

**REGULAR MEETING
DESTIN CITY COUNCIL
JULY 20, 2026
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
Mayor Pro-Tem Terésa Hebert
Councilmember Rodney Braden
Councilmember Dewey Destin

Councilmember Chatham Morgan
Councilmember John Stephens
Councilmember Sandy Trammell

Destin City Staff

City Manager Larry Jones
Parks and Recreation Director Lisa Firth
Public Information Director Tamara Young
Public Works Director Michael Burgess
Principal Planner Daniel Butler
Projects and Grants Manager Jeff Cozadd
City Attorney Kimberly Kopp

City Clerk Lisa Wallace
Jesse Hernandez, Senior Planner
City Engineer Robert Tomesek
Finance Director Krystal Strickland
Antonio Payne, Systems and Network Specialist
HR Director, Jamie Haynes
Noell Bell, Chief Building Official

CALL TO ORDER, INVOCATION, AND PLEDGE OF ALLEGIANCE

Mayor Bobby Wagner called the meeting to order at 6:00 PM. Pastor Kevin Wendt of Grace Evangelical Lutheran Church gave the invocation which was then followed by the recitation of the Pledge of Allegiance.

AGENDA APPROVAL

Councilmember Trammell added items forwarded to Council from the CRA Board meeting to the agenda under her name.

Councilmember Hebert made a motion, seconded by Councilmember Trammell, to approve the agenda as amended. The motion passed 6-0.

2. PUBLIC COMMENTS (Note: Public Comments were heard *before* Item 1, Proclamations/Recognitions/Special/Public Presentations/Announcements)

Ricky Lynn Grant advocated for additional public beach accesses throughout Okaloosa County and suggested constructing a pedestrian skybridge between the harbor and Norriego Point. He also discussed future urban development, economic opportunities, and his desire to secure a permanent home in the area.

Rob Valatin, speaking personally, urged the Council to reconsider its prior decision regarding the state-acquired Holiday Isle property. He supported accepting Commissioner Palmer's proposal as a final diplomatic effort to obtain City management of the property before initiating conflict-resolution or legal proceedings, noting that doing so could reduce costs, strengthen the City's position, and help prevent the property from remaining closed or being commercially developed.

There being no further comments, the first public comment period was closed.

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

Lobbyist Kelly Horton of Heffley & Associates provided Council with an update on recent legislation and lobbying efforts. She presented an overview of the 2026 legislative sessions, noting that 237 of 1,896 filed bills passed and that the final \$114.5 billion state budget included approximately \$14 billion in reserves. She reported that the City of Destin secured \$1 million each for the Crosstown Connector, Four Prong Lake project, and Stallman Avenue improvements, with all three appropriations surviving the Governor's veto process.

She also discussed pending property-tax relief litigation, unsuccessful efforts to amend Senate Bill 180, and legislation involving land use, beach management, permitting, DEI-related funding restrictions, sovereign immunity, and artificial intelligence. She encouraged the City to begin developing its legislative priorities before committee meetings begin later in the year.

Rich Heffley followed up noting the significant political transition expected following the 2026 elections, including open statewide offices, new agency leadership, legislative turnover, and changes resulting from congressional redistricting. He emphasized that the transition presents opportunities for Northwest Florida leaders to seek appointments, influence policy, and advocate for regional priorities.

He also addressed the proposed property-tax amendment, noting pending legal challenges to the ballot language and polling near the 60% threshold required for passage. He advised waiting for the final ballot language and updated polling before assessing its likelihood of approval.

3. CONSENT AGENDA

- A. Approval of Minutes of July 6, 2026 Regular City Council Meeting
- B. Destin Water Users, authorization to issue a Purchase Order for new reclaim water line
- C. Public Easement #464301901 - DEP/Joe's Bayou Project
- D. Renewal & Replacement - Resurfacing of Clipper Cove

Councilmember Hebert made a motion, seconded by Councilmember Trammell, to approve the consent agenda. The motion passed 6-0.

