

**MINUTES
BUDGET WORKSHOP #2
DESTIN CITY COUNCIL
JULY 13, 2026
ANNEX COUNCIL CHAMBERS
5:30 PM**

The Council of the City of Destin met in special session to hold budget workshop #2 with the following members and staff present:

Destin City Councilmembers Present

Mayor Pro Tem Terésa Hebert
Councilmember Rodney Braden
Councilmember Dewey Destin
Councilmember Chatham Morgan

Councilmember John Stephens
Councilmember Sandy Trammell
Councilmember Kevin Schmidt

City of Destin Staff Present

City Manager Larry Jones
City Engineer Robert Tomesek
Building Official Noell Bell
Finance Director Krystal Strickland
City Attorney Kim Kopp

City Clerk Lisa Wallace
IT Director Andy Peters
HR Director Jamie Haynes
Public Works Director Michael Burgess
Projects and Grants Manager Joff Cozadd

WORKSHOP #2

A. Fiscal Year 2027 Budget Cycle

Mayor Pro Tem Hebert called the meeting to order at 5:36 p.m.

The City Manager began the workshop by announcing that Council would be asked to adopt a tentative millage rate of 1.6150 at the July 20, 2026 Council meeting. He emphasized that this would be the 10th consecutive year at that rate.

Dr. Jones and Finance Director, Krystal Strickland, then presented the proposed budget summary and the following supporting materials:



City of Destin 2027 Budget Workshop #2

Proposed Budget

July 13, 2026

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**We preserve our heritage
and protect our future
with good decisions today.**

2



HIGHLIGHTS –



Property values increased approximately 2%

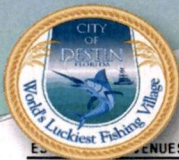


Propose 1.6150 (0.66% tax increase) \$4/homestead



FY 2027 Proposed Operating Budget is **4%**
lower than the FY 2026 Adopted Budget

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REVENUES:	General Fund	Town Center CRA	Harbor CRA	Florida Building Code	NonMajor Special Revenue	Debt Service	Capital Project Funds	Total All Funds
Taxes:								
Millage Per \$1000:								
Ad Valorem Taxes 1.6150	\$13,083,236	\$687,569	\$641,176	\$0	\$0	\$0	\$0	\$14,411,981
Tax Increment Financing (TIF) / County	-	1,630,090	645,831	-	-	-	-	2,275,921
Delinquent Ad Valorem Taxes	5,000	-	-	-	-	-	-	5,000
Sales and Use Taxes	1,079,600	-	-	-	-	-	769,300	1,848,900
Licenses & Permits	4,953,100	-	-	998,518	25,000	-	1,113,000	7,089,618
Intergovernmental Revenue	4,148,700	-	-	-	1,720,000	750,000	5,994,765	12,613,465
Charges For Services	656,401	-	-	28,900	933,500	-	-	1,618,801
Fines & Forfeitures	85,000	-	-	20,000	-	-	-	105,000
Miscellaneous Revenue	1,072,765	122,800	41,200	15,945	433,538	19,353	373,700	2,079,301
TOTAL SOURCES	\$ 25,083,802	\$ 2,440,459	\$ 1,328,207	\$ 1,063,363	\$ 3,112,038	\$ 769,353	\$ 8,250,765	\$ 42,047,987
Proceeds from Issuance of Debt or Lease	-	-	-	-	-	-	-	0
Transfers In	-	-	-	-	337,907	4,746,377	4,500,000	9,584,284
Beginning Fund Balances/Reserves/Net Assets	0	177,143	300,675	103,802	1,574,159	0	2,170,091	4,325,871
TOTAL REVENUES, TRANSFERS & BALANCES	\$ 25,083,802	\$ 2,617,602	\$ 1,628,882	\$ 1,167,165	\$ 5,024,104	\$ 5,515,730	\$ 14,920,856	\$ 55,958,142
EXPENDITURES								
General Government	\$ 5,610,488	\$ -	\$ -	\$ -	\$ -	\$ 55	\$ -	\$ 5,610,543
Public Safety	4,895,808	-	-	1,067,488	392,500	-	-	6,355,796
Physical Environment	908,324	-	-	-	72,440	-	-	980,764
Transportation	2,427,385	-	-	-	272,439	-	-	2,699,824
Economic Environment	16,000	116,680	102,350	-	-	-	-	235,030
Health and Human Services	97,600	-	-	-	-	-	-	97,600
Culture & Recreation	6,298,751	-	-	-	-	-	-	6,298,751
Debt Services	25,500	-	-	-	5,300	5,497,396	-	5,528,196
Capital Outlay	806,720	1,500,000	-	-	1,928,311	-	13,868,209	18,103,240
TOTAL EXPENDITURES	\$ 21,086,576	\$ 1,616,680	\$ 102,350	\$ 1,067,488	\$ 2,670,990	\$ 5,497,451	\$ 13,868,209	\$ 45,909,744
Transfers Out	3,863,879	1,000,923	1,526,532	99,677	2,353,114	-	740,159	9,584,284
Ending Fund Balances/Reserves/Net Assets	133,347	-	-	-	-	18,279	312,488	464,114
TOTAL APPROPRIATED EXPENDITURES, TRANSFERS, RESERVES & BALANCES	\$25,083,802	\$2,617,602	\$1,628,882	\$1,167,165	\$5,024,104	\$5,515,730	\$14,920,856	\$55,958,142

