintenance Technician	105	40
0154160 PUBLIC WORKS	W3	Maintenance Technician	103	40
0154160 PUBLIC WORKS	W4	Maintenance Technician	103	40
0154160 PUBLIC WORKS	W5	Maintenance Technician	103	40

Operational Highlights

Bring Median Maintenance In-House

	FY 2024 BUDGET	FY 2025 PROPOSED BUDGET (CITY MGR LEVEL)	FY 2026	FY2027	FY2028
PERSONNEL	\$ -	\$ 298,302	\$ 309,020	\$ 320,150	\$ 331,690
CONTRACTS	336,176	-	-	-	-
OPERATIONS	-	15,750	16,230	16,720	17,220
CAPITAL EQUIPMENT	-	114,000	-	-	-
	\$ 336,176	\$ 428,052	\$ 325,250	\$ 336,870	\$ 348,910

4 FTEs+ \$114k in Equipment (Mowers, Truck, Trailer)
7/11/24 (only 1 bid received: \$462,603)

Operational Highlights

Public Safety

- Sheriff Contract increase \$195k (6.8%) 21fte
- Lifeguard Contract increase \$182k (282%; 2007)
- Code Compliance increase \$85k (7%)
reduced from 15.5 fte to 14 fte

Department Recap	2023 Actual	2024 Budget	2024 Projection	2025 Budget	Change (FY25-FY24)
General Public Safety	\$ 2,701,333	\$ 3,004,053	\$ 2,995,759	\$ 3,398,314	\$ 394,261
Code Compliance	634,911	1,213,204	1,075,319	1,298,381	85,178
Emergency Management	31,995	43,703	41,384	42,767	(936)
Total Public Safety Expenditures	\$ 3,368,239	\$ 4,260,960	\$ 4,112,462	\$ 4,739,462	\$ 478,503

5-Year CIP

Council Objectives

TOTAL for items on the Strategic Plan

\$ 61,653,478

Total 5-year Capital Plan \$ 64,482,930
96%

NOT ON COUNCIL OBJECTIVE LIST:

5.1	Upgrades to Morgan Sport Center (Bathrooms; Storage; Shade; Batting Cage; Artificial infields)	886,000
5.2	Dredge Harbor Channel	435,002
5.3	Upgrade/Remodel and expand Library	260,000
5.4	Code Enforcement New Equipment	110,000
5.5	Building Inspector New Equipment	-
5.6	Hurricane Response (first 30 days; Debris Removal)	100,000
5.7	Public Works Safety Committee - Intersection and Crossing	500,000
5.8	Wayfinding (digital and street signage)	-
xxx	Median Maintenance Equipment (start-up year)	114,000
xxx	City Hall Annex Renovations (office space for needed staff)	-
xxx	Other small projects	424,450
TOTAL for additional projects not on Plan		\$ 2,829,452

96% CIP
INVESTMENTS
ARE IN ITEMS
ON STRATEGIC
PLAN

5-Year CIP

	08/06/24	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY25-FY29 Total
Citizen/Council Directed	1,301,601	29,189,924	2,895,000	-	-	-	32,084,924
Renewal & Replacement	537,251	6,837,125	3,626,819	5,944,201	5,466,571	4,594,835	26,469,551
Growth Necessitated & Cor	257,449	260,001	-	20,000	-	-	280,001
Other Capital Projects	1,220,595	3,310,851	1,771,801	169,801	171,901	224,100	5,648,454
Total Projects	3,316,896	39,597,901	8,293,620	6,134,002	5,638,472	4,818,935	64,482,930

	FY 2025	Renewal & Replacement	FY 2025
Citizen/Council Directed		Streets	\$ 3,745,741
CM001 Crystal Shores Beach Park Development	\$ 2,532,328	Community Center Windows/Roof	717,500
CM002 Tarpon Beach Park Development	2,335,522	MSC Playground	717,990
UNDER Undergrounding	12,609,972	MSC Athletic Field Lights	1,323,000
EN615 Cross-Town Connector	10,077,100	MSC Parking Lot Lights	64,050
DREDG Dredge Harbor	435,002	MSC Field Equip Shed	50,000
SW56 Mattie Kelly Naturewalk Outfall	1,200,000	Library Sign	25,000
		Other (Equip, Veh)	193,844
			\$ 6,837,125

