

**REGULAR MEETING
DESTIN CITY COUNCIL
APRIL 6, 2020
ANNEX COUNCIL CHAMBERS
6:00 PM**

*****Core Value of the Month - Transparency*****

CALL TO ORDER

INVOCATION (Pastor Steve Farris - First Baptist Church)

PLEDGE OF ALLEGIANCE

AGENDA APPROVAL *(Matters not specifically listed on the agenda may be added and acted upon with a super-majority vote of the Council members present and eligible to vote on the matter)*

1. APPROVAL OF MINUTES

- A. Approval of minutes of March 20, 2020 Special City Council Meeting
- B. Approval of minutes of December 16, 2019 Regular City Council Meeting
- C. Approval of minutes of December 2, 2019 Regular City Council Meeting

2. PROCLAMATIONS / RECOGNITIONS / **SPECIAL PRESENTATIONS / ANNOUNCEMENTS (No public comments)

- A. Fiscal Year 2019 Comprehensive Annual Financial Report, presented by Joe Klimek, Partner – EFPR Group, LLP Certified Public Accountants
- B. Destin Fire Control District Request

3. PUBLIC COMMENTS ON AGENDA ITEMS THAT ARE NOT PUBLIC HEARINGS AND ANY OTHER MATTERS NOT ON THE AGENDA (All agenda items other than those under Number 5)

(Note: Individual speakers will be limited to 3 minutes. At the discretion of the Mayor, this 3 minute allowance may be adjusted depending on the level of business coming before the City Council)

4. CITY MANAGER REPORTS

- A. Resolution 20-07 - Ratifying Extension Number 2 of the Declaration of State of Emergency
- B. Request Approval to submit Tourist Development Department Operational & Capital Funding Requests to the Okaloosa County Tourist Development Council

C. Announcements:

1. Capt. Royal Melvin Heritage Park Status Update:

- a. Rebidding required under 2CFR200 (2 bids required/only 1 received)
- b. Bid packet is being finalized and will be advertised when all documents are prepared.

2. COVID-19 Updates

- a. Staff Travel/Conferences temporarily suspended.
- b. Current staffing vacancies will be considered on a case-by-case basis.
- c. Staff voluntary compliance with age and preexisting conditions precautionary measures.
- d. Policies addressing COVID-19 being developed, implemented and evaluated.
- e. Municipal staff is classified as "essential personnel."
- f. We are adjusting staff schedules to minimize person to person contacts.
- g. To further minimize contact, additional staff are being allowed to telecommute.
- h. Staff is preparing estimated revenue losses associated with COVID-19.
- i. Revenue loss impacts on projects is being evaluated.
- j. PIM continues to push out the most current COVID-19 information to residents.

5. PUBLIC HEARINGS

6. *CONSENT AGENDA (No public comments)

- A. Reimbursement for Councilmember Skip Overdier for expenses incurred while attending Florida League of Cities 2020 Institute of Elected Municipal Official (IEMO) Level 3 course, from March 5-7, 2020, in Orlando, Florida.
- B. Draft Minutes of Standing Board/Committees
- C. Extensions 3 and 4 to the COVID-19 Declaration of State of Emergency

7. COMMENTS/PRESENTATIONS FROM MAYOR, COUNCIL, LAND USE ATTORNEY AND CITY ATTORNEY (No public comments)

A. Councilmember Braden

- 1) Development Review System Software Update (monthly)
- 2) Median Maintenance

B. Councilmember Ramswell

- 1) Norriego and the removal of the swim rope to allow for boats
- 2) Beach Joint Advisory Committee report (with Lisa Firth)
- 3) QJ procedure and general info document
- 4) Wayfinding signage for businesses blocked by US Hwy 98 construction
- 5) Coordination with the County on un-annexed development in Destin

C. Councilmember Menchel

- 1) Code Compliance Issues
- 2) Paperwork/handouts from citizens being allowed at Quasi-Judicial hearings - discussion
- 3.) City Contracts-Internal Audit

D. Councilmember Overdier

- E. Councilmember Marler
- F. Councilmember Destin
- G. Councilmember Morgan

1) Appointment of Mr. Eddie Morgan to the Harbor Capacity Study Steering Committee

H. Mayor Gary Jarvis

I. Land Use Attorney

1) Request to call executive session pursuant to section 286.011(8), Florida Statutes, in the cases of *Pointe Mezzanine, LLC v. City of Destin*, Okaloosa County Court Case No. 2019-CA-004010 F, and *Pointe Mezzanine, LLC v. City of Destin*, Okaloosa County Court Case No. 2019-CA-003733 F.

J. City Attorney

8. PUBLIC COMMENTS

ADJOURNMENT

All items listed under Consent Agenda are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and may be considered separately.

****To be placed on the Agenda under scheduled presentations, citizens must contact the City Manager or City Clerk's office one (1) week prior to the scheduled City Council Meeting by completing a Speakers Request Form and providing any accompanying documentation as requested in the form's instructions.**

***** Any invocation that is offered before the official start of the City Council meeting shall be the voluntary offering of a private person, to and for the benefit of the City Council. The views or beliefs expressed by the invocation speaker have not been previously reviewed or approved by the City Council, or the City staff, and the City is not allowed by law to endorse the religious beliefs or views of this, or any other speaker. Persons in attendance at the City Council meeting are invited to stand during the opening invocation and Pledge of Allegiance. However, such invitation shall not be construed as a demand, order, or any other type of command. No person in attendance at the meeting shall be required to participate in any opening invocation that is offered. A person may exit the City Council Chambers and return upon completion of the opening invocation if a person does not wish to participate in or witness the opening invocation.**

If a person decides to appeal any decision made by the Council with respect to any matter considered at this meeting, he/she may need a record of the proceedings, and for such purpose, he/she may need to ensure that verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. FS 286.0105.

Persons with disabilities who require assistance to participate in City meetings are requested to notify the City Clerk's Office at (850) 837-4242 in advance. Hearing Impaired: TTY: 711. Assistance also available through Human Resources, Title VI Coordinator, at (850) 837-4242.

Personas con discapacidades que necesitan asistencia o personas que necesiten ayuda con un idioma para participar en las reuniones de la ciudad, deberán notificar la oficina de la Secretaria Municipal al (850) 837-4242 antes de la reunión. Discapacidad auditiva: TTY: 711 (Solicitar Espanol CA). La ayuda tambien está disponible por Recursos Humanos, Coordinador del Título VI, al (850) 837-4242.

Note: Persons who wish to provide public comments on agenda items are requested to fill out a blue speaker card and submit it to the City Clerk at the start of the meeting.

Persons who wish to provide public comments on any other matters not on the agenda are requested to fill out a yellow speaker card and submit it to the City Clerk at the start of the meeting.

All regularly scheduled city council meetings will be streamed live via the city's YouTube channel, www.youtube.com/CityofDestin. Past council meetings can also be viewed here.

Please visit our agenda center on the city website at www.cityofdestin.com/agendas

**MINUTES
SPECIAL MEETING
DESTIN CITY COUNCIL
MARCH 20, 2020
DESTIN CITY HALL
ANNEX COUNCIL CHAMBERS
8:00 AM**

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

Destin City Council

Mayor Pro Tem Prebble Ramswell
Councilmember Rodney Braden
Councilmember Cyron Marler
Councilmember Steven Menchel

Councilmember Parker Destin
Councilmember Skip Overdier
Councilmember Chatham Morgan

Destin City Staff

City Manager Lance Johnson
Public Information Manager Catherine Card
HR Manager Karen Jankowski
Parks/Recreation Director Lisa Firth
Building Official Noell Bell
Library Director Wen Livingston
Community Dev. Director Louis Zunguze
Julio Lacayo, GSG, Inc.
Land Use Attorney Kimberly Kopp

Deputy City Manager Webb Warren
City Clerk Rey Bailey
Public Services Director Michael Burgess
Grants Manager Jeffery Cozadd
Code Compliance Manager Joey Forgione
IT Manager Matthew Pace
Krystal Strickland, GSG, Inc.
City Attorney Kyle Bauman

CALL TO ORDER

Mayor Pro Tem Prebble Ramswell called the meeting to order at 8:00 AM; followed by the recitation of the Pledge of Allegiance.

NEW BUSINESS

A. Okaloosa County Health Department – Presentation – Dr. Karen Chapman

Dr. Karen Chapman of the Okaloosa County Health Department warned that County health services could be overwhelmed if COVID-19 is not controlled soon. She stated that one way of controlling the virus is closing the beaches and bars and limiting access to restaurants. This could persuade the hundreds of spring breakers in the area to go home. Dr. Chapman provided the following statistical data and facts relating to COVID-19:

- March 4, 2020 – There were 158 cases of Coronavirus in the United States. There were 10,442 as of March 19th at 4:00 PM
- As of March 19th, the following states have reported community transmission of Coronavirus:
 - ❖ California
 - ❖ Colorado

- ❖ Illinois
- ❖ Iowa
- ❖ Louisiana
- ❖ Maine
- ❖ Maryland
- ❖ Massachusetts
- ❖ Michigan
- ❖ Minnesota
- ❖ Mississippi
- ❖ Nebraska
- ❖ Georgia
- ❖ Nevada
- ❖ New Hampshire
- ❖ New Jersey
- ❖ New York
- ❖ Oregon
- ❖ South Carolina
- ❖ Tennessee
- ❖ Virginia
- ❖ Washington State
- ❖ Wyoming
- March 2, 2020 – There were two Coronavirus cases in Florida. There were 160 cases by March 17th, and 328 cases as of March 18th. There were 432 cases as of 6:00 PM on March 19th
- As of 6:00 PM on March 19th there were 9 reported cases in Northwest Florida; 5 in Okaloosa County (2 associated with travel in the US)
- This virus is a new pathogen for human beings. It was in some sort of animals, and it jumped from animal species to human
- Death rates:
 - ❖ Ages 60-69: 2-3%
 - ❖ Ages 70-79: 7-8%
 - ❖ Over 80: 14%
 - ❖ Higher death rates for people at any age with multiple chronic medical conditions
- March 1, 2020: Public Health Declaration of Emergency for Florida/executive order issued. The President declared a National Emergency
- March 9, 2020: Florida Governor issued a State of Emergency
 - ❖ Governor asked counties and cities and other agencies to cancel or suspend mass gathering
 - ❖ State government barred any non-essential travel for State employees
- State university system over for the semester. All will be done through tele education
- All K – 12 schools in Florida will resume school on-line effective March 23rd through April 15th
- Many large festivals and other events have shut down in Florida and nationwide
- Major league sports have shutdown
- Disneyland and its hotels are closed effective March 20th

- The Okaloosa Board of Commissioners declared a local state of emergency on March 17th. They closed the lobbies to all County buildings and the convention center, and revoked all permits through April 30th
- The Board implemented no non-essential travel for training

According to Dr. Chapman, the goal of stringent social distancing is reducing the number of people that are interacting with each other, thereby reducing the number of coronavirus cases, which is referred to as “flattening the curve.” Local hospitals and nursing homes are seeking collection specimen kits, masks, and gowns. They are in competition, not with just parts of the State and nation, but with the world to get these supplies. She also stated there is no current medication for this virus, but they could mitigate its transmission between people if they intensely implement a stringent social distancing policy.

Councilmember Ramswell stated that swimming in salt water at the beach is healing, but it has been said that going to the beach and breathing the open air is not completely safe.

Dr. Chapman stated that walking on the beach does not put individuals at risk. What put them at risk is being out on the beach with a bunch of people. She also stated that beach waters are not healing for everybody. Salt water is a natural body of water that has organisms, and that there are risks associated with it.

Councilmember Menchel noted their number one priority is their residents. He stated that he conducted a review and contacted local hospitals in South Okaloosa area and learned there are approximately 65 ICU beds, and only 33 ventilators, which are not enough to cover their residents.

Councilmember Menchel asked if insects can transmit the disease to humans.

According to Dr. Chapman, the virus is not transmitted by insects.

Councilmember Menchel also asked if there could be an after the fact testing capability that would identify that a person had the virus, and that the virus went away without showing any symptoms at all.

Dr. Chapman noted there is a company currently developing an antibody test called IGM; which is a test that shows acute infection. Unfortunately, it takes several days for the IGM response to rise; and so, it would not be good as a point of care test which would allow diagnosis of someone presenting initially with symptom.

Councilmember Overdier asked at what point are people hospitalized.

Dr. Chapman replied that people are usually hospitalized when their symptoms are severe enough that they cannot stay home. For example, if they are dehydrated or having breathing difficulties where they would need IV fluids or breathing treatments. Once it gets to a point where they are unable to breath on their own, then they would need ICU care. She added that doctors can decide to hospitalize people that develop symptoms if they live alone.

Councilmember Overdier noted that the recommendation of federal agencies and other jurisdictions for limiting crowd sizes is to no more than 10 people in one place. He asked why 10 is significant when anyone of those 10 people could infect the others if they have the virus.

Dr. Chapman explained that the goal is to minimize contact; and that by limiting the interaction to smaller groups of people, and hopefully with people they know, that they are less likely to be exposed to the virus. However, rules are changing very quickly every day.

Councilmember Marler asked what extra precautions people with underlying conditions or chronic medical condition could take other than complete self-isolation.

According to Dr. Chapman, isolation in the home as much as possible is very important with people with chronic medical conditions; and that if they must go out for any reason, to try to do so early in the morning and stay away from other people as much as possible.

Councilmember Marler asked how long the virus can stay airborne.

Dr. Chapman stated there is a lot of unknown about this virus. Airborne spread is not believed to be a major driver of transmission based on available evidence. It is generally with droplet transmission when someone coughs or sneezes. That droplet is airborne for about 6 feet, which is why it is recommended allowing a 6 feet distance between people.

Councilmember Morgan asked if Dr. Chapman, in her medical opinion, feels it is best to close all beaches instead of just public beach accesses.

Dr. Chapman stated that as a public health professional, it is her job to provide the information for elected officials to make those kinds of tough decisions; but there is a desperate need to reduce social interactions.

Councilmember Ramswell asked if there has been any evidence this virus being transmitted from humans to animals, especially to family pets.

According to Dr. Chapman, there had not been much research done on this issue, however, the CDC recommends those who are sick with COVID-19 not to allow their pets to lick or kiss them.

The City Manager stated he is on a quandary as to whether to shutdown neighborhood parks that have amenities such as walking tracks and other things where residents could still get out get some exercise and take advantage of the fresh air.

Dr Chapman stated if they do not close the parks, they would need to have a way to manage the situation where they can limit the number of people going there and avoiding group activity in the parks.

Councilmember Ramswell asked if there is any truth to the notion that chlorine in swimming pools could kill the virus making it safe for people to swim.

Dr. Chapman stated she has not seen chlorine in the list of chemicals that could kill emerging pathogen. Nevertheless, groups of people congregating in and around a swimming facility is to be avoided.

B. City's Preparations, Policies, Procedures and Action Plan Regarding COVID-19

The City Attorney explained there are 3 documents that have been provided to the Council. These are proposed Resolution 20-04 and draft copy of two of the City's internal operating instruction. The Council is being asked to vote to adopt proposed Resolution 20-04 which takes action that would effectively close all public beach and public beach accessways in the City of Destin. He continued that the Okaloosa County Board of Commissioners took a similar action on March 19th, but their declaration does not extend to City of Destin public beaches. The proposed resolution further revokes all recreational permits and reservations and provides certain procedures for future Council and other board and committee meetings.

Mayor Pro Tem announced she would allow public comments on this issue at this time.

Mr. Claude Perry, a Destin resident and business owner, urged the Council not to close the beaches; and to make a balanced judgement considering both the economic security as well as health security. He stated that closing the beaches would destroy their economy and put many people out of business and out of work.

Councilmember Morgan stated he is not willing to take the blame of destroying the economy by the decision this Council makes today because this situation is beyond their control; adding they could leave the beaches open and the economy would still be devastated.

Councilmember Menchel noted that Okaloosa County and Walton County have already closed their beaches, and if the City does not take any action, everybody would come to Destin.

