MINUTES
BUDGET WORKSHOP #3
DESTIN CITY COUNCIL
AUGUST 17, 2026
ANNEX COUNCIL CHAMBERS
5:30 PM

The Council of the City of Destin met in special session to hold budget workshop #3 with the following members and staff present:

Destin City Councilmembers Present

Mayor Bobby Wagner
Mayor Pro Tem Terésa Hebert
Councilmember Rodney Braden
Councilmember Dewey Destin
Councilmember Chatham Morgan
Councilmember John Stephens
Councilmember Sandy Trammell

City of Destin Staff Present

City Manager Larry Jones
City Engineer Robert Tomesek
Parks & Recreation Director Lisa Firth
Finance Director Krystal Strickland
Community Development Director Tina Deater
Public Information Director Tamara Young
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 Jeff Cozadd
Library Director Wen Livingston

WORKSHOP #3

A. Fiscal Year 2027 Budget Cycle

Mayor Wagner called the meeting to order at 5:30 p.m.

Dr. Jones reported that staff incorporated the following previous workshop comments into the proposed budget:

- **Harbor One seawall:** Proposed allocating **$750,000** from existing Okaloosa half-cent funds as seed/matching funds to pursue state, federal, grant, or TDC funding for construction. The goal is to help open the five combined parcels to the public.
- **Fireworks/drone budget:** Increased from **$40,000 to $80,000.**
- **Airport stacking lane:** Plan to incorporate expansion into the upcoming Airport Road resurfacing project, including curbing/striping and potentially closing the median cut.
- **FDOT median improvements:** Added **$217,000** in remaining FDOT grant funds; approximately **$300,000+** is proposed for ribbon curbing around median landscaping.

- **Vehicle/equipment replacement:** Deferred three vehicle replacements and one Sandpro machine, reducing the budget by approximately **$150,000.**
- **HVAC:** Revised refrigerant requirements may increase replacement costs by up to **$86,000,** but overall savings from other changes remain.

Council members discussed the seawall funding approach and clarified that the $750,000 would support construction/matching funds rather than engineering design.

Finance Director Krystal Stickland then presented the following slides to Council:

City of Destin
2027 Budget Workshop #3

Proposed Budget

August 17, 2026

1

Updates since Workshop#2

July 13, 2026 Workshop Comments from Council:

- Seawall: added $750k (Oka Half) as grant application support (fed & state)
- Doubled fireworks ($40k-$80k)
- Airport/Commons stacking – engineer
- Added $217k FDOT grant to FY27 (ops rev/exps)

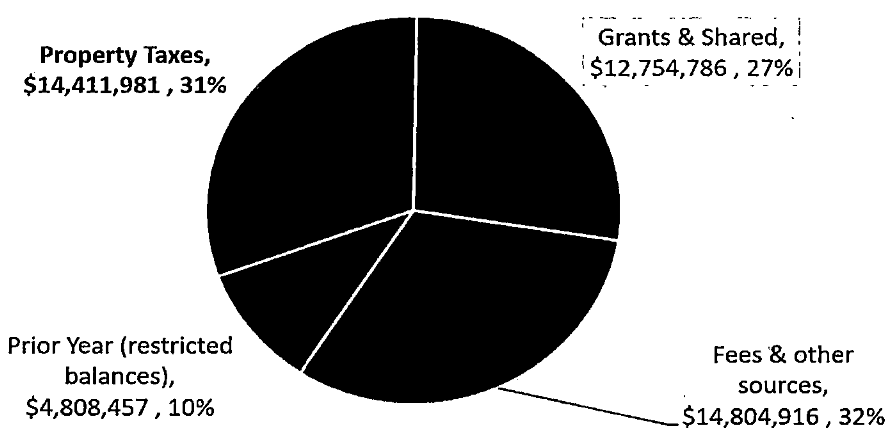
Updates since Workshop#2

July 13, 2026 Workshop Comments from Council:

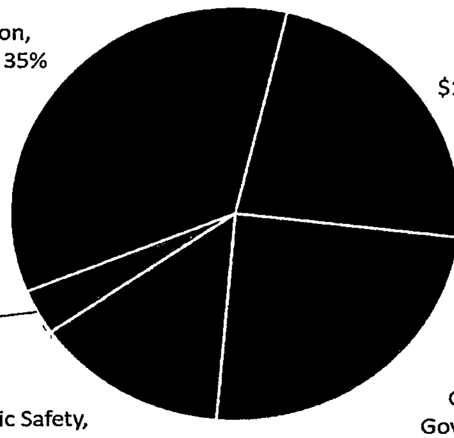
- RR Review
  - 3 vehicles (2016-2019) to 2028 <$134k>
  - one SandPro out to 2029 <$16k>
  - revised HVAC pricing (new refrigerant =new HPs and new AHs) +$86k