4. PUBLIC HEARINGS

- A. First Reading of Ordinance 26-20-LC: AN ORDINANCE OF THE CITY OF DESTIN FLORIDA APPROVING THE UNIFORM METHOD ("INVOLUNTARY") ANNEXATION OF CERTAIN REAL PROPERTY TOTALING 2076.095 +/- ACRES, CONTAINING ALL

UNINCORPORATED LAND LYING EAST AND SOUTH OF CHOCTAWHATCEE BAY LOCATED IN OKALOOSA COUNTY FLORIDA, AS MORE SPECIFICALLY DESCRIBED HEREIN; AMENDING THE CITY CHARTER BY REDEFINING THE CORPORATE LIMITS OF THE CITY OF DESTIN; DIRECTING THE CITY MANAGER TO DO ALL THINGS NECESSARY TO EFFECTUATE THIS ANNEXATION; DIRECTING THE CITY CLERK TO FILE A COPY OF THIS ORDINANCE WITH THE CLERK OF THE CIRCUIT COURT IN OKALOOSA COUNTY, THE CHIEF ADMINISTRATIVE OFFICER OF OKALOOSA COUNTY, AND THE FLORIDA DEPARTMENT OF STATE WITHIN THIRTY DAYS AFTER ADOPTION, IN ACCORDANCE WITH SECTION 171, FLORIDA STATUTES; PROVIDING A CONFLICTS CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

The City Attorney read Ordinance 26-06-LC by title and presented it to the city council for first reading.

Mayor Wagner opened a public hearing to receive comments from the public on the proposed ordinance.

Mike Weget, 4083 Drifting Sand, asked if Council would be willing to share their thoughts on the proposed annexation prior to the public comments. City Attorney Kopp stated that Council could let their feelings be known prior to the public hearing but that a public hearing must be held before a decision is made by Council.

Councilmembers generally agreed that residents of the unincorporated neighborhoods had clearly expressed opposition to annexation. Several supported postponing the matter for two years, while others opposed establishing a specific reconsideration date and noted that a future Council could revisit the issue at any time. Members also emphasized the City's limited population, the effect of population on grant funding and influence, and the need for broader cooperation on issues affecting the entire Destin community.

Mayor Wagner then called for any comments from the public.

Mike Weger thanked City staff and Council members for their assistance and recommended tabling the matter rather than extending it. He offered to help engage the affected neighborhoods and suggested restarting the process from the beginning to avoid issues associated with the current proposal.

Amy Brooke requested clarification regarding "involuntary annexation." The City Attorney explained that, unlike voluntary annexation initiated by property-owner petitions, the proposed process would require a referendum vote and approval by a majority of voters.

Duke Eliason, representing the Diamond Lakes community, supported postponing the proposal to allow further discussion. He expressed concern about additional City taxes for retirees and residents on fixed incomes who already pay HOA fees and asked the City to explore benefits or cost offsets that could reduce the financial impact of annexation.

Charles Rigdon, President of the Kelly Plantation Homeowners Association, stated that the association's board and a majority of homeowners oppose annexation into the City of Destin. He said the community is self-sufficient, satisfied with existing county, utility, fire, law-enforcement, and

HOA-provided services, and believes annexation would increase property taxes and regulatory requirements without improving residents' quality of life. He also expressed concern that the City had not contacted the HOA or provided an opportunity for meaningful discussion before advancing the proposal.

Carolyn Deetson expressed concern that annexation could reduce the allowable homestead exemption for owners of larger properties from up to 160 acres to one-half acre within a municipality. She asked the City to research and address the potential effect on property owners before further discussing annexation.

Meredith Bush, legal counsel for the Kelly Plantation Owners Association, requested that the City completely withdraw the annexation ordinance rather than reschedule it for consideration in two years. She alleged that the proposal did not satisfy statutory requirements, cited inconsistencies among City documents regarding the acreage involved, and criticized the lack of communication and public engagement with affected property owners. She also questioned whether public funds could lawfully be used to offset private HOA costs and warned that continued action could result in legal challenges.

John Love, a Kelly Plantation resident, opposed annexation, stating that it would substantially increase residents' annual property taxes without providing benefits commensurate with the additional cost. He noted that the HOA already maintains neighborhood roads, landscaping, recreation facilities, and other services, while annexation would add City permitting, inspections, code enforcement, and bureaucracy.

Kevin Kennedy, President of the Bay Winds HOA in Emerald Bay, agreed that annexation did not appear financially beneficial to residents but emphasized that the discussion should extend beyond taxes. He encouraged the City to meet with affected communities and clearly explain how adding approximately 1,500 residents could strengthen Destin's representation and advocacy in Tallahassee and provide broader benefits to the entire community.