Ms. Marcie Bell, a Destin resident, stated that she has always been dedicated to the health, safety and well being of all City residents; and that she has become the voice of the citizens when there was nothing coming from the City and County in terms of relief from the coronavirus pandemic. She noted that just prior to the start of this meeting, CBS had a new story about a young man from Vanderbilt University who contracted coronavirus while on spring break, which then prompted her to ask the following questions:

- Where was this student and any of his friends when they were on spring break between February 29th thru March 8th?
- Were they in Destin, ate at their restaurants and shopped at their grocery stores?
- Did any of them coughed or sneezed in the presence of other people?
- When are students from other big universities arriving in Destin?
- How many more weeks of spring break to they have ?

She also stated that according to County Commissioner Nathan Boyles, he cancelled his vacation to Colorado because he is a prudent traveler; but there are a lot of people that are not prudent traveler and are still travelling to Destin despite of the current situation. Even though they welcome tourists to Destin because a lot of people's livelihood depend on them, this is not the time

to welcome travelers. She continued that the City was closed following Hurricanes Opal in 1995 and Hurricane Ivan in 2004. Visitors did not come during the Deepwater Horizon Oil Spill because they were concerned about having oil on the beaches. The City survived, and that she truly believes they will also survive the dilemma they are currently facing. But the citizens need protection. If they only close the public beach accesses, they are leaving the private beaches opened to the condominiums and beach resorts in this area; and visitors will continue to come. She urged the City to close all beaches, public and private, and be the example for the entire State of Florida.

Ms. Bell also noted that the Blue Door is the only organization that is still helping the homeless, providing food, clothing and showers. She inquired of the City's plan for the citizens, including the homeless, when most services have closed. She continued that many of the homeless are those people who lost their jobs, and that there are a lot of families that are currently struggling. The Blue Door Ministry is currently asking for help with food donations and bus passes.

Mr. Ed Rogers, a Destin resident and business owner, stated that closing all the beaches in Destin is a tough decision for this Council; adding that the impact of this decision would be a lot harder financially for the business community than the health of the citizens. He noted that he owns two condominiums, and that they have had \$17,000 worth of cancellations in 3 days. He also had over \$50,000 worth of cancellations in his boat rental business. He does not expect to make any money this year unless they find a solution to their current situation by May. He continued that he has a responsibility to his employees, and that he may have to take out a loan to be able to keep them employed. He also stated he does not expect this Council to be able to do anything to remedy this situation; but he just wants them to keep the service industry in mind when they make their decision. He added that they pay livery fees; and since they may not be able to conduct any business this year, this Council could possibly consider refunding those fees.

Councilmember Menchel noted that he plans to ask City staff to look into the Triumph funding and determine if it could possibly impact some of the economic issues they are facing; and that he plans to discuss this later on in this meeting.

Having no further comments from the public, the Mayor Pro Tem turned the matter over to the Council for deliberation and action.

Considerable discussions followed regarding Resolution 20-04.

Councilmember Menchel noted that Resolution 20-04 is written strictly for the City's public beaches. He asked what action this Council could take if they want to consider all of the City's public and private beaches.

According to the City Attorney, the enforceability of the action taken related to all the beaches is still under legal review; adding that it would possibly result in litigation.

The Land Use Attorney stated that given the circumstances and the unique nature of the current situation, such an action is probably an option for this Council; however, there is no guarantee with regards to enforceability of such an action. The Council could either amend the language of the proposed resolution, or potentially call another special meeting to consider an

emergency ordinance to increase the enforceability. If they choose the latter, the Council could ask for voluntary compliance per the resolution until the emergency ordinance is enacted.

Councilmember Ramswell inquired as to the total length of all the private beaches in Destin.

Chief D'Agostino of the Destin Fire Control District noted that the length of all the private beaches is in excess of 5 miles or approximately 90 percent of all Destin beaches.

According to Councilmember Overdier, it would not be effective enough if they are only closing 10 percent of their beaches; adding they should close 100 percent of their beaches or nothing at all.

Councilmember Morgan noted that as a business owner, this decision will negatively impact his own business as well as the lives of his employees; but their decision should be in line with the recommendation from the experts in the medical field, the science field, and their elected officials at the highest level.

Councilmember Morgan moved to close all public and private beaches in the City of Destin, and should the City learn it does not have the legal authority to close its private beaches, they should urge Florida Governor DeSantis to order their closing. Councilmember Menchel provided a second to the motion.

Councilmember Marler asked how they could convey to the business owners that this decision is to their best interest if they want to be able to conduct business during the 100 days of summer; and if they could incorporate that into the motion on the floor.

According to the Land Use Attorney, they could start the process by passing the proposed resolution to include closing all public and private beaches. They would then ask for voluntary compliance from the private property owners. The Council could also direct staff to draft a correspondence to the Governor to encourage him to take further action with regards to private beaches throughout the State of Florida. At a future time, this Council could also consider adopting an emergency ordinance to add enforceability to the closure of all beaches in Destin.

Councilmember Morgan stated he would like his motion to stay as is and not incorporate the voluntary compliant language as he feels it would weaken his motion.

Councilmember Destin stated they need to take a strong stance and close all the beaches as it is the most prudent thing to do under the circumstances. Leaving private beaches open and relying on voluntary compliance from the property owners will almost guarantee that many of them will continue to invite guests for financial reasons, which is not conducive with promoting public safety.

Councilmember Morgan noted that he has read multiple emails from people who have saved up all year and booked a Destin vacation to enjoy its beaches but they are now dealing with many short term rental companies that are refusing to refund their money. They now face a dilemma whether to lose their money or to travel and go against the advice of people on the highest level of the government and jeopardize the health of the citizens in this community.

Councilmember Menchel emphasizes that the decision they make today is only temporary. It could change several days from now depending on the circumstances. He also pointed out that the number one priority in their strategic plan is their residents. Sacred Heart Hospital has 22 ICU beds, which are currently full; and that there are only 11 ventilators in the entire hospital. Other local hospitals are in similar situation; and so, it would be quite a challenge to take care of their residents if they come down with an illness. He added they are about to make a hard decision because whatever decision they make is not going to appease everyone.

Councilmember Marler asked if the motion they are trying to pass is enforceable.

Captain Nix of the Sheriff's Office stated that their stance would be to gain voluntary compliance before issuing any citation.

Councilmember Menchel asked whether some of the school resource officers can be directed to provide some assistance if more manpower is needed for enforcement.

Captain Nix stated it was part of the plan, however, the school system is going to be handing out equipment from their campuses for students to be able to stay home to do their schoolwork. The school resource officers will remain on campus until that process is complete.

Councilmember Ramswell asked who has the authority to close Norriego Point.

According to the City Attorney, the proposed resolution as drafted will give the City the ability to close Norriego Point.; adding that amending the motion to include striking the word "public" from section 2, paragraphs A,B and C, of the proposed resolution would be sufficient.

Councilmember Morgan offered an amended motion to close all public and private beaches in the City of Destin, striking the word "public" and adding "public and private" in Section 2A, 2B and 2C of the proposed resolution. And should the City learn it does not have the legal authority to close its private beaches, that they urge Florida Governor DeSantis to order their closing. Councilmember Menchel provided a second to the motion.

The Mayor Pro Tem recommends replacing the word "public" with the phrase "private and public" to avoid having any loophole in the resolution. She also suggests changing "universities closings" to "schools closings" since a lot of their children are not in universities or college. She also pointed out there are some typographical errors within the resolution.

The City Attorney stated that all errors will be corrected prior to execution of the resolution.

The Mayor Pro Tem called for a vote on the motion, which passes 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted "yes").

Councilmember Menchel announced that he recently spoke with the Commander of Eglin Air Force Base, General Cain, to ascertain what he plans to do with their beaches. General Cain informed him that no one has contacted him about the beaches. His initial plan was to leave the beaches open with limited access; however, since all the other facilities are closing, they could end

up with a horde of people which is not an ideal scenario at this time. Councilmember Menchel asked staff to contact General Cain about the beaches.

Councilmember Menchel inquired about the City facility closure signage.

According to the City Manager, the signage they would use to close the facilities on the beach is already on hand.

Councilmember Destin suggests they encourage pharmacies and grocery stores to hold senior citizens only hour at the beginning of the workday when facilities are mostly clean to protect their vulnerable elderly citizens from exposure to the virus.

Councilmember Destin moved to instruct the Mayor Pro Tem to send a letter to both corporate and local management of all locations of pharmacies and grocery stores within the City limits by the end of the day asking them to hold a 65 year and older only hour of operation at the beginning of the day; seconded by Councilmember Menchel. Motion passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

The Mayor Pro Tem asked City staff, and the City’s Public Information Manager in particular, to put this information out on social media to raise awareness on this issue.

The Mayor Pro Tem inquired as to the Destin Fire Control District’s plan for staffing the beaches based on the decision by this Council today.

Chief D’Agostino stated they plan to be at a normal staffing level for today but also realizing that things could change daily.

Councilmember Menchel recommends the City starts applying for Triumph funding to assist with the economic impact of the coronavirus in the community.

Councilmember Destin asks the City Manager to provide the development community a general synopsis on what they could expect from the Community Development Department in terms of their operation in the coming weeks.

According to the City Manager, the City’s Community Development Department, along with the other departments, will operate under normal business hours until further notice. Lobby areas will be closed to the public for the time being; however, individuals needing assistance from the City can submit the information digitally and staff will process them promptly. Face to face meeting, if necessary, will be scheduled in advance.

The Mayor Pro Tem asks if the Sheriff’s Department plans to remain in their standard level of operation or whether they need to increase the number of officers on patrol as a result of the current situation.

According to Captain Nix from the Sheriff's Department, they plan to keep the spring break detail, which is funded by the TDC, in place to assist with enforcement. Everything will depend on whether they will get voluntary compliance and how soon they will get voluntary compliance.

Councilmember Braden announced that the resolution the Council adopted tonight is effective through April 30th.

According to the City Attorney, the City Council has the prerogative to rescind or extend the resolution, if necessary

Next, the Mayor Pro Tem addressed the following two items on the agenda: Telecommuting Policy and Procedure and Communicable Diseases Policy.

The City Manager explained that staff is providing two draft operating instructions to Council for informational purposes only to make them aware that such internal policies exist. They will be updated accordingly as new information arises. He added these are administrative actions City Managers are allowed to take to protect staff and to sustain operations of the City. They do not need an official vote from the Council. They just want Council to review the materials and provide commentary.

The Mayor Pro Tem asks if City staff is considering implementing Skype for business so they could hold staff meetings virtually and continue the business of the City without everyone being in the office.

According to the City's Information Technology Manager, they have this function built-in within their Office 365 capabilities, to include the TEAMS function, which has been set up where they could have independent team sessions which allows for voice and video communications. It has been established and ready to use in the event they need to activate the telecommuting policy.

The Mayor Pro Tem inquired as to the number of salaried and hourly employees of the City, and those which might be negatively impacted as a result in the reduction of hours or office closures.

The City's Human Resources Manager noted that approximately a third of all City employees are salaried, and the rest are hourly workers. They have benefits and compensation within the Communicable Disease Policy as well as their Emergency Operations Policy which is similar to benefits and compensation they have used before during hurricane events. They are also waiting for legislation that may be coming down soon which could potentially include paid sick leave for full time and part-time employees.

Councilmember Menchel asked the City Attorney to address the Attorney General's opinion regarding public meeting laws and conducting public meetings during this pandemic.

According to the City Attorney, the Municipal Attorneys Association has requested opinions from the State Attorney General as to how they could conduct public meetings in a safe fashion during this pandemic. To date they have not received any guidance, and that they are still restrained by the Sunshine Law. Any meetings convened by the City Council must be done under the

Sunshine Law and allow the public to attend and comment. There are suggestions that Council must have a physical quorum present; but once that quorum is obtained, the remaining Council members could participate via telecommunication. However, all these are subject to some guidance from the Municipal Attorneys Association and the State Attorney General.

PUBLIC COMMENTS:

Jetty East General Manager Darell Fink informed the Council they have been severely impacted by the current situation and what the Council did today will help them to begin the healing process. He also stated they could not have had the beach restoration project without assistance from the City; adding that the City's action had saved not only the rental impact but also the ad valorem values, sales taxes and bed taxes that they remit.

Chief Sasser of the Destin Fire Control District stated they fully support the Council's decision and they will staff the beaches as appropriate.

Ms. Marcie Bell stated it was suggested to her the possibility of sending the workers on student visa home to provide job opportunities to citizens who are soon to be unemployed. She has also learned that Eglin beaches have been closed. There was also a question from the public as to when beach closure will take effect.

According to the City Manager, beach closure will take effect at sunup on Saturday, March 21st.

ADJOURNMENT

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

Prebble Q. Ramswell
Mayor Pro Tem

ATTEST:

Rey Bailey, City Clerk

**MINUTES
REGULAR MEETING
DESTIN CITY COUNCIL
DECEMBER 16, 2019
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:

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Mayor Gary Jarvis
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Councilmember Chatham Morgan

Destin City Staff

City Manager Lance Johnson
Public Info Manager Catherine Card
Code Compliance Manager Joey Forgione
Dep Parks/Rec Director Scott Berrish
Public Services Director Michael Burgess
Building Official Noelle Bell
City Land Use Attorney Kimberly Kopp

City Clerk Rey Bailey
Deputy City Manager Webb Warren
Finance Director Bragg Farmer
Principal Planner Lauren Witt
Planner Traci Goodhart
City Attorney Kyle Bauman

CALL TO ORDER, INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Gary Jarvis called the meeting to order at 6:00 PM; Pastor Steve Farris, First Baptist Church, gave the invocation; followed by the recitation of the Pledge of Allegiance.

AGENDA APPROVAL

Councilmember Overdier requested that item 4E – *Sibert Parking Lot Improvements* - be pulled from the agenda so staff could do further engineering study on this item before they bring it back to Council.

Councilmember Braden asked that Consent Agenda item 6D be pulled for discussion.

Councilmember Menchel requested that Consent Agenda item 6F be pulled for further discussion.

Councilmember Destin requested that item 7F – *Gulf Power Project Manager* – be added to the agenda.

Motion by Councilmember Destin, seconded by Councilmember Menchel, to approve the agenda, with the above changes, passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

1. APPROVAL OF MINUTES

A. Approval of minutes of December 9, 2019 Special City Council Meeting

Councilmember Ramswell moved for approval of minutes of December 9, 2019 Special City Council Meeting was seconded by Councilmember Menchel and passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

B. Approval of minutes of September 16, 2019 Regular City Council Meeting

Motion by Councilmember Ramswell, seconded by Councilmember Marler, to approve minutes of September 16, 2019 Regular City Council Meeting passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

C. Approval of minutes of September 4, 2019 Regular City Council Meeting

Motion by Councilmember Overdier, seconded by Councilmember Ramswell, to approve minutes of September 4, 2019 Regular City Council Meeting passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

2. PROCLAMATIONS / RECOGNITIONS / **SPECIAL PRESENTATIONS / ANNOUNCEMENTS

A. Employee of the Year Award

The Mayor presented the award certificate and plaque to the 2019 Employee of the Year Nnamdi Ohamuo, of the Parks & Recreation Department.

B. 2019 Destin Christmas Parade Winners

The Mayor presented a plaque to the following 2019 winners of the 35th Annual Destin Christmas Parade:

Noel Award/Band Award: Fort Walton Beach High School and Destin Middle School Bands

Elf Award/Children Service: Food for Thought

Santa’s Helper Award/Children Commercial: RISE Dance Center

Civic Club/Civic Award: Krewe of Bowlegs

Chamber Award/Commercial: AJ’S Seafood and Oyster Bar

Angel Award/Religious Award: Shoreline Church
Crowd Pleaser: Fort Walton Beach Mardi Gras Club – Queen Vivian Zack

C. Presentation on Naming the Florida Panhandle a National Heritage Area and Request for Support from the City of Destin

Mr. Mike Thomin, University of West Florida (UWF) Florida Archaeology Network, stated that a portion of the Florida Panhandle may receive a designation from the US. Congress as a National Heritage Area. Currently, there are 49 National Heritage Area and the closest to the Florida Panhandle involves coastal Mississippi. National Heritage Areas are places where historic, cultural, and natural resources combine to form cohesive, nationally important landscape. Significantly, a National Heritage Area can receive annual funding from the federal government, as well as technical assistance from the National Parks Service. The first step to National Heritage Area designation is to conduct a feasibility study, which includes steps such as defining the study area, assessing public involvement, compiling an inventory of assets and an assessment and evaluation of resources in the area. He is requesting a letter of support from the City of Destin for the proposed feasibility study and designation of a Florida Panhandle Maritime National Heritage Area.