Capital Improvement Program Highlights

- **Crosstown Connector \$10.1m**
- **Undergrounding \$12.6m (encumber delay)**
- **Tarpon & Crystal Shores Parks \$4.8m**
- **Mattie Kelly Outfall at Joe's Bayou \$1.2m**
- **Clement Taylor park \$1.7m**
- **New Vehicles & Equipment \$186k**

- **Morgan's Sport Center**
 - ✓ **Lighting (Safety - \$1.38m)**
 - ✓ **Playground (\$718k) (FY24 OR FY25?)**
- **Community Center**
 - ✓ **Leaky Windows & Roof (\$717k)**
- **Roads & Sidewalks (\$3.6m as per RR Resolution)**

New Vehicles and Equipment

Department	Proj#	Description	Estimated Cost	Comments
Community Center	CCVEH	Ford Transit Van 150, low-rise	\$ 40,000	
Code Compliance	CEVEH	Ford Bronco Sport AWD	32,000	additional officers
Public Works	PWMM	John Deere Z920M Ztrak 48"	20,000	for new in-house median maintenance crew
Public Works	PWMM	John Deere Z920M Ztrak 48"	20,000	for new in-house median maintenance crew
Public Works	PWMM	John Deere Z920M Ztrak 60"	24,000	for new in-house median maintenance crew
Public Works	PWMM	Ford F150 4x4, single cab short	40,000	for new in-house median maintenance crew
Public Works	PWMM	Trailer for equipment	10,000	for new in-house median maintenance crew
			\$ 186,000	

Replacement Vehicles and Equipment

Department	Proj#	Description	Estimated Cost	Comments
Code Compliance	RR052	Ford Bronco Sport (compact)	\$ 32,000	Replace 2012-67 2012 Ford Fusion
Parks	RR572	John Deere Tractor	70,000	Replace REC 00-05 2000 John Deere 4500 Tractor
Morgan Sport Center	RR572	Athletic Field Mower	24,000	Replace REC 19-M2D 2019 John Deere PRO 72
Parks	RR572	Mower Zturn	24,000	Replace REC 06-M3 2006 ToroZ560 Mower
Parks	RR572	Mower Zturn	20,000	Replace REC 12-M1 2012 John Deere Z920A Z-Turn Mower
Parks	RR572	Mower Zturn	20,000	Replace REC 19-M1 2019 John Deere Ztrack Mower Z920M
			\$ 190,000	

State Shared Revenues and our peers

	FL EDR Population	Municipal Revenue Sharing (State sales tax and municipal fuel tax)	Half-Cent Sales Tax (State Sales Tax)	Local Discretionary Sales Tax (Oka Half-Penny)	Communication Sales Tax (CST)	TOTAL
Destin	14,594	\$ 589,616	\$ 1,869,862	\$ 1,637,705	\$ 994,280	\$5,091,463
Fort Walton Beach	21,120	\$ 1,157,723	\$ 2,706,008	\$ 2,370,038	\$ 1,246,378	\$7,480,147
Crestview	27,939	\$ 1,665,506	\$ 3,579,695	\$ 3,135,251	\$ 1,037,660	\$9,418,112

Annexing in all properties to the Walton County line would add approximately 3,215 registered voters, increasing our population by 22%

Ad Valorem

	<u>FY 2024</u>	<u>FY 2025</u>	<u>Amount of</u>	<u>%</u>
	<u>Budgeted</u>	<u>Projected</u>	<u>Increase</u>	<u>Change</u>
GF Ad Valorem @ 1.6150	\$ 11,073,048	\$ 12,158,495	\$ 1,085,447	9.8%
Town Center CRA (city)	616,955	678,487	61,532	10.0%
Harbor CRA (city)	494,030	557,572	63,542	12.9%
Subtotal	<u>\$ 12,184,033</u>	<u>\$ 13,394,554</u>	<u>\$ 1,210,521</u>	

Rollback Rate 1.4969

Current Year proposed as percent change of rolled-back rate 7.89%

Ad Valorem at Different Millage Rates

Ad Valorem Taxes Payable per Household

Two scenarios to demonstrate the difference 1/10th of a mill creates

	<u>1.6150</u>	<u>1.7150</u>	<u>Variance</u>
Property Taxable Value			
\$100,000	\$161.50	\$171.50	\$10.00
\$360,754	\$582.62	\$618.69	\$36.08
\$400,000	\$646.00	\$686.00	\$40.00
\$600,000	\$969.00	\$1,029.00	\$60.00