Patty Scholard, a Regatta Bay resident, opposed postponing the annexation proposal for two years and expressed concern that uncertainty could cause residents to sell their homes. She cited the financial impact on retirees and raised concerns about additional City permit and development fees, including roofing costs. She also questioned how City setback requirements could affect existing homes and residents' ability to rebuild after a hurricane or other disaster.

Daniel Frankfurt, a Kelly Plantation resident and Regatta Bay property owner, initially supported tabling the annexation proposal to allow additional review. He noted potential benefits of annexation, including voting rights, participation in City government, access to the experience and leadership of residents in the affected communities, and greater local influence over planning and development decisions. He also cited potential long-term revenue and grant benefits and expressed willingness to work with the City to identify a solution that benefits future generations.

Ashley Rogers, an attorney representing several Destin Commons-related entities, expressed serious concerns regarding the feasibility study and the proposal's compliance with statutory requirements. She requested that the Council use the appropriate procedural action to withdraw, terminate, or vote against the annexation proposal and discontinue further proceedings.

An unnamed speaker opposed the annexation proposal and cautioned that some information presented was misleading. He questioned whether the City could regulate or reduce HOA fees

governed by Chapter 720, Florida Statutes, and questioned how annexation would benefit affected residents.

David Long, a Regatta Bay resident, emphasized that the City should conduct a meaningful public outreach program before taking any future action on annexation. He offered to use the Regatta Proud Facebook group to help distribute information, gather resident feedback, and conduct surveys, noting that residents have valuable experience and want opportunities to become more engaged in the broader community.

Vincent Asperante, a new Regatta Bay resident, opposed involuntary annexation, stating that it did not align with the character or expectations of the affected private communities. He expressed willingness to meet with City representatives but urged the Council to discontinue the proposal and allow the communities to remain unincorporated.

Mike Shatz, a 14-year Emerald Bay resident, opposed annexing multiple HOA communities under a single proposal. He recommended evaluating each neighborhood's needs individually and allowing residents of each affected area to vote separately on annexation.

There being no further comments offered, the public hearing was closed.

Councilmember Trammell made a motion, seconded by Councilmember Destin, to table the proposed annexation ordinance 26-20-LC. The motion passed 6-0.

Mayor Wagner acknowledged the residents' concerns and ideas and asked the Council whether tabling the annexation proposal would still allow continued outreach to individual neighborhoods. He expressed a desire to keep working collaboratively with residents regardless of whether annexation moved forward.

The City Attorney clarified that tabling the annexation proposal would halt all official staff work unless the Council expressly authorized the City Manager to continue.

Mayor Wagner stated that he would conduct a personal listening campaign without advocating a position, emphasizing his intent to respect the Council's decision and avoid overstepping his authority.

5. CITY MANAGER REPORTS

A. Establishing the FY 2027 Tentative Millage Rate and Budget Public Hearing Date

Councilmember Stephens made a motion seconded by Councilmember Destin, that council set the tentative millage rate for ad valorem taxes at 1.6150 mills which is 0.66% more than the roll-back rate of 1.6044 mills and confirm the date and times of the public hearings for the FY 2027 Budget on September 8th, 2026 at 6:00 PM and September 21st, 2026 at 6:00 PM. and proceed with the optional budget workshop on Monday, August 12 10, 2026 at 5:30 p.m. The motion passed 6-0.

B. Technology Fund - Recommendation to change

Councilmember Destin made a motion, seconded by Councilmember Trammell, to revise the schedule of fees to reduce the percentage of development, permitting and licensing fees restricted to the Technology fund from 10% to 5%. The motion passed 6-0.

C. Resolution 26-06, Amendment to the Schedule of Fees, Section 2 (Building Permit and Developer Fees)

Councilmember Trammell made a motion, seconded by Councilmember Hebert, to adopt Resolution 26-06, which changes the fee base for inspections to meet current Florida statute and to reduce the transfers out of the Technology Fund from 10% of permit and license fees down to 5%. The motion passed 6-0.

D. Resolution 2026-16 in Support of Home Rule and City Land Use Authority

Councilmember Trammell made a motion, seconded by Councilmember Hebert, to adopt Resolution 26-16 supporting local home rule and land use authorities. The motion passed 6-0.