Councilmember Ramswell moved to provide a letter of support for this initiative as requested by the presenter; seconded by Councilmember Overdier. Motion passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

3. PUBLIC COMMENTS ON AGENDA ITEMS THAT ARE NOT PUBLIC HEARINGS AND ANY OTHER MATTERS NOT ON THE AGENDA

Mr. Ed Rogers, Destin resident and business owner, noted that changes were already made to the livery vessel rental business last year; and that he agreed with a lot of those changes. But with more changes to follow, he feels they are being highly regulated by the City and it is getting very hard to obtain a license to operate the business. Among other things, they must prove they have insurance to include workers compensation, ADA-compliant bathrooms and show trash can locations. He continued that the problems are those who operate without a license and insurance; but instead of isolating and punishing the guilty parties the City is penalizing everybody. He stated that he has a highly trained staff. He has a small business but keeps his staff year-round and pay 100% of the healthcare costs. They also provide tuition assistance, which is why they only have one employee without a college degree. He also noted that since they opened in 2009, they have done 31,549 boat rentals without a single incident. He asked Council to allow members of his industry to have a seat on the table and be part of the discussion before they adopt any more changes to livery vessel requirements.

Councilmember Braden stated they are not picking on the livery vessel operators. They are not being asked to do anything more than what they are asking from the other businesses.

Mr. Rogers stated they all received a letter stating they cannot have their boats on the top side of their business. They have a pontoon rental business. They rent the boats all year, and at the end of the year they have to scrape, and bottom paint them and perform other maintenance on these

boats. It does not make sense that they are not allowed to do these things on lot that is closed for the season on the property that they own that is used exclusively for pontoon boat rental business. He also stated he has a property in Pensacola where he could take all his boats, but it is 1½ hours away.

Councilmember Destin stated that since this is happening during off season, it is not the same as somebody storing boats in their parking lot and the upland building is still open and taking away parking spaces from other businesses. It does not bother him to see boats being worked on in a fishing community like Destin as long as they are not interfering with parking spaces where cars need to park.

Ms. Karen Harbarger, a Destin resident, asked the Council to appoint a committee that would oversee Christmas decorations for the entire community. She also asked if there were any updates to the previous issue that she brought up relating to fly ash in concrete at the old CEMEX plant.

According to Mr. Burgess, they have received an initial report which mentioned the presence of fly ash at the former concrete plant. It referenced how much they had and the storage capacity they had on hand. It also listed the rates in which tons per hour and tons per day that they used as part of the mix.

Councilmember Ramswell asked if there is another test or some type of process they need to go through environmentally before they would build on that site because they have discussed allowing pets out in that area. In which case, it would be an issue if there is toxicity in the ground.

The City Manager noted they would not, as a municipality, be allowed to purchase any property if it had not passed required environmental tests. The FDEP would be in charge of the renovation project and they should be in compliance with their own guidelines.

The Mayor asked staff to send a letter to FDEP requesting additional testing of the CEMEX plant to satisfy concern about fly ash in concrete.

4. CITY MANAGER REPORTS

A. Repairs to Street Sweeper Payment Authorization

The City Manager explained that the original estimate to repair the street sweeper's body and vacuum components was \$14,882.92. After repair work began on the vehicle's undercarriage, additional repairs required to make the unit operational again were identified. The costs for these additional repairs were \$13,068.96. Repairs have been completed and the unit is back in operation. The final aggregated cost of \$27,951.88 exceeds the \$15,000 threshold and therefore requires Council's approval.

Councilmember Menchel noted the latest invoices are dated October 10, 2019. He asked why staff brought it to Council after the fact.

The City Manager explained that the work was completed before they received the invoices in October. It would still had been after the fact in October.

Councilmember Ramswell asked who authorized the company to perform the repair without Council's approval.

The City Manager stated it was the person who is no longer employed by the City.

Councilmember Morgan moved to authorize the City Manager to pay Ingram Equipment for repairs completed on the City's street sweeper in the amount of \$27,951.88; seconded by Councilmember Menchel. Motion passed 5-2 (Council members Morgan, Marler, Overdier, Menchel, and Ramswell voted "yes"; Council members Destin and Braden voted "no").

At this time, Councilmember Morgan moved to set aside the order of the day and delay discussion of agenda item 4B until later on in the meeting, seconded by Councilmember Braden. Motion passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted "yes").

The next item discussed was agenda item 4C

B. Request for Direction from City Council Regarding Proposed Changes to Livery Vessel and Marine Construction Requirements.

City Planner Traci Goodhart provided the following presentation:

Harbor and Waterways and Harbor CRA Advisory Committee Recommendations to City Council

- Background:
 - ❖ The Community Development and Code Compliance Divisions collaborated to review the City's current processes related to Marine Construction Permit (MCP) review, the Harbor Board, and Livery Applications to address deficiencies and identify areas of improvements
 - ❖ Staff presented an overview of the findings to both the Harbor and Waterways and Harbor CRA-AC Board
 - ❖ As a result, staff presents to City Council the Harbor and Waterways and Harbor CRA-AC recommendations
- Harbor and Waterways Board Recommendations:
 - ❖ Issue: Currently, the submittal requirements for Marine Construction Permits (MCP) and Harbor Board application do not include enough detail
 - ❖ Recommendations:
 - Amend Article 11.05.02(J) – Removing language "if requested" and to include additional site plan requirements for MCP submittals. The Harbor Board and MCP applications should be revised to list all site plan requirements
 - Impact: Additional site plan requirements for MCP will ensure that all necessary information is provided to staff for review. In addition, adding the site plan requirements to both the Harbor Board and MCP application will provide transparency for the applicant

- ❖ Issue: Currently, there is no policy language governing upland cuts in 11.05.02 of the LDC. This could negatively impact adjacent property rights (i.e., riparian rights, encroachment, etc.)
- ❖ Recommendation:
 - Amend Article 11.05.02 of the LDC to include policy language for submittal requirements and review of upland cuts
 - Impact: Provides staff with policy language for review of proposed new upland cuts
- ❖ Issue: Currently, the Harbor Board reviews all new docks, boathouses, and boatlifts. However, new single-family dock permits that meet City LDC requirements take a minimum of 3 months for approval
- ❖ Recommendation
 - Amend Article 11.05.01 (B), to establish a threshold for permit applications that are reviewed by the Harbor Board, in which only single-family docks exceeding 1000 square feet and/or are within environmentally sensitive areas will require Harbor Board approval
 - Impact: The recommendation will expedite single-family dock permits that area under 1000 sq. ft. and meet the City's LDC requirements
- Harbor CRA Advisory Committee Recommendations:
 - ❖ Issue: There is no submittal requirement which provides staff with an inventory of all current and existing uses on a property
 - ❖ Recommendation:
 - Amend Section 13-144, to require a list of all current and existing uses on property to be submitted with application, to include:
 - List of all seasonal, current, and existing uses on property (i.e., size and quantity)
 - Requires notarized form of acknowledgement from property owner
 - Impact: This will help City staff gain a comprehensive understanding of the current and existing uses on property to include, verifying parking space requirements for all uses, not only livery vessels
 - ❖ Issue: There are not adequate definitions for all vessel types (i.e., charter, rental, private vessels) operating within the City of Destin. Staff requires clarification for determining parking requirements and zoning compliance
 - ❖ Recommendation:
 - Amend Article 3, LDC and Section 13-141, Code of Ordinances to include a general umbrella definition for passenger vessels, that includes charter, livery, commercial, recreational, and private marine passenger vessels
 - Impact: By defining charter, livery, commercial, recreational, and private marine passenger vessels under an all-encompassing definition, zoning compliance can be reviewed more efficiently, and a universal parking standard may be applied during the review process

- ❖ Issue: There is not enough specificity regarding the requirement for permanent bathrooms for use by livery vessel patrons
- ❖ Recommendation:
 - Amend Section 13-145(4), Code of Ordinances to include a requirement for permanent restroom facilities to meet and comply with the Florida Building Code for ADA accessibility
 - Impact: Restroom facilities used by livery businesses will be required to meet State ADA accessibility requirements
- ❖ Issue: There are no requirements in place which indicate what specifically should be included as a part of the parking plan that demonstrate compliance with Article 8, LDC
- ❖ Recommendation:
 - Amend Section 13-144(9), Code of Ordinances to include a list of requirements for submitted parking plans, drawn to scale, and submitted by property owner
 - Aisle and parking stall dimensions
 - Total number of dedicated parking spaces provided on property
 - Identify spaces used by all subject business on parking plan (i.e., restaurant, livery)
 - Use (i.e., customer or employee parking)
 - Impact: The additional requirements for submitted parking plans will allow City staff to verify parking and uses, in addition to creating uniformity for efficient review
- ❖ Issue: Parking standard requirements are not the same for all passenger carrying vessels (i.e., charter boats, livery, and personal watercraft)
- ❖ Recommendation:
 - Amend Article 8.06.04, LDC
 - Require all passenger vessels (newly defined) have the same parking standard to match the U.S. Coast Guard rated passenger capacity for marine vessels
 - One space up to 4 passengers
 - Require staff parking for livery vessels
 - One space per employee
 - Impact: Creates one universal standard for reviewing and confirming parking requirements for passenger vessels, regardless of the specific type
- ❖ Issue: Parking agreements that are submitted for other properties are not in a standard form, therefore the content included, the use and time periods vary from property to property. Additionally, staff has no way to determine if properties have more than one parking agreement per site
- ❖ Recommendation:
 - City staff to create a standard form for parking agreements submitted by the property owner to include:
 - Copies of all parking agreements on property
 - Total number and location of dedicated parking spaces being used

- Lease term
 - Notarized and recoded form of acknowledgment
- Impact: A standardized parking agreement will allow City staff to review the use of those parking spaces and for how long. In addition to, enforcing parking related non-compliance
- ❖ Issue: As part of a shared parking agreement, different businesses may utilize the same space during various operating hours (i.e., day or night). Currently, the Code Compliance Department has no way to enforce shared parking during site visits
- ❖ Recommendation:
 - Livery businesses will be required to distribute parking passes to patrons. As part of the livery application package, the applicant will provide a copy of the parking pass they intent to use for the season to the Code Compliance Division.
 - Impact: Requiring livery businesses to provide parking passes to patrons will allow the Code Compliance Division to verify parking agreements on-site
- ❖ Issue: The application currently includes an “Affidavit of No Changes” that is not a notarized document. These applications go through a less stringent review
- ❖ Recommendation:
 - Amend the livery application form, removing the “Affidavit of No Changes.” Property owners will be required to submit a detailed parking plan, all parking agreements for subject property, and a notarized form of acknowledgement for each year
 - Impact: Requiring applicants to submit a detailed parking plan, all parking agreements for the subject property, in addition to a notarized form of acknowledgement annually will help City staff review and verify seasonal, current, and existing uses and compliance with LDC requirements
- ❖ Issue: An applicant’s first stop to obtaining a livery vessel permit is a Business Tax Receipt (BTR). There is a misconception among members of the public that once you have received your BTR, the City has approved the use and business
- ❖ Recommendation:
 - Change the review process so that a livery vessel application is reviewed in the following order:
 - Code Compliance – receives application package, completeness review
 - Planning – parking and BTR review
 - Code Compliance – parking verification inspection
 - Building – confirms proper facilities, issues BTR
 - Code Compliance – permit issuance and final inspection (decal placement)
 - Impact: A livery application review will be more efficient. The application will be reviewed for parking requirements prior to the issuance of the BTR

- ❖ Issue: There is no current inventory of all existing livery vessel rental operators within the City of Destin
- ❖ Recommendation:
 - Annual inventory to be conducted by the Code Compliance Division
 - An inventory was conducted from May – October 2019:
 - Physical inspections of rental locations found:
 - 19 businesses
 - 276 pontoons
 - 228 Jet Skis
 - 140 violations discovered; all brought into compliance
 - Verification through the Harbor Capacity Study
 - Ending federal funding

Councilmember Braden moved to direct staff to proceed with drafting the appropriate ordinances related to Marine Construction Permit review, the Harbor Board Application, and Livery Registration for Council review; seconded by Councilmember Ramswell.

Councilmember Ramswell asked what sort of follow up is in place to ensure application moves from one division of the City to another during the review process without delay.

Principal Planner Lauren Witt noted that all the divisions conducting the review are located within the same facility. Currently, once a division completes their review, they notify the Code Compliance Division and then hand delivers the application to the next reviewer. She also stated that once the new systems software is implemented, all of these reviews can be done simultaneously.

Councilmember Marler stated that he agrees with some of the issues but disagrees with the others. By implementing some of these new regulations, they would put a lot of livery businesses out of business which could result in litigations.

Having no further comments from the Council, the Mayor called for a vote on the motion, which passes 6-1 (Council members Morgan, Destin, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Marler voted “no”).

Following this item, Council moved on to agenda item 4D

C. Engineering Update - Crosstown Connector

According to the City Manager, the estimated engineering for this project exceeds \$200,000; and that Florida Statute requires projects over \$200,000 to have their own Request for Qualifications process undertaken by municipalities. Based on the City Attorney’s opinion, staff will prepare and advertise a Request for Qualification to design the roadway and other associated activities required to complete this project. He also stated that no budget has been established for this project.

Councilmember Morgan noted that the crosstown connector was fully budgeted and was going to be built as a two-lane road; but it had a median that could convert it to a 4-lane road if a future Council decides to do so. He stated that they trust future Council to be responsible and careful enough in approving development on properties with conditional uses, but they do not trust a future Council to be responsible enough by keeping this road as a two-lane road; instead, they are willing to spend over \$200,000 on redesigning this road in order to make it more difficult to build a 4-lane road. He added that since they own 95% of the property and own all the rights-of-way needed to make the crosstown connector a 4-lane road, they would not be accomplishing much in a way of preventing future conversion of this road to a 4-lane road.

Councilmember Braden stated that previous staff had the design changed to where it could be converted to a 4-lane road and the Council at the time approved it without question. He added he would not want to present it to the public as a 2-lane road only to have it converted into a 4-lane road sometime in the future.

Councilmember Morgan stated he would support a Council's decision not to build the crosstown connector, but he would support spending any more money redesigning it.

Councilmember Overdier stated that he echoes Councilmember Morgan's sentiments, and that he too would not support spending more money to redesign the road. He recommends going back to the original plan.

Councilmember Marler stated that traffic on US Hwy 98 is not going to improve; and that he considers the crosstown connector a way for residents to get from one place to another without having to suffer through heavy traffic especially during the 100 days of summer.

Councilmember Menchel moved to authorize the City Manager to publish a Request for Qualifications for Design Services to designing a two-lane facility between Beach Drive and Benning Drive and to bring back a recommended firm from the respondents for the Council to consider. Councilmember Braden provided a second to the motion.

Councilmember Ramswell stated that it is very insulting to her and everyone else's intelligence to repeatedly try to convince them the crosstown connector is a 2-lane road. She stated that she furnished the rest of the Council, City staff and other members of the public copies of the document that specifically states the crosstown connector will be a 4-lane road. It was to be accomplished in two phases: Phase 1 involves the 2 lane, and Phase 2 was the completion that made it a 4-lane road. There have been multiple other documents that have surfaced with that exact language since that time.

Councilmember Marler pointed out that Phase 2 cannot be activated without Council's approval; and that future Council can do exactly what this present Council is trying to stop. He also stated that previous staff was not responsible for changing the plan to be able to convert the road to 4-lanes. A previous Council wanted a 2-lane plan with the possibility of Phase 2 being a 4-lane road.

Councilmember Ramswell offered a substitute motion to take no action at this point; seconded by Councilmember Morgan.

Councilmember Menchel stated that the charge may not be as high if they go back to the original firm to redesign the road; adding they may want to consider instructing the City Manager to get a cost estimate from them.

Motion passed 6-1 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Destin voted “no”).

Councilmember Morgan moved to direct the City Attorney and Land Use Attorney to look at the City’s rights-of-way acquisitions to come up with a solution to keep the crosstown connector road at two lanes; seconded by Councilmember Overdier. Motion passed 6-1 (Council members Morgan, Destin, Marler, Overdier, Menchel, and Ramswell voted “yes”; Councilmember Braden voted “no”).