ESTIMATED REVENUES:	Millage Per $1000:	General Fund	Town Center CRA	Harbor CRA	Florida Building Code	NonMajor Special Revenue	Debt Service	Capital Project Funds	Total All Funds
Taxes:									
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
Intergovernmental Revenue		4,290,021	-	-	-	1,720,000	750,000	5,994,765	12,754,786
Licenses & Permits		4,953,100	-	-	998,518	25,000	-	1,113,000	7,089,618
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		$ 25,225,123	$ 2,440,459	$ 1,328,207	$ 1,063,363	$ 3,112,038	$ 769,353	$ 8,250,765	$ 42,189,308
Proceeds from Issuance of Debt or Lease		-	-	-	-	-	-	-	0
Transfers In		-	-	-	-	151,615	4,746,377	4,500,000	9,397,992
Beginning Fund Balances/Reserves/Net Asset:		-	176,127	299,659	4,504	2,473,351	-	2,091,351	5,044,993
TOTAL REVENUES, TRANSFERS & BALANCES		$ 25,225,123	$ 2,616,586	$ 1,627,866	$ 1,067,867	$ 5,737,004	$ 5,515,730	$ 14,842,116	$ 56,632,293
EXPENDITURES									
General Government		5,702,702	-	-	-	-	55	-	$ 5,702,757
Public Safety		4,888,022	-	-	1,035,367	392,500	-	-	6,315,889
Physical Environment		889,576	-	-	-	72,440	-	-	962,016
Transportation		2,637,229	-	-	-	235,339	-	-	2,872,568
Economic Environment		16,000	115,663	101,334	-	-	-	-	232,997
Health and Human Services		97,600	-	-	-	-	-	-	97,600
Culture & Recreation		6,293,617	-	-	-	-	-	-	6,293,617
Debt Services		25,500	-	-	-	5,300	5,497,396	-	5,528,196
Capital Outlay		806,720	1,500,000	-	-	2,678,311	-	13,789,469	18,774,500
TOTAL EXPENDITURES		$ 21,356,965	$ 1,615,663	$ 101,334	$ 1,035,367	$ 3,383,890	$ 5,497,451	$ 13,789,469	$ 46,780,140
Transfers Out		3,744,764	1,000,923	1,526,532	32,500	2,353,114	-	740,159	9,397,992
Ending Fund Balances/Reserves/Net Assets		123,394	-	-	-	-	18,279	312,488	454,160
TOTAL APPROPRIATED EXPENDITURES, TRANSFERS, RESERVES & BALANCES		$25,225,123	$2,616,586	$1,627,866	$1,067,867	$5,737,004	$5,515,730	$14,842,116	$ 56,632,293