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FY 2027 REVENUES by type

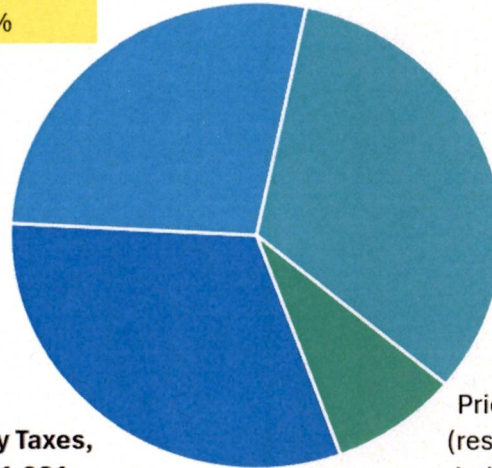
\$45.9m

Grants & Shared,
\$12,613,465 ,
28%

Fees and other
sources,
\$15,022,541 ,
33%

Property Taxes,
\$14,411,981 ,
31%

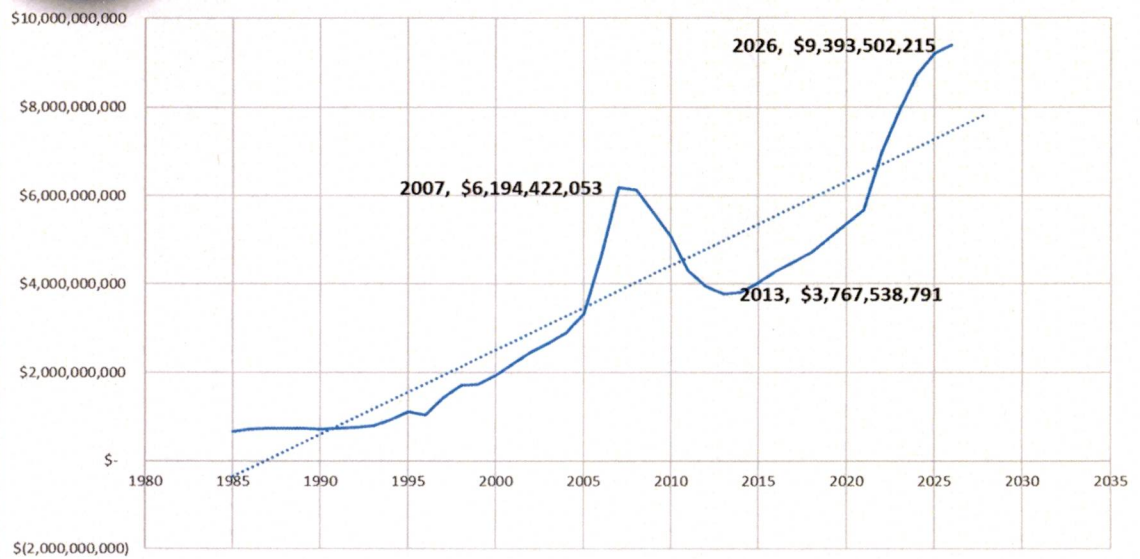
Prior Year
(restricted)
balances,
\$3,861,757 , 8%



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Destin Taxable Property Value