Following this item, Council discussed agenda item 4B

D. Airport Road Update - Barrier Options and Cost Estimates

The City Manager noted that the City Council has requested that a temporary guardrail system or equivalent be installed on the curve on Airport Road. Staff recommends that Volkert Engineering be tasked with this project. Staff has received quotes for the design and estimated costs for the guardrail and low-profile barrier systems from Volkert Engineering. The total estimate for the low-profile barrier to include engineering and installation costs is approximately \$198,000. The total estimate for the guardrail system is approximately \$98,000.

Councilmember Menchel asked whether they have to automatically engage their continuing services or could they try to put this project out to bid.

The City Manager noted that they vetted their contractors in accordance with State Statute for their qualifications and try to obtain Council’s permission to negotiate with them first. He added they usually go by the qualifications of their continuing services contractor for the engineering portion of the project, but they could definitely go back out to bid for the actual installation of the system.

According to Councilmember Ramswell, it was reported there needs to be a 12-foot clearance in order to do the cabling system, and that it would require maintenance. She asked why they rule this out for the median section since it is cheaper than the guardrail. Granted there is not a 12-foot clearance on the northern side, but they are not planning on keeping this system indefinitely to worry about repeated maintenance.

Mr. Burgess stated they did not ask the contractor to consider a split approach, with the guardrail on one side and cables on the other side. They asked them for their best engineering estimate for cost associated with the temporary guardrail system and the low-profile barrier.

Councilmember Ramswell noted that reading through the minutes of a Council meeting that was held July 6, 2010, when it was presented to Council that they needed to do some sort of barrier system, the City Engineer at the time stated that this was not a City issue. It is the County’s

responsibility, and that the County would need to pay for it. A similar statement appeared in the minutes of a 2011 meeting. She asked staff to check on the validity of the previous City Engineer's statement, as documented in the July 6, 2010 meeting minutes, that installing a guard rail system on the curve of Airport Road was the County and not the City's responsibility.

The City Manager noted it was originally a County road, and that he was not sure of the date the City officially took over that road or if the County still has partial responsibility. However, he would have staff investigate this matter.

Councilmember Overdier moved to authorize the City Manager to negotiate with Volkert Engineering to perform such work as to provide a design for a guardrail system on both the northern section of the curve of Airport Road and within the median and bring back a task order and funding source for Council approval. Councilmember Menchel provided a second to the motion, which passes 6-1 (Council members Morgan, Destin, Overdier, Menchel, Ramswell and Braden voted "yes"; Councilmember Marler voted "no").

E. Sibert Parking Lot Improvements

Item Pulled from the agenda.

F. 2019 Financial Report 4th Quarter

The Finance Director provided a summary of the 4th Quarter Financial Report for 2019.

G. Code Compliance Evening Shift

According to the City Manager, the Code Compliance Division is seeking Council's approval to hire two additional Code Compliance officers to allow for extended patrols during evenings and on weekends. Staff is also requesting the funding to replace one patrol truck that is 20 years old.

Councilmember Menchel noted that the day shift schedule is 6:00 AM to 3:00 PM, and the evening shift is 3:00 PM to 12:00 PM. He stated that stopping at mid-night is not good enough because of short-term rental issues that occur after midnight. He asked if it would be feasible to have a 6:00 PM to 2:00 AM shift rather than a 3:00 PM to 12:00 PM shift.

Code Compliance Manager Joey Forgione stated that he could study it as they move into the new schedule and make some adjustments to the schedule if necessary.

Councilmember Menchel moved to direct the City Manager to hire additional personnel for the Code Compliance Department to cover an evening shift in the amount of \$135,222.00 and to include the purchase of a replacement vehicle not to exceed Governmental contract price of \$29,000.00 and make the appropriate budget amendment using short-term rental registration as the funding source. Councilmember Ramswell provided a second the motion, which passes 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted "yes").

H. Announcements

City facilities will be closed on December 24th and 25th, and on January 1st in observance of the holidays.

5. PUBLIC HEARINGS

- A. Second reading of Ordinance 19-34-LC relating to changes to the Zoning Map, which changes the zoning of one parcel from Residential, Office Institutional Tourist Development (ROI-TD) to Commercial General (CG)

The City Attorney read proposed Ordinance 19-34-LC by title, and then presented it to the City Council on second reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING THE OFFICIAL ZONING MAP AS REFERENCED IN THE LAND DEVELOPMENT CODE, SECTION 7.12.01(A)2 ZONING MAPS TO INCLUDE A CHANGE IN THE ZONING DESIGNATION OF THE PROPERTY DESCRIBED AND GENERALLY DEPICTED IN THE ATTACHED EXHIBIT A FROM RESIDENTIAL, OFFICE AND INSTITUTIONAL-TOURIST DEVELOPMENT (ROI-TD) TO COMMERCIAL GENERAL (CG); PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR JURISDICTION; PROVIDING FOR ZONING MAP AMENDMENT; PROVIDING FOR INCORPORATION INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

The Mayor opened a public hearing to receive comments for or against the proposed ordinance. Having none, the Mayor closed the public hearing and turned the matter over to the City Council for discussion and consideration.

Motion by Councilmember Overdier, seconded by Councilmember Marler, to approve Ordinance 19-34-LC on second reading passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

- B. Second reading of Ordinance 19-35-LC relating to changes to the Zoning Map, which changes the zoning of one parcel from Bay Estates (BE) to Recreation (REC)

The City Attorney read proposed Ordinance 19-35-LC by title, and then presented it to the City Council on second reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING THE OFFICIAL ZONING MAP AS REFERENCED IN THE LAND DEVELOPMENT CODE, SECTION 7.12.01(A)2 ZONING MAPS TO INCLUDE A CHANGE IN THE ZONING DESIGNATION OF THE PARCEL DESCRIBED AND GENERALLY DEPICTED IN THE ATTACHED EXHIBIT A FROM BAY ESTATES (BE) TO RECREATION (REC); PROVIDING FOR AUTHORITY; PROVIDING FOR

FINDINGS OF FACT; PROVIDING FOR JURISDICTION; PROVIDING FOR ZONING MAP AMENDMENT; PROVIDING FOR INCORPORATION INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

The Mayor opened a public hearing to receive comments for or against the proposed ordinance. Having none, the Mayor closed the public hearing and turned the matter over to the City Council for discussion and consideration.

Councilmember Overdier moved to approve Ordinance 19-35-LC on second reading; seconded by Councilmember Menchel. Motion passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

C. Second reading of Ordinance 19-36-LC relating to the creation of a "lot split" procedure, which is an addition to the subdivision of land procedures as laid out in Article 2 of the Land Development Code

The City Attorney read proposed Ordinance 19-36-LC by title, and then presented it to the City Council on second reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA AMENDING ARTICLE 2 OF THE LAND DEVELOPMENT CODE; PROVIDING PROCEDURES FOR LOT SPLITS; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR INCORPORATION INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

The Mayor opened a public hearing to receive comments for or against the proposed ordinance. Having none, the Mayor closed the public hearing and turned the matter over to the City Council for discussion and consideration.

Motion by Councilmember Menchel, seconded by Councilmember Overdier, to approve Ordinance 19-36-LC on second reading passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

E. Second reading of Ordinance 19-37-LC amending relating to the consolidation of the Residential, Office, Institutional General Development (ROI-GD) and Residential Office, Institutional Village Residential (ROIVR) zoning districts.

The City Attorney read proposed Ordinance 19-37-LC by title, and then presented it to the City Council on second reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA AMENDING ARTICLE 7 OF THE LAND DEVELOPMENT CODE TO ELIMINATE THE RESIDENTIAL, OFFICE AND INSTITUTIONAL-GENERAL DEVELOPMENT ZONING DISTRICT (ROI-GD) AND CONSOLIDATE IT WITH THE RESIDENTIAL, OFFICE AND INSTITUTIONAL-VILLAGE RESIDENTIAL ZONING DISTRICT (ROI-VR); AND TABLE 7-3 SCHEDULE OF DIMENSIONAL REQUIREMENTS PROVIDING FOR; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR INCORPORATION

INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

The Mayor opened a public hearing to receive comments for or against the proposed ordinance. Having none, the Mayor closed the public hearing and turned the matter over to the City Council for discussion and consideration.

Councilmember Overdier moved for approval of Ordinance 19-37-LC on second reading; seconded by Councilmember Menchel. Motion passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

F. Second reading of Ordinance 19-38-LC relating to the use of wheeled vehicles on public and private areas of the beach, which amends Section 11.08.02 of the Land Development Code.

The City Attorney read proposed Ordinance 19-38-LC by title, and then presented it to the City Council on second reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA RELATING TO THE USE OF WHEELED VEHICLES ON PUBLIC AND PRIVATE AREAS OF THE BEACH; PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR AN AMENDMENT TO ARTICLE 11 OF THE LAND DEVELOPMENT CODE PROVIDING FOR INCORPORATION INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

The Mayor opened a public hearing to receive comments for or against the proposed ordinance. Having none, the Mayor closed the public hearing and turned the matter over to the City Council for discussion and consideration.

Councilmember Menchel moved for approval of Ordinance 19-38-LC on second reading. Councilmember Overdier provided a second to the motion, which passes 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

F. Innerlight Engineering Corporation, on behalf of Legacy Properties of Northwest Florida, LLC is requesting approval of Final Plat for a Major Subdivision identified as “Tuscan Village.” The proposed development consists of 86 townhome units. The proposed project is generally located west of Mattie M. Kelly Boulevard, addressed as 500 Mattie M. Kelly Boulevard. The total site area is 7.81 acres, more or less. The preliminary plat and development order were approved by City Council on May 20, 2019.

The City Attorney sworn in the following individuals for testimony:

Lauren Witt, Principal Planner for City of Destin

The Land Use Attorney requested that the staff report be submitted into the record as Staff Exhibit A.

The Mayor admitted the items into the record.

The Mayor opened a public hearing to receive comments for or against the proposed development. Having none, the Mayor closed the public hearing and turned the matter over to the City Council for discussion and consideration.

Motion by Councilmember Overdier, seconded by Councilmember Ramswell, to approve the Final Plat for the Major Subdivision identified as “Tuscan Village” passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

6. CONSENT AGENDA

- A. Draft Minutes of Standing Committees/Board Meetings
- B. 2019 New Year's Eve Harbor Boardwalk Special Event Co-Sponsorship
- C. Reimbursement to Councilmember Skip Overdier for expenses incurred while attending the 59th Annual Legislative Conference in Orlando, Florida, from November 13-15, 2019
- D. Development Review System Software Update
- E. Request approval for a new single-family marine construction project at 3917 Indian Trail. Project consists of +/- 79 LF of dock, a boathouse with one (1) 3' x 32' catwalk, and boatlift.
- F. Resolution No. 19-29, Interlocal Agreement with the Destin Fire Control District for Beach Safety Services and Lifeguard Services

Motion by Councilmember Destin, seconded by Councilmember Ramswell, to approve Consent Agenda items 6A, 6B, 6C and 6E passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

Referring to Consent Agenda item 6D – *Development Review System* - Councilmember Braden asked if the City was still working with the County Property Appraisal on this process or whether they have past that stage.

According to the Deputy City Manager, the City is continuing to work with the County on this process because as they are going through this process, they want to make sure they continue to be in sync with the County as they move forward with this technology.

Motion by Councilmember Ramswell, seconded by Councilmember Destin, to approve Consent Agenda item 6D passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

Referring to Consent Agenda item 6F – *Resolution 19-29*, the City Attorney explained this resolution is being updated because the Destin Fire Control District wanted to add a provision in it that would include providing safety services for Norriego Point in addition to beach safety services they are already providing the City; and that the County would pay for it.

Councilmember Menchel asked if they have ever done an audit of this contract.

The City Manager replied that to his knowledge, they have not done an audit with the Destin Fire Control District.

Councilmember Menchel noted that page 10 of the Scope of Services discusses a social media page that proactively updates the current beach flag. He asked if the City is aware that it does not exist.

According to the City Manager, he was not aware of it.

Councilmember Menchel asked if they have received a detailed comprehensive report from the Destin Fire Control District this year.

The City Manager noted that the Destin Fire Control District provided some statistical data for this year.

Councilmember Menchel expressed concern there are a lot of information in the Scope of Services that are not being verified by the City.

Councilmember Ramswell stated this is an item that should be included in their proposal to the County for the extra 10% TDC funding for first responders before TDC prepares their next budget.

Motion by Councilmember Menchel, seconded by Councilmember Overdier, to approve Consent Agenda item 6F passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

7. COMMENTS/PRESENTATIONS FROM MAYOR, COUNCIL, LAND USE ATTORNEY AND CITY ATTORNEY

A. Councilmember Braden

1) 302/288 Harbor Blvd

Councilmember Braden stated that he had met with the applicant and learned it had taken several months to get his docks permitted, and that he was not informed by the City throughout the entire process that there was a fee involved. He continued that since the City will be receiving 15 transient boat slips with this property, he recommends waiving those fees.

Councilmember Braden moved to waive the NPEB fees on 302 and 288 Harbor Blvd; seconded by Councilmember Menchel.

The City Attorney noted there is a specific code language that requires the 25% NPEB fee to be paid; and that he does not see any method for the City Council to be able to waive that fee.

According to Building Official Noell Bell, there is a way to mitigate the fee, and that they have a policy in place they could use to mitigate the cost of the NPEB fees.

The Mayor asked whether the transient slips being offered by the applicant can be considered in the mitigation process.

Ms. Bell noted it is not currently written that way in the current policy; but it is something that can be discussed.

Councilmember Destin stated there is a net benefit for the City by virtue of the marina itself, which is the 12-15 transient slips. If these slips are going to be transient forever, the applicant cannot earn an income from these slips; but they could earn the City and the public well above the NPEB fee amount the applicant is being charged for within the first year alone. For this reason, they should be able to mitigate the NPEB fee down to zero.

Councilmember Morgan agrees that with the transient slips the City will be getting, the NPEB fee should be reduced to zero.

According to the Land Use Attorney, there are specific mitigation factors that can be considered. She recommends that these mitigating factors be codified because having them as a separate policy outside of the code is not the best practice. Also, if the Council finds that the 25% NPEB fee is too high, they could get that reduced at the same time through a code amendment.

Councilmember Braden withdrew his motion.

It was the consensus of Council to allow staff to evaluate several mitigating factors, and a list of credits and exemptions in a written, uncoded policy that could apply in this case.

Next, Councilmember Braden asked the City's attorneys to look into the feasibility of leasing out the entire parking lot area on the west side of the Marler Bridge where the Welcome to Destin sign is located.

B. Councilmember Ramswell

Councilmember Ramswell announced that the progress on Destin High School continues. It is now opened for application for grades 9 and 10 for the coming year.

C. Councilmember Menchel

1) Nomination of Mr. Richard Hickey for membership to the Public Works/Safety Committee

Motion by Councilmember Menchel, seconded by Councilmember Marler, to appoint Mr. Richard Hickey to the Public Works/Safety Committee passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted "yes").

Councilmember Menchel noted they discussed the generator at the Sheriff's Office, and he asked staff to find out if the City paid for it.

According to the Finance Director Bragg Farmer, he looked at the last two years invoices for the generator at the Sheriff's Office. There were 3 charges with the latest being in July when it

was stated that the generator was inoperative and would have to be replaced. There have not been any charges since then.

Councilmember Menchel inquired as to the status of the blinking light at US Hwy 98 and Triumph Road that is serving no purpose.

According to Mr. Burgess, he contacted Metric Engineering, the company in charge of the widening of US Hwy 98 and was informed that the light will stay on flash until it is ready to go into full service.

Councilmember Menchel stated that the lane has been shifted to the new section and the flashing light is creating a slowdown.

Councilmember Menchel inquired about the list of Feline Friends of Destin feeding locations that he previously requested. He asked if staff has followed up and determine if the food is being removed at night.

According to the Deputy City Manager, they worked with Feline Friends months ago and they provided the City a list of feeding locations. They have included in the contract to raise the station when possible to get them out of the way of other predators or other animals. They have worked with Feline Friends to accomplish that; and they also made it part of the contract to have the food removed before dark.

Councilmember Menchel asked staff to keep on track of the additional TDD money for the Sheriff's Contract.