FY 2027 REVENUES by type
$46.8m



FY 2027 EXPENDITURES by function $46.8m



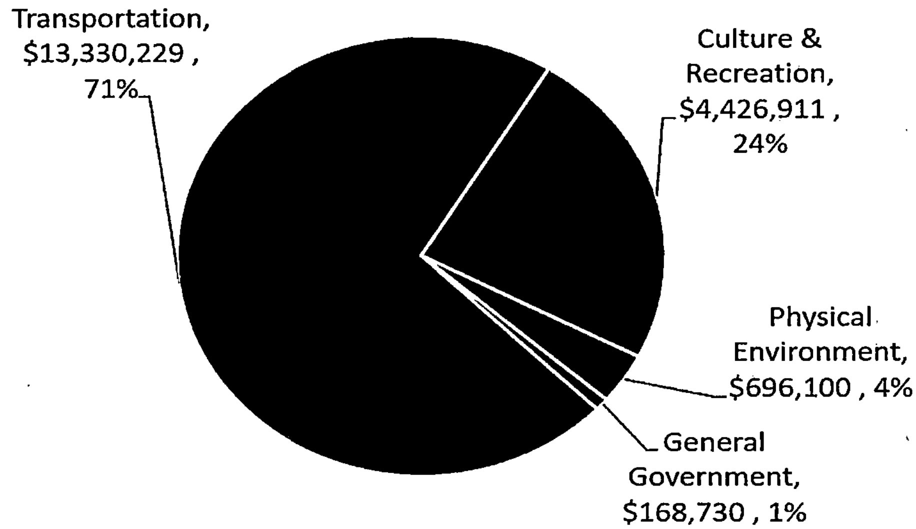
2027 Budget Highlights

	FY 2026 Budget	FY 2027 Proposed	FY27-FY26	% change
Operations	$ 23,931,489	$ 22,477,444	$ (1,454,045)	-6%
Debt Service	5,706,613	5,528,196	(178,417)	-3%
Capital Outlays	41,243,184	18,774,500	(22,468,684)	-54%
Total Expenditures	$ 70,881,286	$ 46,780,140	$ (24,101,146)	-34%

Adding $123,394 to General Fund balance

City of Destin Florida — World's Luckiest Fishing Village

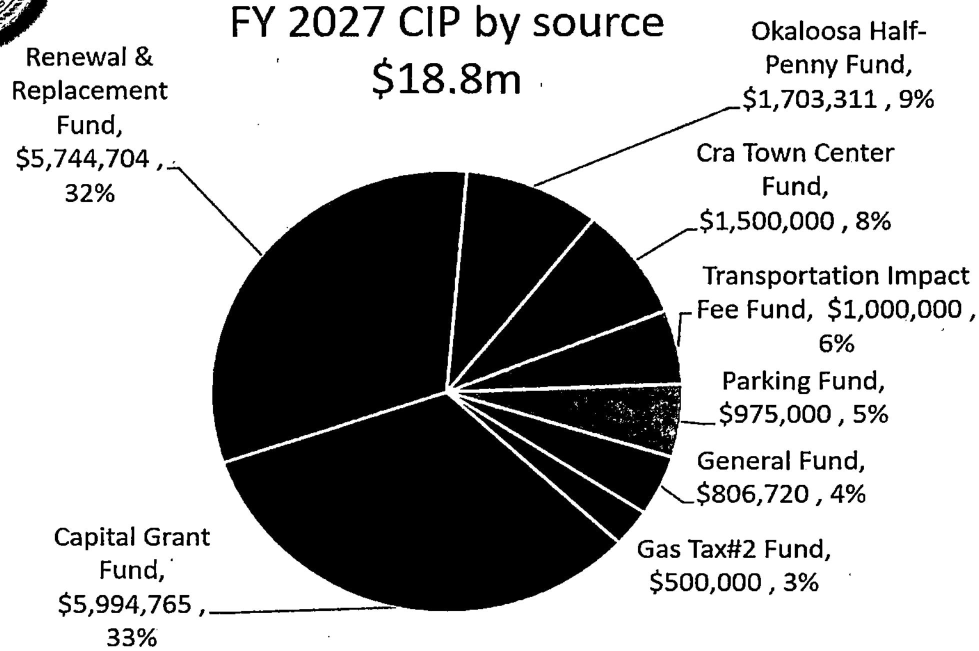
FY 2027 CIP by function $18.8m



8

City of Destin Florida — World's Luckiest Fishing Village

FY 2027 CIP by source $18.8m



9

2027 CIP Highlights

Capital Improvements	Estimated $	
Crosstown Connector (cont)	$ 3,550,000	Grant
Crystal Shores Park (cont)	$ 1,885,345	Grant
4Prong Lake outfall (cont)	$ 300,000	Grant
Clement Taylor Park (cont)	$ 185,000	Grant
TDC 2 new trucks	$ 80,000	Grant
TDC Beach access decking	$ 70,000	Grant

2027 CIP Highlights

Capital Improvements	Estimated $	
Seawall at 1 Harbor Blvd	$ 750,000	Oka 1/2 (grant apps)
Undergrounding (cont)	$ 300,000	Elect Franch
Dalton Threadgill Parking Lot Expansion	$ 450,000	Parking
Sibert-Zerbe Parking Lot Consolic	$ 525,000	Parking
John Ave extension	$ 500,000	Gas Tax#2
Dolphin St Reconstruction	$ 1,853,311	Impact Fees

2027 CIP Highlights

Capital Improvements	Estimated $	
MSC Restrooms	$ 250,000	Impact Fees
Mattie M Kelly Blvd N/S	$ 1,500,000	TC CRA
Main St Beautification	$ 333,720	GF
Community Center Windows/Doors/Stucco	$ 150,000	GF
Council Sound System	$ 75,000	GF