City of Destin median **taxable** property value on all properties = **\$360,754**

Funding to the City at the two Different Millage Rates

1.6150 1.7150

Taxable Value x Millage x 95% = total ad valorem collections

\$8,730,359,583 = \$13,394,554 or \$14,223,938 var= **\$829,384**

Recommended Cost Recovery Areas

- STR Registration for Condos (4200+)
- Building Fund: Building Permit Fees
- Community Development: Developer and Impact Fees
- NPEB ("Net Positive Environmental Benefit" for Harbor Water Quality i.e. Testing, Pump Ops & Maint): Consider annual Op Fee

STR Registration for Condos (4200+)

- **Visitors use our parks and roadways and add significantly to cost of public safety (add'l \$3.2m/year)**
- **A \$100 registration fee/year would raise \$420,000**

Recreation: User Fees

- **Update 2014 Recreation Cost Recovery Policy**

STR Registration for Condos (4200+)

- **Visitors use our parks and roadways and add significantly to cost of public safety (add'l \$3.2m/year)**
- **A \$100 registration fee/year would raise \$420,000**

Recreation: User Fees

- **Update 2014 Recreation Cost Recovery Policy**

DISCUSSIONS:

Councilman Guile expressed concerns regarding the ongoing support and system upgrades from the IT vendor, Tyler Technologies, and the impact on city systems. He suggested reconsidering the elimination of the IT position, predicting significant challenges during the transition to new software.

Councilman Stevens shared his experience with IT transitions and supported retaining the position.

Councilwoman Destin inquired about the possibility of using contract help to supplement IT needs.

The IT Director explained that while contract help was an option, most issues required on-site personnel. He outlined that the new hire would handle day-to-day IT tasks, allowing experienced staff to focus on the software implementation.

Councilmember Geile moved to reconsider the decision to cut the additional IT position and proposed to reinstate it was seconded by Councilmember Hebert and passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

Councilman King expressed concerns about the adequacy of the Public Information Officer's (PIO) current resources, particularly for content creation. It was clarified that the PIO currently has a part-time content creator working 29 hours a week. The discussion focused on whether additional resources were necessary, and the possibility of hiring consultants for specific projects instead of additional part-time staff. Councilmember Hebert suggested that instead of hiring another content creator, allocating funds for professional services to hire consultants on an as-needed basis would be more effective. The PIO Director supported this approach, emphasizing the need for specialized content creators for specific tasks.

Councilmember Hebert moved to authorize the hiring of a consultant for various projects, as needed, for the Public Information Office; seconded by Councilmember Stephens.

Councilmember Bagby offered a substitute motion to add \$20,000 to Contracting Services for the use of the Public Information Office for special projects; seconded by Councilmember Stephens. Motion passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

Councilmember Stephens revisited a previous discussion about the feasibility of reducing code compliance enforcement at night, suggesting a shift to an on-call system.

Councilmember Stephens moved to eliminate the evening shift for the Code Compliance Department; seconded by Councilmember Hebert.

Other council members strongly opposed reducing nighttime enforcement, particularly due to the high volume of noise complaints in residential areas, which predominantly occur at night; and highlighting the potential negative impact on the city's reputation.

Motion failed 3-4 (Council members Hebert, Geile and Stephens voted "yes"; Council members Schmidt, King, Bagby, and Destin voted "no").

The discussion shifted to the proposed increase in funding for the lifeguard program to \$282,000 for FY 2025. Councilmember Guile and Councilwoman Hebert requested a detailed breakdown of the budget, similar to the one provided by the Sheriff's Department. Councilmember Bagby expressed concerns about the fairness of the funding distribution among the city, fire district, and TDD, and questioned whether additional funding sources had been considered, such as contributions from larger condo complexes.

Councilmember Schmidt moved for approval of the \$282,000 for the lifeguard services contract as proposed; seconded by Councilmember Stephens. Motion passed 5-2 (Council members Schmidt, King, Destin, Geile, and Stephens voted "yes"; Council members Bagby and Hebert voted "no").

Councilman Bagby raised concerns about the budget allocation for mowers, particularly questioning the necessity of purchasing seven new mowers. He proposed a

more coordinated approach between Parks and Recreation and Public Works to reduce the number of mowers purchased.

The Parks & Recreation Deputy Director explained the current workload and the necessity for durable commercial mowers. The Council discussed the possibility of reducing the number of mowers purchased and using existing resources more efficiently.