Councilmember Menchel inquired as to the status of body cams for Code Compliance officers.

Mr. Forgione stated they are quite expensive and so they are looking at Amazon for cheaper prices. He added they would have to build policies and procedures governing body cams.

Councilmember Menchel asked if staff has determined how much money APT owes back to the City.

According to the City Manager, APT owes the City less than \$1,500.

D. Councilmember Overdier

E. Councilmember Marler

1) Ordinance establishing that short-term rentals constructed in the future must comply with commercial building code.

Councilmember Marler moved to direct staff to draft an ordinance establishing that single-family dwelling that are used as short-term rentals comply with the Florida Building Code for commercial buildings; seconded by Councilmember Destin. Motion passed 7-0

(Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

There was a consensus of Council to allow Councilmember Marler to work with staff to seek contractors that would assist the City in purchasing, installing and storing Christmas decorations on US Hwy 98 beginning next year.

F. Councilmember Destin

1) Gulf Power Project Manager

Councilmember Destin moved to direct staff to put out an RFQ for the Gulf Power Project Management position; seconded by Councilmember Morgan. Motion passed 7-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”).

Finance Director to bring back potential funding sources for the undergrounding project for discussion at the next Council meeting.

G. Councilmember Morgan

H. Mayor Gary Jarvis

I. Land Use Attorney

1) Discussion regarding Pointe Mezzanine's request for mediation in pending lawsuits.

The Land Use Attorney requests authorization from the Council to work with the legal counsel for Pointe Mezzanine to select a third party mediator that is acceptable to both the City and Pointe Mezzanine to discuss the two pending litigations with the main focus on the land use issues. They may decide to abate the public records lawsuit so that they may focus on the land use issues.

Councilmember Menchel moved to authorize the Land Use Attorney to work with the legal counsel for Pointe Mezzanine to select a third-party mediator that is acceptable to both the City and Point Mezzanine to look at the public records and land use litigations; seconded by Councilmember Braden.

Councilmember Marler announced he would abstain from voting as he is employed by Pointe Mezzanine for another project.

Motion passed 6-0 (Council members Morgan, Destin, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Marler abstained from voting).

2) Request direction for accessory use structure within the City of Destin

It was the consensus of the Council to allow staff to prepare an ordinance allowing accessory dwelling unit as a subordinate use to the principal dwelling in a residential zoning district.

J. City Attorney

Having no further business at this time, the meeting was adjourned at 9:15 PM.

Gary Jarvis, Mayor

ATTEST:

Rey Bailey, City Clerk

**MINUTES
REGULAR MEETING
DESTIN CITY COUNCIL
DECEMBER 2, 2019
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 Gary Jarvis

Councilmember Steven Menchel

Councilmember Cyron Marler

Councilmember Prebble Ramswell

Councilmember Skip Overdier

Councilmember Rodney Braden

Councilmember Chatham Morgan

Destin City Staff

City Manager Lance Johnson

Public Info Manager Catherine Card

Code Compliance Manager Joey Forgione

Community Dev Director Louis Zunguze

Public Services Director Michael Burgess

City Land Use Attorney Kimberly Kopp

City Clerk Rey Bailey

Deputy City Manager Webb Warren

Finance Director Bragg Farmer

Parks/Recreation Director Lisa Firth

City Attorney Kyle Bauman

CALL TO ORDER, INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Gary Jarvis called the meeting to order at 6:00 PM; followed by the recitation of the Pledge of Allegiance.

AGENDA APPROVAL

Motion by Councilmember Menchel, seconded by Councilmember Ramswell, to pull item 4A from the agenda passed 5-1 (Council members Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Morgan voted “no”; Councilmember Destin was absent from the meeting).

Motion by Councilmember Overdier, seconded by Councilmember Ramswell, to approve the agenda, as amended, passed 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Destin was absent from the meeting).

1. APPROVAL OF MINUTES

A. Approval of minutes of November 7, 2019 City Council Strategic Visioning Session.

Councilmember Ramswell moved to approve minutes of November 7, 2019 City Council Strategic Visioning Session; seconded by Councilmember Menchel. Motion passed

6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Destin was absent from the meeting).

2. PROCLAMATIONS / RECOGNITIONS / **SPECIAL PRESENTATIONS / ANNOUNCEMENTS (No public comments)

A. Presentation by Public Works & Safety Committee Chairman, Surtax Expenditure Request

Public Works & Safety Committee Chairman Tony Ramswell brought forward an official recommendation from the Committee, in its capacity as Infrastructure Surtax Advisory Committee, to expend up to \$400,000 of the surtax fund to repair and replace existing public sidewalks. He stated there are approximately 75 miles of sidewalks in the City of Destin that need repairing and some of them need immediate repair; and that the repair could take 18 months to 2 years to complete. He continued there were 74 sidewalk related accidents this year alone; and that failure to act now could expose the City to future litigations.

The Mayor asked if half-cent sales tax revenues have been designated.

According to the Finance Director Bragg Farmer, the Council has designated approximately \$650,000 of the funds in the Fiscal Year 2020 budget so far.

Councilmember Overdier asked how much money they have budgeted this year for sidewalk repair.

Mr. Farmer responded they have budgeted approximately \$80,000 for sidewalk repair.

Councilmember Morgan noted the Council was supposed to discuss how they should spend the surtax money and take a formal vote before they start allocating funds to different projects. He feels the two biggest projects that could make the biggest difference in Destin right now are obtaining more beach properties and undergrounding utilities.

Councilmember Ramswell pointed out that they tasked the Public Works & Safety Committee to come up with ideas on the best way to utilize the surtax revenues and bring back their recommendation, which is what they are doing now with their sidewalk recommendation. She also stated they have looked at some other lines of funding for the beach property.

Councilmember Marler noted that he previously served on the Public Works & Safety Committee two different terms for a total of 8 years. During those times, the committee had addressed sidewalks over and over but never had the money to really accomplish anything except for some minor repairs. He added that he considers broken sidewalks a major issue.

After further discussion, the Council reached a consensus to schedule a workshop to discuss utilization of surtax revenues, and to include recommendations from Public Works & Safety Committee as part of that discussion.

B. Presentation Mr. Joseph Raines, Vice President/General Manager, Lamar Advertising

According to Mr. Joseph Raines, Vice President/General Manager of Lamar Advertising, Lamar currently has 10 existing billboard structures within the city limits of Destin. Lamar proposes to remove 4 of its structures, all of which are located within the Harbor CRA; thereby reducing the overall number of billboard structures by 40%. In consideration of reducing the overall number of structures, the City would grant 4 permits for installation of electronic faces on the 6 remaining structures. He continued that this removal and replacement approach is contemplated and permitted pursuant to Florida Statutes. He also asked Council to instruct its City Attorney and staff to work with Lamar and consider acceptable terms to enter into a Removal and Replacement Agreement wherein the number of billboard structures within the City limits is reduced.

Councilmember Menchel asked Mr. Raines whether Lamar had proposed a similar agreement in other areas of the Panhandle in terms of the number of billboards.

According to Mr. Raines, they have had older structures at Fort Walton Beach and without any digital structures. They took down approximately 14 structures and came back with 3 double-faced digital structures which gave them 6 digital operative faces. By agreement, Lamar granted the City of Fort Walton Beach an incoming face on each of the 3 boards for their own use for City promotions. They also made a similar arrangement with the City of Niceville. The City was concerned with limiting the growth of future billboards, and so they capped all the existing structures at 13 and agreed not apply for any additional structures. The City of Niceville also granted them unlimited digital permits as needed.

According to Councilmember Overdier, the City of Destin is planning to spend millions of dollars to underground the utilities; and that one of the reasons is aesthetics. It would not make sense to spend time, money and effort to do this and yet allow billboards all over the City. He added he could support removing the existing 10 billboards and erecting 2 digital billboards.

Councilmember Braden stated they need to amend their sign ordinance limiting the number and size of billboards.

Councilmember Marler noted that by City ordinance, if they remove the billboards in the harbor district, they would not be able to put them back. He asked why Lamar is proposing to remove those billboards.

Mr. Raines stated it was the City's original recommendation going back a few years.

Councilmember Ramswell asked which 4 billboards Lamar plans to convert to digital.

According to Mr. Raines, he cannot give a definitive answer at this time because it is difficult to determine the exact line of sight due to the state of the roads; however, the current plan is to digitize the billboards in locations 5, 6, 8 and 10 as shown in the maps contained in the report. He added that Lamar currently operates one digital billboard in the City; but there are 2 others that another company operates.

After further discussion, the Council reached a consensus to instruct the Land Use Attorney to further research the billboard issue, work with Lamar Advertising about potentially negotiating a better deal for the City and making the ratio more favorable for the City in terms of removal and replacement of billboard structures within the City limits.

3. PUBLIC COMMENTS ON AGENDA ITEMS THAT ARE NOT PUBLIC HEARINGS AND ANY OTHER MATTERS NOT ON THE AGENDA

Attorney Stephen Tatum, speaking on behalf of several of his clients which are short-term rental owners, stated that they have an issue with one of the Short-Term Rental Task Force suggested changes to the ordinance that every short-term rental owner provides a parking pass for each car that will be parked on the property. He continued that the parking pass will not serve any purpose at all because it is not going to be enforceable by the City since Code Compliance Officers cannot enter the property to enable them to see this pass hanging from windows or decals on the cars. They could only conduct inspection by looking through the driveway from the sidewalk or right-of-way and then trying to figure out which car does or does not have a pass. He further stated there is already a sign that shows the number of cars allowed to park on the property and Code Compliance Officers could issue citations if that number is exceeded.

Mr. Ken Wampler, a member of the Short-Term Rental Task Force, noted that the Task Force focused a lot of their energy on parking, noise and trash. These 3 main issues that are facing the City as they relate to code enforcement are the same today as they were 4 years ago when they started talking about them. The code currently states that trash will be placed properly in the trash can; however, people are putting trash bags outside the trash cans. For that reason, the Task Force recommended having one trash can for every 6 people staying in the house, plus the recycling bin. They should educate and communicate to the owners and guests they should have the proper number of trash cans to eliminate the excess trash along the street.

With regards to parking, Mr. Wampler stated there are guests that are unaware on the number of cars they could bring. Guests should be provided this information at the time they are making the reservations. He also stated that Code Compliance officers will not inspect for parking passes because it does not matter whether cars have it as long as the parking requirement on the property is not exceeded. He also noted that the Task Force recommends imposing the maximum fines allowed by Florida Statutes for parking violations as stricter penalties would force people, especially habitual offenders, to abide by the code. He added that another one of the Task Force's recommendations was to have the short-term rental annual registration renewals to be completed by March 1st of each year.

Mr. Rick Scali, a short-term rental property owner, stated that he reviewed the Short-Term Rental Task Force recommendations to Council and would like to address 3 issues. The first issue involves calling guests before trash pickup days. Not only that there is no way to enforce this rule, but responsible property managers already take the necessary steps to remind their guest of trash pickup days. In his case, they send out a text message Thursday morning prior to a Friday trash pickup. The second issue is about the required number of trash cans. He feels requiring one trash can for every 6 guests is a little excessive. A 3-bedroom house, which is what he has, sleeps approximately 8 guests; and that doubling the required number of trash cans just because they are 2 people over the limit is too much. They would also be putting out more trash cans on the street that

is necessary. He feels that one trash can for every 8 guests would accommodate more 3-bedroom houses. The third issue involves the recommended increase in registration fees to \$500 per registrant, which is a 150% increase from the current fee of \$200. He owns 4 houses, and so his fees would go up from \$800 to \$2000. He recommends maintaining the fee at \$200 for at least another year and then determining how much of an increase is warranted.

Capt Jim Green, a Destin resident and President of Lake Coleman Owners Association, stated that the lake water depth had been lowered from its historical level. For that reason, they have had to spray the lake 3 to 4 times a year at \$700 to \$800 per application, as compared to only twice a year in the past. In addition, certain types of weeds that require special treatment have been discovered in the lake. The change in herbicide application have raised the cost from \$700 to \$800 to \$2400 per application. He stated that raising the lake water to its historical level would allow for less growth for these types of weeds and would require less chemicals in the water which runs directly into Joe's Bayou. Along with the decomposition of the dead vegetation and removal of oxygen from the water, they are allowing an upland watershed to hinder their efforts to improve water quality in and around the City. He also noted that a few years ago, some homeowners consulted with Mr. Jenkins of Jenkins Engineering, one of the City's contracted engineers. Mr. Jenkins developed a design for an aluminum fence that would be added to the top of the current concrete cap. The design shows a removable gate, which is the same size as the current spill lip. The removable feature can be opened when storms or rain events are forecasted to help mitigate flooding.

Councilmember Braden asked staff to determine the elevation on the old spillway design and the elevation on the new spillway design at Lake Coleman.

Ms. Patti Brown, a Destin resident and member of the Short-Term Rental Task Force, stated that they based most of their discussion on the information they received from the City's Code Compliance Department, including complaints from residents. They had a Waste Management representative discussed trash and what they consider an adequate amount of trash can per a number of guests. She continued that they have a serious rat problem at Crystal Beach and Holiday Isle. Two members of the Task Force voted against the recommendation of requiring one trash can for every 6 guests because they feel they need more trash cans. They had pretty extensive discussions on a lot of issues and were in agreement with the majority of the topics they discussed. She also stated that their meetings were well publicized and allowed public comments at the end of each meeting. She requests Council's approval of their recommendations.

Ms. Tamara Baker, a Destin resident, stated that the water level at her end of Lake Coleman is the shallowest. They have a pile of slime in their backyard, and that they have worked very hard keeping the lake dredged out and feeding fresh water into it which is a constant job. She then produced some photos of the lake and pointed out that one of the photos showed the seawall and the previous level of the water, as depicted by the green buildup on the piling, and its current level.

Mr. Bill Reddington, a Destin resident, stated that since there have been a lot of unfavorable reaction to proposed short-term rental regulations, the Council needs to reconsider some of the rules they are trying to put into effect. Requiring cars to have a sticker or parking pass is unenforceable. It would not be right to issue a citation to a parked car for not having a sticker. With regards to trash, he used to own short-term rental properties in Destin and never had a problem with trash. The

management company he hired had an independent trash collector that came by on Saturdays and collected trash. At that time, rentals are basically from Saturday to Saturday. Now there are 3 and 4-day rentals; and so, the new rules they are trying to establish would be harder to enforce. He recommends giving the City's Code Compliance Department a chance to enforce the existing laws before adopting more rules.

Mr. Shaun Hickey, a Destin resident and member of the Short-Term Rental Task Force, stated that the trash issue is a very serious issue. He lives at Crystal Beach where trash was overflowing and with trash bags being placed on the side of the trashcans. They already have a rat problem at Crystal Beach and Holiday Isle and so they need to get the trash off the street. They have a grandfather clause where many homes are predicated on the number of people and not bedrooms, which is a problem. For instance, a house with 4 bedrooms, which according to the current code is only allowed 12 people. But there are existing houses that have been approved and grandfathered to have 18 people instead of 12 people, which increases the amount of trash. In this case, they will not have enough trash cans if they base the number of trash cans on the number of bedrooms. The recommendations from the Task Force are based on the number of occupants and not bedrooms. After a lengthy discussion, the Task Force came up with a recommendation for one trash can per 6 people, even though some of the members argued for more trash cans based on their experience.

Ms. Marcie Bell, a Destin resident and member of the Short-Term Rental Task Force, stated that she supports all the comments made by co-members of the Task Force tonight. She stated she was the one who made the motion regarding the issuance of parking passes. All the condominiums and hotels issue parking passes based on the number of vehicles their guests can have upon registration. With regards to trash, the Saturday valet service was based on the fact Saturday is mainly the check-in and check-out day. The number of trash cans per the number of occupants was based on the information provided by the Waste Management representative. With regards to the increase in short-term rental registration fee to \$500; dividing that amount by 12 months equates to only \$41.67 a month to be able to operate a short-term rental business. Currently, the City of Destin has one of the lowest short-term rental registration fees in the entire State of Florida. Some of them are upward of thousands of dollars. They need stricter regulations to allow the Code Compliance Department to go after the habitual offenders and to hire more people to get everything under control.