2027 CIP Highlights

ITEMS TO BE REPLACED	Item Count	Estimated $	Last Installed /Purchased
Renew Cemetery Landscaping	2	$ 60,000	1984-2002
Repave Road	36	$ 3,107,658	1970-1995
Replace Backhoe	1	$ 144,200	2017
Replace Buck Destin Playground	1	$ 154,500	1997
Replace Dalton Threadgill Field L	1	$ 329,600	2002
Replace Dog Park fencing	1	$ 95,050	2012
Replace Dump Trailer	1	$ 11,330	2017
Replace Gator	6	$ 98,880	2012-2020

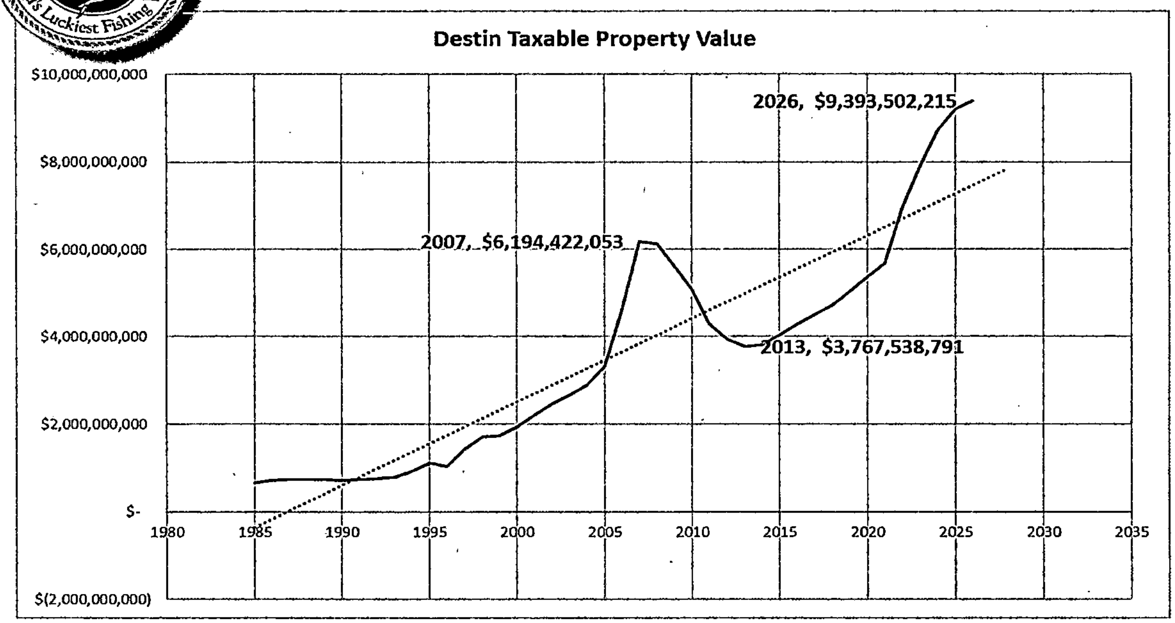
2027 CIP Highlights

ITEMS TO BE REPLACED	Item Count	Estimated $	Last Installed /Purchased
Replace Generator/Txfr Switch	5	$ 120,560	2006-2016
Replace HVAC	18	$ 306,010	2014-2018
Replace Mower w/Deck	1	$ 23,690	2019
Replace MSC fencing	2	$ 594,396	2016
Replace Pipehunter	1	$ 190,550	2017
Replace Sand Pro	1	$ 16,480	2013
Replace Sidewalk Panels	1	$ 61,800	
Replace Skid Steer	1	$ 130,000	2017
Replace Vehicle	6	$ 300,000	2016-2018

14

2027 Budget Highlights

- DRAFT Budget Book
  - Fund Balance Trend Summary FY25-30 starts page 11
  - Capital Project Details start page 65
  - 5-Year Capital Improvement plans with details of items to be replaced/repaved starts page 131



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				

Next Steps:

September 8 & 21: Budget Hearings

Detailed Budget Briefings Available by Appointment

PUBLIC COMMENT

Mayor Wagner 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 5:45 PM.

Bobby Wagner, Mayor

ATTEST:

Lisa Wallace, City Clerk