Councilmember Bagby moved to direct staff to present a joint Public Works and Parks & Recreation departments “mower plan” at the first budget hearing; seconded by Councilmember Hebert. Motion passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted “yes”).

Councilmember Bagby proposed bringing median maintenance in-house, citing ongoing issues with external contractors.

Councilmember Bagby moved to bring the Median Maintenance Services in-house; seconded by Councilmember Hebert.

Councilmember Destin opposed the motion, arguing that adding more city employees would increase long-term costs.

Councilmember Hebert supported the motion, noting the difficulty in securing reliable external contractors.

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

Councilmember Bagby proposed implementing a \$300 registration fee for short-term rental units in condominiums.

Councilmember Bagby moved to set a short-term rental registration condominium fee of \$300 annually and direct staff to bring back a draft ordinance; seconded by Councilmember Guile.

Councilmember Schmidt raised concerns about the lack of public notice and suggested tabling the motion until the next meeting, where it could be properly discussed with public input.

Councilmember Schmidt moved to table this item to the August 19th council meeting; seconded by Councilmember Stephens. Motion passed 6-1 (Council members Schmidt, King, Hebert, Bagby, Destin, and Stephens voted “yes”; Councilmember Geile voted “no”).

Councilman Bagby proposed revising the city’s shift differential policy to provide additional compensation for code compliance officers working nights and weekends. The Human Resources Director explained the current policy, which provides a \$1 per hour increase for work after 6:00 PM and on weekends.

Councilmember Bagby moved to revise the city's shift differential pay policy increasing the hourly pay for staff member working evenings and weekends to an amount not to exceed \$3 more per hour; seconded by Councilmember Hebert. Motion passed 6-1 (Council members Schmidt, King, Hebert, Bagby, Geile, and Stephens voted "yes"; Councilmember Destin voted "no").

Councilman Bagby expressed concerns about the city's cost recovery for building permits, impact fees, and recreation fees. Council members discussed the importance of aligning fees with actual costs and the potential for adjusting current rates.

Councilmember Bagby moved to a direct staff to develop a proposed schedule of cost recovery percentages for each of the following:

- **Building Permits Fees**
- **Impact Fees**
- **Recreational Fees**
- **NPEB fees**

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

Councilmember Bagby requests staff provide detailed breakdown of the \$140,000 allocated for the Annexation Opinion Survey, as well as potential assessments related to metes and bounds legal descriptions. The Finance Director explained that a large portion of the cost was for the metes and bounds survey required by state statute.

Councilmember Destin noted that the city's original incorporation bill contained the metes and bounds description, which included all areas up to the county line and suggested that they may be able to use it.

Councilman Bagby proposed capping the budget for merit increases at \$225,300, equivalent to a 2.97% increase, matching the cost-of-living adjustment (COLA).

Councilmember Bagby moved to limit the merit increase to 2.97% or \$225,035.00, seconded by Councilmember Destin. Motion failed 3-4 (Council members Bagby, Destin, and Hebert voted "yes"; Council members Stephens, Geile, King, and Schmidt voted "no").

Councilmember Destin has expressed interest in exploring innovative merit program ideas that differ from traditional approaches. Specifically, he is looking for programs that offer monetary rewards to employees who propose effective strategies for saving money for the city.

Councilmember Destin made a motion to direct staff to report back on the total savings achieved from the 3% reduction in the operational budget. Seconded by Councilmember King. Motion passed 7-0 (Council members Schmidt, King, Hebert, Bagby, Destin, Geile, and Stephens voted "yes").

Councilmember Schmidt moved to decrease the light budget line item by \$200,000, decrease the community center upgrade line item by \$200,000, and add \$400,000 to Morgan's playing field upgrades and batting cage; seconded by Councilmember Stephens. Motion failed 2-5 (Council members Schmidt and Stephens voted "yes"; Council members Hebert, Bagby, Geile, Destin, and King voted "no").

Motion by Councilmember King, seconded by Councilmember Hebert, to take \$200,000 from the light budget line item and put that money as well as the \$111,000 unspent fund from the FY 2024 budget, towards the Morgan's field upgrades failed 3-4 (Council members Schmidt, King, and Stephens voted "yes"; Council members Hebert, Bagby, Geile, and Destin voted "no").

Having no further business at this time, the meeting was adjourned at 9:41 PM.



ATTEST:

Rey Bailey, City Clerk

Bobby Wagner, Mayor