Mr. Tim Taylor, a Destin resident and property manager, stated that he has owned Ocean Reefs Resort for 38 years. They have 550 properties in their management program; and so, he considers himself an expert in managing homes. He stated that there have been problems in most communities where there are no homeowners' associations, such as in Crystal Beach where homeowners are relying on the City of Destin for assistance. In the property they own in Sandestin, garbage is picked up every day throughout the entire resort privately by the master homeowners' association. They pick up the trash the day the guest checks out. It is built into their dues. They have their own homeowners' association on Holiday Isle, but the board will not put in trash pickup into their monthly dues. He also stated that everything they want needs to be included in the registration form because many owners are not using a professional management company. It would really help if people are self-managing their property.

4. CITY MANAGER REPORTS

A. Engineering Update - Two Lane Roadway

Item pulled from the agenda.

B. Purchase Authorization for GPS Surveying Equipment

The City Manager explained that the City's Public Services Department's current GPS surveying equipment is over 10 years old. This new equipment will receive signals from a greater number of GPS satellites therefore improving accuracy and its usability adjacent to structures and under trees.

Councilmember Braden moved to authorize purchase of new GPS surveying equipment from FLT geosystems in the amount of \$24,928.00; seconded by Councilmember Marler. Motion passed 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted "yes"; Councilmember Destin was absent from the meeting).

C. Low Speed Vehicle (LSV) Policy and Revised LSV Map

According to the City Manager, the City Council adopted a City Golf Cart Policy in 2006. City staff recently updated and amended the policy for the growing community and added a map for clarification of where Low Speed Vehicles (LSV) can be safely and legally operated.

Councilmember Morgan expressed his opposition to allowing LSV to be operated on Airport Road. He recommends updating the policy to exclude Airport Road.

Councilmember Marler noted that he owns an LSV, which he drives from home to work. It is a gasoline model with a top speed of 25 mph. The map shows Mountain Drive as being restricted. Since the speed limit on Mountain Drive is at 25 mph, LSVs should be allowed to be operated on Mountain Drive. He also noted that a section of Stahlman Avenue that comes in on Azalea Road is also restricted. There are gasoline powered LSV shuttle vehicles that use that road to take people from the City parking lot to Harborwalk, Village and several other properties. It is also the route that he takes, and so he will be restricted from driving his LSV from his home on Kelly Street to his place of work.

The City Attorney clarified that the term "Low Speed Vehicle" is defined in State Statute as vehicles that travel between 20-25 mph. It is not the model, but the speed in which the vehicle travels that creates the distinction.

Councilmember Braden moved to take no action on this issue tonight; seconded by Councilmember Marler.

Councilmember Menchel suggests they at least ask staff to revisit recommendations for open and closed roads for LSV and bring item back at the next meeting with updated information.

Councilmember Marler withdrew his second to the motion currently on the table. Motion died for lack of a second.

Councilmember Ramswell pointed out that part of the development plan for the new development they approved on 98 Palms was to create another bypass straight across from the intersection of Commons Drive and Airport Road and all the way down that could utilize golf carts and LSVs rather than a main thoroughfare such as Airport Road. She added this is an alternative they should consider.

The City Attorney noted that half of the jurisdictions for Commons Drive is with the County and half is with the City; and so, the City would need to coordinate with the County any change in policy in that roadway.

D. Electrical Services Continuing Services Contract

Public Services Director Michael Burgess noted that the City's Bid Committee reviewed the bids they received and recommends Council award the Miscellaneous Electrical Continuing Services contract to the lowest priced responsive bidder, D&D Air Conditioning, Heating & Electrical Services.

Councilmember Overdier moved to award RFB 19-07-PW, Miscellaneous Electrical Continuing Services contract to the lowest priced responsible bidder D&D Air Conditioning, Heating and Electrical Services and authorize the City Manager to execute the contract on behalf of the City. Councilmember Marler provided a second to the motion, which passes 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted "yes"; Councilmember Destin was absent from the meeting).

E. Generator Maintenance Services Continuing Services Contract

According to Mr. Burgess, the City's Bid Committee reviewed the bids they received and recommends Council award the Miscellaneous Generator Continuing Services contract to the lowest priced responsible bidder, Metro Power Inc.

Councilmember Menchel noted that according to the Bid Committee meeting minutes of November 12, 2019, the Finance Director recommended the removal of the Okaloosa County Sheriff substation generator off the contract since it is no longer working. He wants to make sure it is removed from the contract before it is fully executed.

Councilmember Overdier moved to award RFB 19-12-PW, Miscellaneous Generator Continuing Services contract to the lowest priced responsible bidder Metro Power, Inc., and authorize the City Manager to execute the contract on behalf of the City; seconded by Councilmember Marler.

Councilmember Marler inquired as to the exact location of Metro Power.

According to the City Manager, Metro Power is located at 2303 US Hwy 98 in Santa Rosa Beach, Florida.

Councilmember Marler asked if RONCO originally installed the generator.

Mr. Burgess stated that all their generators are several years old, and that RONCO has been their continuing service provider for several years. They are scheduled to install the new City Hall generator in a couple of weeks.

The Mayor called for a vote on the motion, which passes 5-1 (Council members Morgan, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Marler voted “no; Councilmember Destin was absent from the meeting).

F. Pest Control Continuing Services Contract

Mr. Burgess stated that the City’s Bid Committee reviewed the bids they received and recommends Council award the Miscellaneous Pest Control Continuing Services contract to the lowest priced responsive bidder, Florida Pest Control.

Councilmember Morgan moved to award RFB 19-10-PW, Miscellaneous Pest Control Continuing Services contract to the lowest priced responsible bidder Florida Pest Control and authorize the City Manager to execute the contract on behalf of the City; seconded by Councilmember Overdier. Motion passed 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Destin was absent from the meeting).

G. Recommendation of Volkert Engineering to provide Traffic Engineering Assessment for the Stahlman Avenue/US98 intersection and vicinity

The City Manager explained that the City Council asked for an assessment to be provided for the Stahlman Avenue area to include Zerbe Street. The purpose of this assessment would be to collect data and make subsequent recommendations to improve pedestrian safety and traffic flow in that area. The City Council has provided a budget for this project of \$50,000. Volkert Engineering has expressed interest in assisting the City with this project and is qualified to perform this work.

Councilmember Menchel asked how long it will take to get something back from Volkert if Council approves this recommendation.

Mr. Burgess stated that Volkert was the engineer of record for the 3R project; and that a lot of the work associated with this study will involve property and existing utilities that might have to be adjusted. Volkert seems to be the natural fit for this study. The scope of work has not been finalized. The motion was not necessarily for the City Manager to negotiate a contract with Volkert, but to begin the negotiation process for the scope of work. He added that the study could take 6 months to a year to complete.

Councilmember Braden believes it would just be a waste of money to spend \$50,000 to conduct a study at this intersection when the County is already planning on doing a total redesign of this intersection by 2024.

The City Manager stated that based on previous Council meetings and the discussions that occur at those meetings, Council wants to be able to decide how they want the intersection to look like, which is why they tasked staff to get an engineering firm to provide some of the options and share those options with the County. He added that if they approach the situation with a firm plan in hand, it could make the transition a lot easier; however, it would be up to the Council if they want to proceed with the study.

According to Councilmember Morgan, part of the reason for this study was to expedite the process and to try to improve their rankings with the TPO to get the money faster from the State.

Councilmember Ramswell noted they had an in-depth conversation during a workshop with FDOT and some members of the County Commission about the crosstown connector. They have discussed and presented a few different ideas of what might work or what this Council might want to see done at that intersection. She recommends providing Volkert some sort of a list of ideas to consider in the feasibility study such as having Zerbe Street dead end or constructing an underground pedestrian walkway.

Councilmember Morgan moved to authorize the City Manager to negotiate with Volkert Engineering, one of the City of Destin's Continuing Services Engineering Consultants, to provide engineering analysis and report for the Stahlman Avenue/US 98 intersection not to exceed \$50,000. Councilmember Ramswell provided a second to the motion. Motion passed 5-1 (Council members Morgan, Marler, Overdier, Menchel, and Ramswell voted "yes"; Councilmember Braden voted "no"; Councilmember Destin was absent from the meeting).

H. Recommendation to select Volkert Engineering to design a guardrail system for a portion of Airport Road

Mr. Burgess noted that the City Council requested that a guardrail system be installed on the outside of the northern curve on Airport Road. A design by a qualified professional engineering firm will be required prior to its installation. Staff recommends that Volkert Engineering be tasked with this project.

Councilmember Menchel asked if the City's new engineer is capable of doing this work.

The City Manager noted that the City's engineer is not a traffic engineer, and that liability-wise, they feel it is in the City's best interest to hire a traffic engineer to handle this project.

Councilmember Menchel asked why drainage modification, as included in the report, is necessary just to install guardrail in the roadway.

The City Manager explained there are some information included in the agenda report that may or may not come to fruition; and that the recommendation is to engage Volkert Engineering to design the installation of the guardrail any other recommendation they may have in that regard. He also stated that the City's Risk Manager communicated this issue with the City's insurance company, and they recommended they engage a qualified firm to engineer this project before they install the guardrail system.

Councilmember Menchel asked how much the low-profile barrier, the alternative to the guardrail system, would cost.

Mr. Burgess stated they would obtain an estimate and provide it to Council.

Councilmember Marler noted that he is opposed to the installation of the guardrail system because he does not believe it will change the situation or slow down motorists on Airport Road. It could just result in fatalities and liabilities for the City as hitting a metal guardrail is like hitting a brick wall. He added there should not be a problem at all if they could only enforce the speed limit on that road.

Councilmember Ramswell asked for clarification regarding the exact location of the proposed guardrail.

Mr. Burgess explained the that the guardrail will be installed in between Airport Road and the sidewalk in front of the airport.

Councilmember Ramswell noted this plan is not going to prevent cars from crossing over the median and into the oncoming traffic.

Mr. Burgess stated they could place the guardrail in the median as well as to the outside in between Airport Road and the airport.

Councilmember Ramswell stated that the asking price seems a pretty extensive amount of money just for the design element of a guardrail system. She asked what specifically they could be doing for that amount of money.

Mr. Burgess explained that the firm would be doing some surveying and determining whether any utilities need to be relocated and considering all that information in creating plans for the foundation of the guardrail.

The City Manager pointed out that the original motion was to install a guardrail in the median, and both sides of the road.

After further discussion, the Council reached a consensus to continue this item to the next Council meeting; and for staff to provide estimated cost for the alternative low-profile barrier to be placed across the median and to the northern and southern section of the curve on Airport Road.

I. Request for direction from City Council on amendments to Short-Term Rental Ordinance and the invocation of Pending Ordinance Doctrine

Code Compliance Manager Joey Forgione presented the Short-Term Rental Task Force proposed amendments to the Short-Term Rental Ordinance.

Councilmember Marler stated they need to clarify the definition for single-family residential because he does not know how a 3 to 4-bedroom house can be classified as single-family residential before they vote whether to approve the proposed amendments. He also stated they are over-regulating the short-term rental homes at Crystal Beach that they are killing the tourism industry; adding they need to regulate parking City-wide and not just in short-term rental areas.

Councilmember Overdier stated he cannot support requiring parking passes for vehicles since guests are told upon registration how many vehicles they can bring. They are also required to fill out a form that contains all the information about parking, noise and trash. He also stated that requiring extra trash cans is a good idea only for those houses that continually have too much trash for the number of trash cans they currently possess; but he cannot support making it a requirement for everybody. Finally, requiring owners to call their tenants to remind them of trash pickup day is quite excessive, not to mention unenforceable.

Councilmember Overdier moved to approve all recommendations from the Short-Term Rental Task Force except for vehicles parking passes, extra trash cans and calling tenants to remind them of trash pickup days; seconded by Councilmember Morgan.

Councilmember Ramswell noted there is no structured list of recommendations included in the packet to make it easier for them to discuss and vote on them.

Councilmember Menchel noted that the minutes of the initial meeting of the Task Force included a statement that, *“According to the City Manager, what staff hopes to get from the Task Force are data points that they could measure to determine whether they are doing a good job enforcing the code and tracking the necessary data.”* He asked if these data points were identified.

According to the Land Use Attorney, the Code Compliance Manager had prepared documents with all the compliance statistics from the past summer; and which were reviewed in detail during the meeting.

Councilmember Menchel stated they have some rules on the books, but they need stronger enforcement and fines for habitual offenders for these rules to be effective.

The Land Use Attorney noted that one of the recommendations from the Task Force was allowing staff to amend the Fee Resolution to increase the fees.

Councilmember Ramswell recommends bringing this item back with a more structured lists of recommendations.

Councilmember Menchel offered a substitute motion to bring item back at the next Council meeting with a more structured list of recommendations to include additional information related to stronger enforcement and graduating fees not currently included as recommendations; seconded by Councilmember Overdier. Motion passed 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Destin was absent from the meeting).

J. Announcements

The City Manager made the following announcements:

- Thursday, December 5th, 6:00 PM, Destin Community Center – Destin Annual Tree Lighting Ceremony
- The City’s Annual Financial Audit started Monday, December 2nd
- December 9th at 6:00 PM – Special City Council Meeting
- Library currently hosting food for fines
- Holiday decorating contest started December 1st
- Engineer, Engineering Assistant and Stormwater Manager have relocated to the Annex Building and now part of Community Development Department

5. PUBLIC HEARINGS

A. Second reading of Ordinance 19-31-LC Relating to changes to the Zoning Map, which changes the zoning district of one parcel to match the land use designation assigned in the Future Land Use Map of the Comprehensive Plan.

The City Attorney read proposed Ordinance 19-31-LC by title, and then presented it to the City Council on second reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING THE OFFICIAL ZONING MAP AS REFERENCED IN THE LAND DEVELOPMENT CODE, SECTION 7.12.01(A)2 ZONING MAPS TO INCLUDE A CHANGE IN THE ZONING DESIGNATIONS OF THE PARCELS DESCRIBED AND GENERALLY DEPICTED IN THE ATTACHED EXHIBIT A FROM RESIDENTIAL, OFFICE, INSTITUTIONAL-TOURIST DEVELOPMENT (ROI-TD) TO COMMERCIAL GENERAL (CG); PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR JURISDICTION; PROVIDING FOR ZONING MAP AMENDMENT; PROVIDING FOR INCORPORATION INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

The Mayor opened a public hearing to receive comments for or against the proposed ordinance.

Mr. Karl Seekamp, a Destin resident, noted that his property borders the property being considered in the proposed ordinance. He opposes the change in zoning designation for the neighboring property from ROI-TD to a much less restrictive Commercial General (CG) designation. It borders the residential neighborhoods of Sovereign Isle and Emerald Breeze, which are both beautiful and peaceful residential neighborhoods that would significantly be degraded if the City approves the Commercial General rezoning. He also stated that the 30-foot buffer being offered is insufficient space to provide a graceful transition from Commercial General to single-family residential. While many of the less compatible Commercial General uses are subject to conditional approval of the City Council, there is no guarantee that a future Council would rule in favors of the residents when considering such proposals. He further stated that the Destin Comprehensive Plan calls for “protecting and preserving the quality of Destin’s residential areas”

and requiring transitions in land use. The proposed CG zoning is in direct opposition to these goals. The 2016 Future Land Use Map (FLUM) change that introduced CG to this property was not done with the input of the property neighbors, and so it should hold no precedence as it was not properly coordinated with the stakeholders surrounding the property. There are 153 neighbors that signed a petition opposing this change.

Attorney Trey Goodwin, representing the applicant, stated that the changes the City Council and staff have put into the Commercial General zoning regulation present a very powerful tool available to this Council to protect the neighborhoods. He asked for Council's approval of the application.

Having no further comments from the public, the Mayor closed the public hearing and turned the matter over to the City Council for discussion and consideration.

Councilmember Overdier moved for the adoption of Ordinance 19-31-LC on second reading; seconded by Councilmember Menchel.

Councilmember Ramswell noted that some members of the Homeowners' Association for Sovereign Isle and Emerald Breeze met with the City's Land Use Attorney and discussed some elements that could be done to mitigate this issue.

The Land Use Attorney stated that as a result of those meetings, residents that participated were satisfied based on what they told her, which is why they are not opposing the rezoning. City staff worked with residents to look at those uses that are less compatible with residential and made them conditional uses with a very detailed process and criteria for Council to consider if and when one or more of those uses is proposed. The buffering is 30 feet in addition to the setbacks, and that Council could also increase the buffering further when a conditional use application is proposed.