E. Resolution 26-21 Conflict Resolution Proceedings and Notice Letter to Cabinet and FDEP

Councilmember Braden made a motion, seconded by Councilmember Trammell, to adopt Resolution 26-21 to invoke the conflict resolution process provided for in Chapter 164 of the Florida statutes. The motion passed 5-1 with Councilmembers Destin, Hebert, Braden, Trammell, and Stephens voting “yes” and Councilmember Morgan voting “no”.

Councilmember Braden made a motion, seconded by Councilmember Hebert, to authorize the City Manager to execute the Notice Letter to the State (all cabinet members and FDEP rep). The motion passed 6-0.

F. Resolution 26-19 Harbor CRA Fundraising Fund

Councilmember Trammell made a motion, seconded by Councilmember Hebert, to adopt Resolution 26-19 to create a new special revenue fund. The motion passed 6-0.

G. Authorization to prepare an Ordinance amending the City's Floodplain Management Regulations

Councilmember Trammell made a motion, seconded by Councilmember Stephens, to authorize preparation of an ordinance amending the City's Floodplain Management Regulations to reduce the required freeboard from two (2) feet to one (1) foot above the applicable Base Flood Elevation, develop and implement a Community Rating System (CRS) enhancement program designed to offset anticipated CRS point reductions and maintain the City's current CRS Class 6 rating, and initiate the ordinance review/adoption process. The motion passed 6-0.

H. Mobility Plan Update

Councilmember Destin made a motion, seconded by Councilmember Stephens, to continue this item until the next meeting. The motion passed 6-0.

I. Capital Project Status - Informational Only

J. Operations Financial Report - Informational Only

K. TDC Monthly Report - Informational Only

L. Quarterly Investment Report - Informational Only

M. Minutes of Standing Boards & Committees - Informational Only

N. Announcements

Public Works Director Michael Burgess provided an update on Tropical Storm Bertha, reporting sustained winds of 40 mph and slow movement approximately 100 miles south of Panama City. The primary local concerns were intermittent heavy rainfall, gusty winds, possible tree damage due to saturated soil, and hazardous beach conditions. Public Works would continue monitoring and remain prepared to respond. Residents and visitors were encouraged to monitor official weather sources, secure outdoor items and trash cans, maintain hurricane supplies, and observe beach warning flags.

Public Information Director, Tamara Young, announced Big Truck Day would be held July 31 from 9:00 to 11:00 a.m. at the Destin Community Center parking lot and would be free for all ages. A Comprehensive Plan EAR Workshop was scheduled for August 10 at 5:30 p.m. in the City Hall Annex, and residents were encouraged to complete the public survey available on the City's website. Staff also announced upcoming road resurfacing projects on North Lakeside Drive and Misty Way later in July and on Gulf Shore Drive in August, with additional information available on the City's website and Facebook page.

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

A. Councilmember Braden

B. Councilmember Stephens

Councilmember Stephens made a motion, seconded by Councilmember Trammell, to direct staff to evaluate signage and a life jacket loaner program for the Norriego Point East Passage area, and to identify necessary permits and potential grant funding (FPL) and bring back to Council for consideration. The motion passed 6-0.

C. Councilmember Destin

D. Councilmember Trammell

Councilmember Trammell made a motion, seconded by Councilmember Hebert, to approve the motion that was made at CRA Board meeting to include \$1,500,000 for the completion of the Mattie M. Kelly Connector project along with the sidewalk and bike lane projects to include in the FY 2027 budget. The motion passed 6-0.

E. Councilmember Hebert

F. Councilmember Morgan

G. Councilmember Schmidt

H. Mayor Wagner

I. City Attorney

7. PUBLIC COMMENTS

Ashley Painter, President and CEO of United Contract Solutions and United Fuel Direct, clarified that her company provides an optional dockside concierge fueling service and does not seek to compete with local marinas or the cooperative. She emphasized the company's safety, training, regulatory compliance, emergency-response capabilities, and service to 34 Destin Harbor clients. Painter stated that dockside fueling can reduce harbor congestion, support charter and tournament vessels, and provide backup fuel during emergencies. She requested that the company be allowed to continue operating under its existing approvals.

8. ADJOURNMENT

There being no further business, the meeting adjourned at 8:52 p.m.

ATTEST:

A handwritten signature in blue ink, appearing to read "Lisa Wallace", is written over a horizontal line.

Lisa Wallace, City Clerk

A handwritten signature in black ink, appearing to read "Bobby Wagner", is written over a horizontal line.

Bobby Wagner, Mayor