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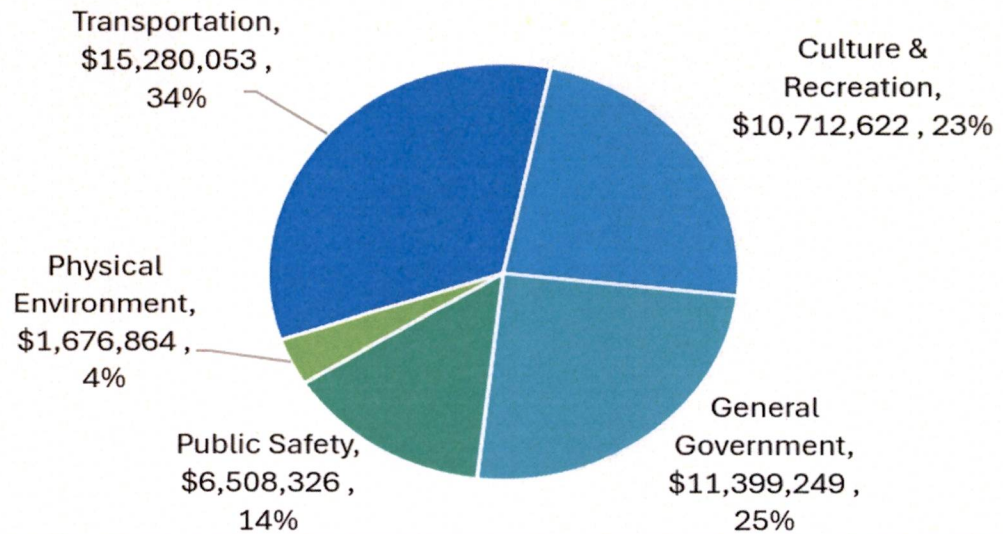
	Parcel Use	Parcel Count	07/01/2026 Taxable Value	Ad Valorem @ 1.615 x 96%	Avg Taxes per Parcel	% of Total Taxes
	Homesteaded	3,611	1,310,529,656	\$ 2,031,845	\$ 563	14%
	Residential	10,207	6,901,896,276	10,700,700	\$ 1,048	74%
	Non-Residential	2,406	1,177,122,967	1,825,011	\$ 759	13%
	Grand Total	16,224	9,389,548,899	\$ 14,557,557	\$ 897	100%
			LESS: 1% Delinq	\$ 145,576		
			Estimated Proceeds from Levy	\$ 14,411,981		
					var to 1.6044	
			General Fund	\$ 13,083,236	\$ 42,432	\$ 13,040,804
			Town Center CRA	687,569	17,837	669,732
			Harbor CRA	641,176	34,324	606,852
				\$ 14,411,981	\$ 94,593	\$ 14,317,388
				avg homestead@rollback: \$559		
			ROLL-BACK RATE = 1.6044			
			The Proposed rate of 1.615 is %0.66 higher than the Roll-Back Rate			
			The City has maintained a rate of 1.615 since Oct 2017			

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FY 2027 EXPENDITURES by function

\$45.9m



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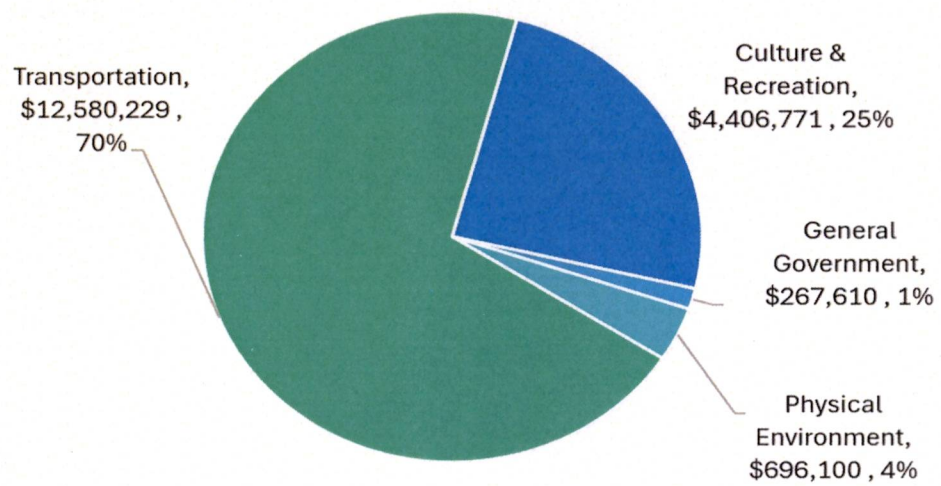
2027 Budget Highlights

	FY 2026 Budget	FY 2027 Proposed	FY27-FY26	% change
Operations	\$ 23,287,009	\$ 22,278,308	\$ (1,008,702)	-4%
Debt Service	\$ 5,704,731	\$ 5,528,196	\$ (176,535)	-3%
Capital Outlays	\$ 41,296,871	\$ 18,103,240	\$ (23,193,631)	-56%
Total Expenditures	\$ 70,288,612	\$ 45,909,744	\$ (24,378,868)	-35%