Councilmember Marler announced he would abstain from voting because the owner of the property is partner to the company for which he works.

Motion passed 5-0 (Council members Morgan, Overdier, Menchel, Ramswell and Braden voted "yes"; Councilmember Marler abstained from voting. Councilmember Destin was absent from the meeting).

B. First reading of Ordinance 19-34-LC relating to changes to the Zoning Map, which changes the zoning of one parcel from Residential, Office Institutional Tourist Development (ROI-TD) to Commercial General (CG)

The City Attorney read proposed Ordinance 19-34-LC by title, and then presented it to the City Council on first reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING THE OFFICIAL ZONING MAP AS REFERENCED IN THE LAND DEVELOPMENT CODE, SECTION 7.12.01(A)2 ZONING MAPS TO INCLUDE A CHANGE IN THE ZONING DESIGNATION OF THE PROPERTY DESCRIBED AND GENERALLY DEPICTED IN THE ATTACHED EXHIBIT A FROM RESIDENTIAL, OFFICE AND

INSTITUTIONAL-TOURIST DEVELOPMENT (ROI-TD) TO COMMERCIAL GENERAL (CG); PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR JURISDICTION; PROVIDING FOR ZONING MAP AMENDMENT; PROVIDING FOR INCORPORATION INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

The Mayor opened a public hearing to receive comments for or against the proposed ordinance. Having none, the Mayor closed the public hearing and turned the matter over to the City Council for discussion and consideration.

Motion by Councilmember Menchel, seconded by Councilmember Ramswell, to approve Ordinance 19-34-LC on first reading and direct staff to advertise for second reading passed 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Destin was absent from the meeting).

C. First reading of Ordinance 19-35-LC relating to changes to the Zoning Map, which changes the zoning of one parcel from Bay Estates (BE) to Recreation (REC)

The City Attorney read proposed Ordinance 19-35-LC by title, and then presented it to the City Council on first reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING THE OFFICIAL ZONING MAP AS REFERENCED IN THE LAND DEVELOPMENT CODE, SECTION 7.12.01(A)2 ZONING MAPS TO INCLUDE A CHANGE IN THE ZONING DESIGNATION OF THE PARCEL DESCRIBED AND GENERALLY DEPICTED IN THE ATTACHED EXHIBIT A FROM BAY ESTATES (BE) TO RECREATION (REC); PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR JURISDICTION; PROVIDING FOR ZONING MAP AMENDMENT; PROVIDING FOR INCORPORATION INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

The Mayor opened a public hearing to receive comments for or against the proposed ordinance. Having none, the Mayor closed the public hearing and turned the matter over to the City Council for discussion and consideration.

Councilmember Menchel moved to approve Ordinance 19-35-LC on first reading and direct staff to advertise for second reading; seconded by Councilmember Overdier. Motion passed 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Destin was absent from the meeting).

D. First reading of Ordinance 19-36-LC relating to the creation of a "lot split" procedure, which is an addition to the subdivision of land procedures as laid out in Article 2 of the Land Development Code

The City Attorney read proposed Ordinance 19-36-LC by title, and then presented it to the City Council on first reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA AMENDING ARTICLE 2 OF THE LAND DEVELOPMENT CODE; PROVIDING PROCEDURES FOR LOT SPLITS; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR INCORPORATION INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

The Mayor opened a public hearing to receive comments for or against the proposed ordinance. Having none, the Mayor closed the public hearing and turned the matter over to the City Council for discussion and consideration.

Motion by Councilmember Overdier, seconded by Councilmember Braden, to approve Ordinance 19-36-LC on first reading and direct staff to advertise for second reading passed 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Destin was absent from the meeting).

E. First reading of Ordinance 19-37-LC amending relating to the consolidation of the Residential, Office, Institutional General Development (ROI-GD) and Residential Office, Institutional Village Residential (ROIVR) zoning districts.

The City Attorney read proposed Ordinance 19-37-LC by title, and then presented it to the City Council on first reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA AMENDING ARTICLE 7 OF THE LAND DEVELOPMENT CODE TO ELIMINATE THE RESIDENTIAL, OFFICE AND INSTITUTIONAL-GENERAL DEVELOPMENT ZONING DISTRICT (ROI-GD) AND CONSOLIDATE IT WITH THE RESIDENTIAL, OFFICE AND INSTITUTIONAL-VILLAGE RESIDENTIAL ZONING DISTRICT (ROI-VR); AND TABLE 7-3 SCHEDULE OF DIMENSIONAL REQUIREMENTS PROVIDING FOR; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR INCORPORATION INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

The Mayor opened a public hearing to receive comments for or against the proposed ordinance. Having none, the Mayor closed the public hearing and turned the matter over to the City Council for discussion and consideration.

Councilmember Marler moved for approval of Ordinance 19-37-LC on first reading and direct staff to advertise for second reading; seconded by Councilmember Overdier. Motion passed 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Destin was absent from the meeting).

F. First reading of Ordinance 19-38-LC relating to the use of wheeled vehicles on public and private areas of the beach, which amends Section 11.08.02 of the Land Development Code.

The City Attorney read proposed Ordinance 19-38-LC by title, and then presented it to the City Council on first reading.

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA RELATING TO THE USE OF WHEELED VEHICLES ON PUBLIC AND PRIVATE AREAS OF THE BEACH; PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR AN AMENDMENT TO ARTICLE 11 OF THE LAND DEVELOPMENT CODE PROVIDING FOR INCORPORATION INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

The Mayor opened a public hearing to receive comments for or against the proposed ordinance. Having none, the Mayor closed the public hearing and turned the matter over to the City Council for discussion and consideration.

Councilmember Ramswell moved for approval of Ordinance 19-38-LC on first reading and direct staff to advertise it for second reading. Councilmember Menchel provided a second to the motion, which passes 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Destin was absent from the meeting).

6. CONSENT AGENDA

A. Minutes of Standing Committees/Board Meetings

B. Request approval to purchase FY 20 Budgeted Equipment 5 Pickup Trucks

C. Development Review System Software Update

Councilmember Ramswell moved to approve Consent Agenda items 6A and 6B and pull item 6C for discussion; seconded by Councilmember Braden. Motion passed 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Destin was absent from the meeting).

The Deputy City Manager provided a verbal update on the progress of the EnerGov Software implementation schedule stating that City staff continues to work hard in preparation for the EnerGov project. City staff had very productive sessions with EnerGov staff on November 19-21 and will continue to provide updates to the Council as the project progresses. This will be a challenging project for staff. There will be some unexpected challenges they would have to work through.

Motion by Councilmember Ramswell, seconded by Councilmember Braden, to approve Consent Agenda item 6C passed 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Destin was absent from the meeting).

7. COMMENTS/PRESENTATIONS FROM MAYOR, COUNCIL, LAND USE ATTORNEY AND CITY ATTORNEY

A. Councilmember Braden

B. Councilmember Ramswell

C. Councilmember Menchel

Councilmember Menchel inquired as to the typical protocol regarding contract payments. Finance Director Bragg Farmer stated it would be based on the terms of the contract. Typically, the contractor would perform the service, presents the City with an invoice. The invoice would be reviewed by the pertinent department and signed off on the invoice verifying the work being done. A purchase order would then be placed into the system to identify the payment being owed to that contractor. The invoice would be presented to be paid on the purchase order.

Councilmember Menchel noted that he reviewed the last City contract on generator maintenance. It appears the City was billed twice for the same service.

Mr. Farmer stated that the City's generator has not been functioning properly and believed to be beyond repair, and so they should not have been billed for service on that generator. He will go back and make sure they have not paid anybody for maintenance of that generator.

D. Councilmember Overdier

1) Appointment of Mr. Frank McDonough to the Town Center CRA Advisory Committee

Councilmember Overdier moved for appointment of Mr. Frank McDonough to the Town Center CRA Advisory Committee; seconded by Councilmember Marler. Motion passed 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted "yes"; Councilmember Destin was absent from the meeting).

E. Councilmember Marler

Councilmember Marler requested that the Mayor and City Manager send a letter to the County Commission requesting the placement of traffic lights at the intersection of Commons Drive and Henderson Beach Road.

F. Councilmember Destin

G. Councilmember Morgan

1) Raising water level at Lake Coleman

Councilmember Morgan asked staff to research this issue and bring back plans and estimated cost to accomplish this task.

H. Mayor Gary Jarvis

I. Land Use Attorney

J. City Attorney

1) Executive Session Announcement “Special Executive Session of the City Council in the case of Pointe Mezzanine, LLC vs. City of Destin, Case # 2019CA-003733 F in Okaloosa County Circuit Court will be held on Monday, December 9, 2019, at 5:30 pm, in the City Hall Annex Council Chambers.”

2) Researching Project Manager/Consultant options for the Undergrounding of Utilities project

The City Attorney announced that during the Gulf Power meeting held a few weeks ago, it became apparent pretty quickly that the undergrounding project would be a massive undertaking. The City would need to either employ a project manager as an employee or hire an outside consultant for the undergrounding effort. Staff is currently exploring options and present them to Council.

3) Contract Addendum

The City Attorney stated he was directed by Council to negotiate a contract addendum to the City Manager’s contract to buy out some of the City Manager’s vacation that he would not be able to carry over to the next fiscal year.

Councilmember Ramswell moved for approval of the contract addendum for the City Manager; seconded by Councilmember Menchel passed 6-0 (Council members Morgan, Marler, Overdier, Menchel, Ramswell and Braden voted “yes”; Councilmember Destin was absent from the meeting).

8. PUBLIC COMMENTS:

Ms. Marcie Bell discussed the Gulf Power letters she has been receiving in the mail offering to take at least \$3.99 per month out of her checking account. The return address was Gulf Power, but they are actually coming from Home Serve Repair USA Management Corporation. She wanted to warn the citizens of Destin who received similar letters that these are not official Gulf Power mailing.

Mr. Karl Seekamp noted that two of 4 people that met with the Land Use Attorney regarding the rezoning issue discussed earlier disagreed with the rezoning proposal, and that both are present in tonight’s meeting. Now that the area in question is zoned conditional Commercial General after the Council approved the application this evening, whomever purchase that property would want to develop on it. That person would have to come before this Council to get an approval to build a McDonald or a service station behind his house. He stated that he is relying on this Council to go back and correct the zoning map which is inconsistent, and which shows his neighborhood as a mixed-use area even though there is nothing there but single-family residential housing.

The Land Use Attorney announced that two of the individuals she previously spoke with and were agreeable with the area rezoning were Rhonda Jossey and Todd Burr.

ADJOURNMENT: 9:55 PM

Having no further business at this time, the meeting was adjourned at 9:15 PM.

ATTEST:

Gary Jarvis, Mayor

Rey Bailey, City Clerk

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: April 6, 2020

TYPE OF AGENDA ITEM: Special Presentation

TO: City Council

THRU: Webb Warren, Deputy City Manager
Lance Johnson, City Manager

FROM: Julio Lacayo, Interim Finance Director
Krystal Strickland, Finance Consultant

DATE: March 3, 2020

SUBJECT: Fiscal Year 2019 Comprehensive Annual Financial Report, presented by Joe Klimek, Partner – EFPR Group, LLP Certified Public Accountants

I. BACKGROUND: An annual audit of the City's financial operations is required in order to maintain legal reporting compliance for various State and Federal agencies and to comply with certain bond covenants contained within the City's debt instruments.

II. DISCUSSION: Mr. Joe Klimek, Partner/CPA, will present the independent auditor's report, on behalf of EFPR Group, LLP, for the Fiscal Year ending September 30, 2019. EFPR Group, LLP is in the fourth year of a five-year contract to provide the City with an independent audit of the City's financial operations.

A. Link to Strategic Goals / Objectives: III.A.1. Develop sustainable Operating & Capital Budgets ensuring the City is managed in a fiscally sound manner and complies with Legislative mandates.

B. Effect on Budget (EOB): The fee for the audit (\$22,500) is appropriated in the current year budget.

C. Level of Service (LOS): The annual independent audit provides for legal compliance and confirms the sound financial condition of the City. The auditor's unqualified opinion confirms that the financial statements of the City of Destin fairly represent all material aspects of the financial position of the City.

III. CONCLUSION: Findings of the Fiscal Year 2019 Audit demonstrate legal compliance and a sound financial condition for the City of Destin and an

unqualified audit opinion is awarded to the City.

IV. RECOMMENDED MOTION: I move that Council accept the Fiscal Year 2019 audit.

Attachments:

1. City Council Summary report
2. Destin Final FS 2019
3. Destin Final RTB 2019
4. Representation Ltr FY19
5. Management Resp Ltr FY19

**City of Destin
Board Summary
September 30, 2019**

- Financial Statements and Auditors' Reports were reviewed with management.
- Unmodified (i.e. unqualified or "clean") opinions will be issued on the City's financial statements.
- No material weaknesses or significant deficiencies were noted in the City's internal controls over financial reporting or in the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.
- Management provided everything we asked for in a timely manner and management agreed with the audit adjustment proposed to defer sidewalk revenue until the expenditures are incurred in future years.
- At the City-wide (full-accrual) level, revenues exceeded expenses by \$3.3 million. Revenues increased \$1.1 million due to increased intergovernmental revenues. Expenses decreased \$0.4 million due to a decrease in capital outlay expenditures. Net position at September 30, 2019 is \$112.9 million, including \$88.8 million invested in capital assets. The City is in fine fiscal condition.
- At the general fund level there was an increase in general fund balance of \$3.6 million. Revenues increased \$1.0 million due to increased intergovernmental revenues and taxes due to an increase in assessed value. Expenditures increased by \$0.2 million, primarily due to an increase in transportation and public safety expenditures.
- The following summarizes the changes in general fund balances:

	2019	2018	Variance
Nonspendable fund balance:			
Advance to other fund	2,448,824	2,379,639	69,185
Prepaid expenses	-	89,380	(89,380)
	<u>2,448,824</u>	<u>2,469,019</u>	<u>(20,195)</u>
Restricted fund balance:			
Park	311,697	283,794	27,903
Traffic	1,472,424	1,386,950	85,474
Police	3,727	2,233	1,494
Library	125,765	116,411	9,354
NPEB	262,953	245,950	17,003
Multimodel transportation	407,690	445,539	(37,849)
	<u>2,584,256</u>	<u>2,480,877</u>	<u>103,379</u>
Committed	10,129,498	9,657,663	471,835
Assigned fund balance	1,213,592	1,289,375	(75,783)
Unassigned fund balance	10,040,295	6,909,267	3,131,028
Total fund balance	<u>26,416,465</u>	<u>22,806,201</u>	<u>3,610,264</u>

- Unassigned general fund balance has increased \$3,131,028 to \$10,040,295 at September 30, 2019.