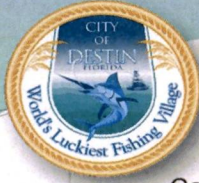
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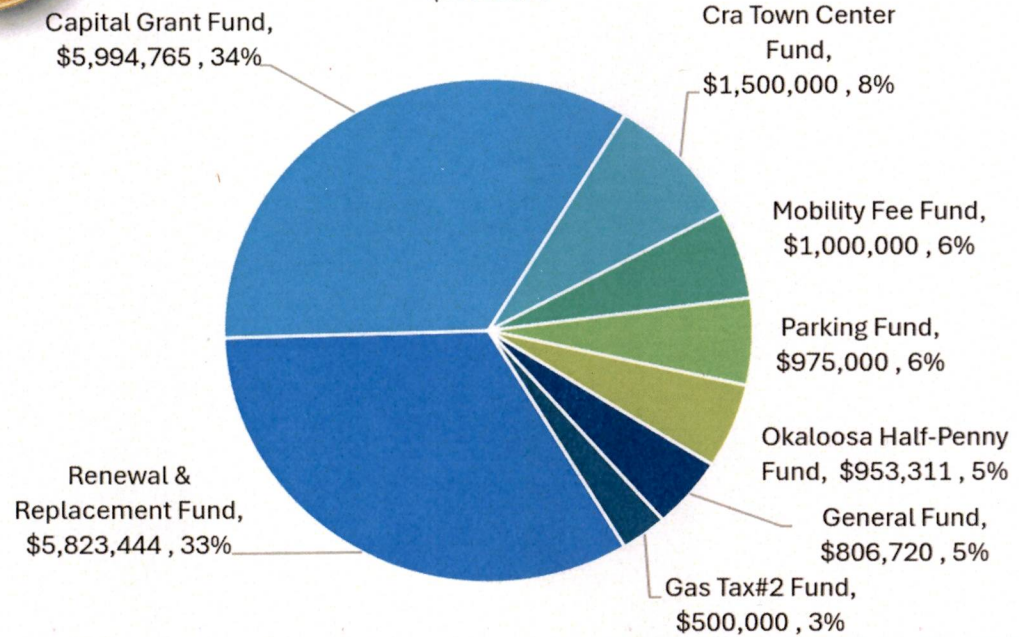
FY 2027 CIP by Function
\$18.1m



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FY 2027 CIP by Source \$18.1m



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2026 CIP Highlights

- Completed
 - Dredged Harbor Channel
 - Norriego Point Park
 - MSC Playground
 - MSC Athletic Field Lighting
 - MSC Batting Cages
 - DLL artificial turf

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2026 CIP Highlights

- Completed
 - Purchased land to expand DLL parking
 - Mattie Kelly Outfall (in prep for Joe's Bayou Park Improvements)
 - Resurfaced Buck Destin Basketball Courts w/new fencing
 - Repaved 11.6 lane miles of roadways (16 segments) including Airport Road

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2026 CIP Highlights

- Completed
 - Crosstown Connector stormwater retention units installed
 - Pickleball Courts

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2026 CIP Highlights

- In Process
 - Tarpon Beach Park (open 7/15/26)
 - Clement Taylor Park renovations
 - Community Center Roof
 - 9.6 more lane miles of roads (18 street segments) are scheduled

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2026 CIP Highlights

- In Process
 - Undergrounding Overhead Utilities – switching will occur when FPL completes installations of additional power infrastructure
 - Crosstown Connector **Roadway** (Beach to Benning)
 - MSC field equipment shed

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2027 CIP Highlights

- Projects planned for FY 2027:
 - Mattie M. Kelly Blvd N/S road connection
 - Mattie M. Kelly Blvd sidewalk, bike lane
 - John Ave (Dolphin to Sailfish)
 - Dolphin Reconstruction (road and sidewalk)

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2027 CIP Highlights

- Projects planned for FY 2027:
 - 36 roadways to be repaved (last paved 1970 - 1995)
 - Main St Beautification (98-Airport)
 - Sibert-Zerbe parking lot consolidation/paving (parking fund)
 - Dalton Threadgill Parking

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2027 CIP Highlights

- Projects planned for FY 2027:
 - Community Center – doors, windows, stucco
 - MSC athletic field fencing
 - MSC restrooms
 - Buck Destin Playground
 - Dalton Threadgill field lighting
 - Dog Park Fence

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2027 CIP Highlights

- Projects planned for 2027:
 - Shores at Crystal Beach Park (TDC/BOCC)
 - Replace boardwalks at beach access points (TDC)

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2027 CIP Highlights

(RE)/CONSTRUCTION	Estimate \$
Clement Taylor Park (cont)	\$ 185,000
4Prong Lake (cont)	\$ 300,000
Crosstown (cont)	\$ 3,550,000
Crystal Beach (cont)	\$ 1,909,765
Undergrounding (cont)	\$ 300,000

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2027 CIP Highlights

(RE)/CONSTRUCTION	Estimate \$
Community Center	\$ 150,000
Morgan Sport Center	\$ 844,396
Beach Access Trail Decking	\$ 50,000
Buck Destin	\$ 154,500
Dalton Threadgill	\$ 779,600
Dog Park	\$ 95,050
Cemetery	\$ 60,000

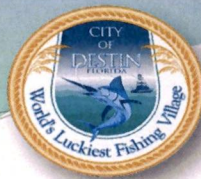
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2027 CIP Highlights

(RE)/CONSTRUCTION	Estimate \$
Roads to Repave	\$ 3,107,658
New Road/Sidewalk	\$ 3,853,311
Main St Beautification	\$ 333,720
Parking Lot	\$ 525,000
Sidewalk Replacements	\$ 61,800

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2027 CIP Highlights

ITEMS TO BE REPLACED:	Item Count	Estimate \$	
Vehicle	9	\$ 448,880	11 to 8 years old
HVAC	16	\$ 219,390	25 to 9 years old
Pipehunter	1	\$ 190,550	10 years old
Backhoe	1	\$ 144,200	10 years old
Skid Steer	1	\$ 130,000	10 years old
Generator	3	\$ 108,200	26 to 11 years old
Generator Txfr Switch	2	\$ 12,360	26 to 11 years old
Gator	6	\$ 98,880	15 to 7 years old
Dump Trailer	1	\$ 11,330	10 years old
Mower	2	\$ 23,690	8 years old
Sand Pro	2	\$ 32,960	14 to 7 years old
	44	\$1,420,440	
2 new trucks (TDC)	2	\$ 80,000	
GRAND TOTAL	46	\$1,500,440	

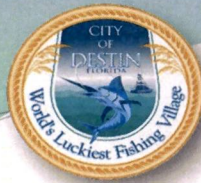
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2027 Budget Highlights

- DRAFT Budget Book
 - Fund Balance Trend Summary FY25-30 starts page 11
 - Capital Project Details start page 62
 - 5-Year Capital Improvement plans with details of items to be replaced/repaved starts page 126

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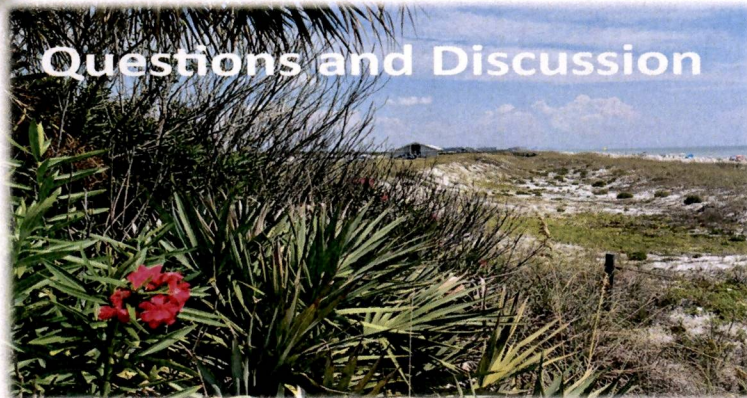


Next Steps:

July 20: Council Adopts Tentative Millage Rate
September 8 & 21: Budget Hearings

**Detailed Budget Briefings Available by
Appointment**

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Council reviewed budget items including bank fees and investment earnings, code enforcement revenues, vehicle replacements, seawall repair, improvements at Harbor Boulevard including power to lights and increased funding for fireworks and holiday decorations, turning lane improvements at Airport and Commons, and the Sheriff's contract. Staff agreed to provide additional cost and funding information for future discussion.

PUBLIC COMMENT

Mayor Pro Tem Hebert called for any comments from the public. There being none offered, the public comment period was closed.

ADJOURNMENT

Having no further business, the meeting was adjourned at 6:29 PM.

Teresa Hebert, Mayor Pro Tem

ATTEST:

Lisa Wallace, City Clerk