City of Destin, FL

Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2019



City of Destin, Florida

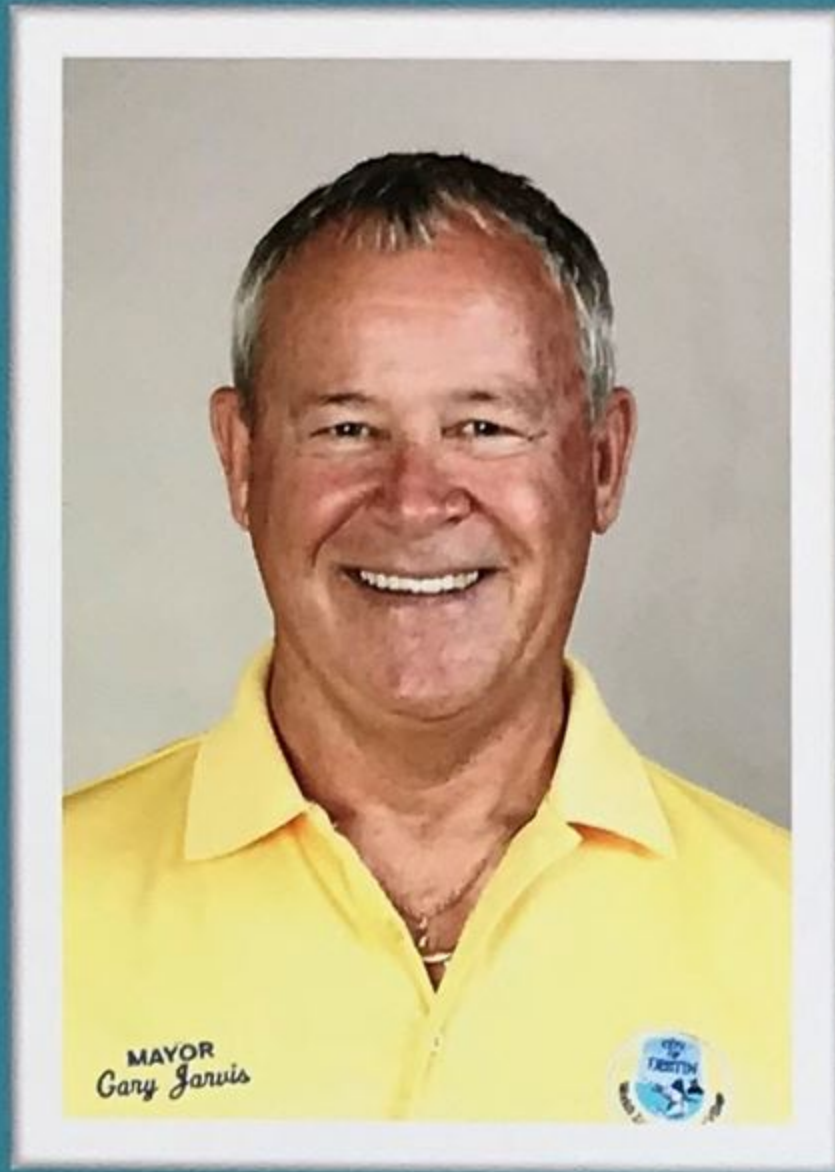
Comprehensive Annual Financial Report

For the Fiscal Year Ended
September 30, 2019

*City of Destin, Florida
Finance Department
Bragg Farmer, Finance Director
4200 Indian Bayou Trail
Destin, Florida 32541
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DESTIN CITY COUNCIL



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COUNCILMEMBER



CHATHAM MORGAN
COUNCILMEMBER



SKIP OVERDIER
COUNCILMEMBER

CITY OF DESTIN, FLORIDA

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City of Destin

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APRIL 6, 2020

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Destin:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the City of Destin, Florida (the City) for the fiscal year ended September 30, 2019. Chapter 218.39, Florida Statutes require that a complete set of financial statements be published within one year of fiscal year end and presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Destin. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Destin has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Destin's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Destin's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

In compliance with the laws of the State of Florida, the City's financial statements have been audited by EFPR Group, Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Destin for the fiscal year ended September 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Destin's financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Destin was part of a broader, state mandated “Single Audit” designed to meet the special needs of state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. This was not required for FY2019 but if so, these reports would be made available within this document. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Destin’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Destin incorporated and adopted the Council-Manager form of government in 1984. The City Council is composed of seven voting members with the Mayor casting tie-breaking votes only. The Mayor and Council, traditionally was elected in March of even years by the City at-large, and can serve up to two consecutive four-year terms. In 2019, the City Council approved moving the municipal election to the first Tuesday following the first Monday in November on even years, which aligns with the state’s general election. The City Council is the legislative body of the City Government. They consider and adopt ordinances and enact regulations for the maintenance of good government, the preservation of peace, welfare, health and safety and convenience of the citizens. The Council also reviews and adopts the City Budget, makes appropriations, levies taxes, authorizes bond issues, holds public hearings for citizen input, appoints committees and establishes municipal policies. Pursuant to City Charter, the City Manager is appointed by a super-majority vote of the City Council. The City Manager is the chief administrative officer of the City and serves directly at the pleasure of the City Council. The City Manager implements Council policies, directs and supervises the administration of all departments, programs, offices, and agencies of the City.

The City of Destin provides a range of services that include the construction and maintenance of highways, streets, and other infrastructure; and parks and leisure/cultural activities and events. Police and fire protection, as well as utilities, including water, are provided by other agencies working in close cooperation with City management. Tourism is the major field of employment within the City of Destin. The City of Destin includes a planning area of 7.9 square miles and is located in Okaloosa County approximately 52 miles east of Pensacola, Florida, and 40 miles west of Panama City Beach, Florida. The Gulf of Mexico on the south and Choctawhatchee Bay on the north form the City’s natural boundaries. Destin is located on Florida’s Emerald Coast known for sugar-white beaches, crystal clear emerald water and warm, sunny days. Destin is home to approximately 13,500 full-time residents with an estimated peak seasonal population of approximately 70,000. One of the City’s most significant on-going

challenges is to provide infrastructure and services to accommodate the seasonal population.

Budgetary Control. The annual budget serves as the foundation for the City of Destin's financial planning and control. All departments of the City of Destin are required to submit requests for appropriation to the City Manager in the spring of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review. The council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (the level at which expenditures cannot legally exceed appropriated amount) is maintained by the City Manager at the fund level and may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 22 as part of the basic financial statements for the government funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 23.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Destin operates.

Local economy. In FY2019, the City continued to experience an increase in tourist-related business and hotel and condo occupancy. Tourism is one of Destin's largest industries, and Destin has made great strides to promote and market its commitment to serve as a community offering an outstanding quality of life to residents and visitors alike. The City is centrally located in the panhandle of Florida. Known as the "World's Luckiest Fishing Village," one of the largest and most elaborately equipped fishing fleets in the State of Florida docks at the Destin Harbor. In addition to fishing, recreational opportunities include golf, tennis and water sports, including diving and snorkeling. The Destin Harbor lies closer to the 100 Fathom curve than any other harbor on Florida's west and north coast, providing speedy deep-water access.

Besides tourism, Destin's economic base has been dependent on the real estate and construction industries. During FY2019, rising property values translated into higher ad valorem taxes. Ad valorem taxes are the City of Destin's largest single source of revenue. By City Charter the maximum rate of levy is limited to 2.0 mills, or \$2 per \$1,000 in property value; the rate for FY2019 was set at 1.615 mills, which was the same as the FY2018 rate.

Major Projects

Beach Acquisition

Council's top priority objective is to purchase beachfront property in order to preserve public access to Destin's waterways and beaches specifically in the Crystal Beach neighborhood. During the summer months, our small 67' (.43 acres) parks are regularly well beyond capacity with beachgoers from the neighborhood short-term rentals. The highest percentage of complaints received at Destin City Hall are concerns about the lack of public beach parks and disputes with property owners and vendors in the Crystal Beach area. This initiative will restore developed areas of the beach to their original natural beach environment and provide recreational opportunities for visitors and residents alike. In FY2019 \$8.5 million dollars in Tourist Development and City funds were earmarked for this initiative with additional funds being pursued from Triumph Gulf Coast as well as other grant and revenue opportunities.

Purchase and Installation of Municipal Management Software

A top priority for the organization is to implement a comprehensive software package that will automate and centrally connect critical processes, including permitting, planning, regulatory management, inspections and code compliance, while providing an easily accessible system to our customers. In particular, the City's planning, permitting, licensing and citizens requests will be automated and connected with a view to streamlining workflow, improving communication, and increased productivity from the office to the field operations. In light of that, the City purchased Tyler Technology's Energov product in 2019. Throughout 2019-2020 Staff and the Energov consulting team have been working diligently on this monumental City project and have an estimated "go-live" date of January 2021.

Airport Road Safety Improvements

In FY2019, the Florida Department of Transportation has agreed to take on the responsibility of designing and constructing safety improvements on the curve on Airport Road. These improvements could include: super-elevation of the outside of both lane-sets to help vehicles negotiate the curve, the application of a high-friction surface treatment to provide additional grip (especially in wet conditions), new retro-reflective signage, new thermoplastic pavement markings, new reflective pavement markers, etc. Design for this project should be completed in Spring 2020 with construction commencing in the Summer.

Norriego Point Stabilization and Recreational Amenities. This has been a high priority – and very costly – project for the Destin community. Due to the complex dynamics of the Destin East Pass, in FY2011 the City Council appointed a Blue Ribbon Panel of stakeholders to assist in the decision-making for the proposed design for stabilization of the Point. In late FY2013 the City was notified that it had been awarded a NRDA grant through the Florida Department of Environmental Protection to construct this project. In FY2014 city staff began working with the State to implement this project. The project began in the fall of FY2017 with the stabilization phase. The recreational

amenities should be constructed in FY 2020. Long-term savings to the City in terms of manpower and resources to maintain Norriego Point in the future will be substantial.

Joe's Bayou Renovation: A parcel of waterfront property became available for sale in late 2013 that has long been desired by the City of Destin to complete its plans for the Joe's Bayou Recreation Area. Staff has worked diligently for over two years to negotiate its purchase and was successful in 2016. City Council appropriated \$2 million from fund balance to complete the purchase and ensure this premium piece of bay/bayou-front property remains in the public domain for perpetuity. In FY2017 the property was cleared in anticipation of converting the property into City park land and merging it with Joe's Bayou Boat Launch facility, Mattie Kelly fishing pier and Mattie Kelly Nature Walk. The City has applied for a grant to redevelop and combine the parks into one large waterfront recreation area. In FY2020 the City should confirm the awarding of this grant.

Current and Future Planning In FY2015-2016, the City undertook a planning effort, Envision Destin, to finalize the City's Comprehensive Plan 2020. The Envision Destin plan was adopted on 2nd reading on November 3, 2014; however, the existing Chapter 1, Future Land Use Element was retained within the Plan. To address the need to further amend Chapter 1, the current City Council reached consensus at a workshop in the summer of 2016 and engaged Northwest Florida Regional Planning Council to draft the new language for Chapter 1 and the Land Development Code (LDC). The City adopted the 2020 Comprehensive Plan in FY2018. Throughout 2019 the City completed a year-long effort of aligning the Future Land Use Map (FLUM) and the Zoning Map to provide both synergy and clarity to the City Land Use policies and regulations. Now the City is turning its efforts to updating the City's Land Use Regulations to be consistent with the Comprehensive Plan.

Community Redevelopment. The City of Destin continues to focus on redevelopment opportunities. The establishment of two Community Redevelopment Agency (CRA) districts directs major capital improvements in the heart of the City to maintain the vitality and heritage of our harbor district and to facilitate mobility across the City and through our downtown area, be it by car, bicycle, or foot.

The first three major projects of the Harbor District CRAs were completed in FY2011-FY2013:

- a) The reconstruction of Mountain Drive into a multi-modal roadway
- b) The construction of the first phase of the Harbor Boardwalk
- c) The construction of a long-term surface parking lot on Harbor Boulevard with appropriate lighting, landscaping, and stormwater improvements.

In FY2014 focus was placed on safe pedestrian mobility in the Harbor District and along US 98. The City worked with the State of Florida Department of Transportation (FDOT) to conduct a Pedestrian Safety Assessment analysis of Highway 98 from the Marler Bridge to Airport Road. In the spring of FY2016, FDOT installed five (5) signalized pedestrian crossings on Harbor Blvd/Highway 98.

Furthermore, the City is in the process of undertaking two major development efforts aimed at enhancing the festive atmosphere and experience of our redevelopment areas.

A. Captain Royal Melvin Park

The City of Destin provided \$2.3 million in matching funds, as part of a 2008 Florida Forever grant to purchase a 0.77 acre waterfront property at 206 Harbor Blvd for Captain Royal Melvin Park. Located in the center of the Harbor Community Redevelopment Area (CRA), Captain Royal Melvin Park will serve as a gateway to the Destin Harbor District featuring an observation platform, resource center, educational signage, kayak/canoe launch, walkways, plaza with picnic tables and playground equipment. **(Policy 1-3.3.4: Harbor CRA Redevelopment, Infrastructure, and Design Enhancements, Comprehensive Plan)**

B. Gulf Power Easement/Linear Park

One key project aimed at redeveloping the Town Center Community Redevelopment Area (CRA) is the proposed Linear Park. An objective outlined in the Town Center CRA Plan, the Linear Park extension of 98 Palms Boulevard to the east, will connect portions of the Gulf Power easement providing an opportunity to create a “linear park/multi-use trail” connecting Main Street to Airport Road. The project will provide a safe area for walking, jogging, biking and exercise. In addition, it will provide an alternate means of transportation from the residential areas off Airport Road to access shops, restaurants and other amenities in the Town Center CRA. **(Policy 1-3.3.1: CRA Building Forms, Grid System, Pedestrian Environment, and Park, Comprehensive Plan)**

Roadway and Pedestrian Improvements

The Transportation Element of the Comprehensive Plan guides the City’s regulations regarding street improvements for both motor vehicle and pedestrian needs. Specifically, the City’s transportation system is aimed at maintaining and enhancing the efficient and high-quality multimodal transportation system that balances community circulation needs with regional travel demand. **(Goal 2-1 Multimodal Transportation System. Policy 2-1.1.9 Capital Improvement Program and Schedule and Policy 2-1.1.12 Construct Transportation Facilities to MMTD Standards of the City’s Comprehensive Plan).**

The FY 2020 Capital Improvements Plan budget includes the following:

- Two City pathways projects:
 - The two pathway projects will connect the Harbor Boardwalk with additional parking as well as other City facilities including the library, the community center, fishing museum and two city parks
 - The two pathway projects will also connect other segments of the existing 10 foot wide pathways for greater pedestrian connectivity. This connectivity ties into US Highway 98/Harbor Boulevard.
- One pedestrian project:
 - (Zerbe-Calhoun, Phase I); ready for construction

- o (Zerbe-Calhoun, Phase II, Boardwalk under the bridge) ready for design; and
- Sibert Ave. parking lot consolidation.

Additionally, the FDOT 3R project on Harbor Boulevard should be wrapping up within the next 30 days in time for spring break and the hundred days of summer. The 3R project provides additional pedestrian facilities as well as providing overall safer access to and from Harbor Boulevard between Airport Road and the Marler Bridge.

Undergrounding Utilities

The City is working to finalize a franchise and undergrounding agreement with Gulf Power (subsidiary of Nextera Energy). One of the City's priority long-term goals is to underground city utilities. Undergrounding utilities is essential to hardening Destin's infrastructure to better improve service and business continuity while decreasing recovery times in post-disaster scenarios. This initiative will also improve economic development opportunities in the City.

Harbor and Bayfront Parks.

In FY2014-2015, the City applied for funding for two (2) Restore Act grants to renovate Clement Taylor Park (\$750,000) and to build the new Royal Melvin Heritage Park (\$1,250,000) on the Destin Harbor. Funding from the US Treasury, through Okaloosa County (Recipient) to the City of Destin (Sub-Recipient) is expected in 2020.

In addition, in late 2014/2015 the City was notified that we would be receiving a \$9,700,000 grant from BP's Early Restoration Funds. This grant, administered through The Trust for Public Land, acquired a 3-acre parcel on the Choctawhatchee Bay and will construct the new Leonard Destin Park along with providing funding for ten (10) years of operation and maintenance of this new facility. Construction of the park is scheduled to be complete in FY2020.

The City is responsibly adjusting its budget for out-years to reflect a fiscally conservative program that still addresses the City's strategic priority goals. Most projects continue to be funded by impact fees, gas tax and grant revenues.

Financial Information

Management's Discussion and Analysis (MD&A) (starting on page 4) summarizes the Statement of Net Assets and Statement of Activities and reviews the changes (from the beginning to the end of the period and current year to prior year). The Government-wide financial statements (in detail) are presented on pages 16 through 17 and are intended to present the City in a manner similar to private-sector businesses.

Additionally, the Fund Financial Statements (starting on page 18) are designed to address the Major (or more significant) individual funds by category. An explanation of these complementary presentations can be found in the MD&A (starting on page 4).

The following review of the types of commitments against unrestricted net assets for governmental activities is designed to complement the otherwise available information:

Commitments against Unrestricted Net Assets.

The Unrestricted Net Asset balance represents assets available for the general use of the City.

The normal types of commitments are:

- **Encumbrances** – where a contract exists to purchase/acquire some item or construct a capital project that will be acquired/constructed after the September 30 statement date.
- **Project Commitment** – where a tentative pre-contract commitment has been made and a related project budget established for a significant capital or maintenance effort (normally to be performed by a yet-to-be-hired third party contractor).
- **Working Capital** – is available resources set aside to ensure the normal and ordinary conduct of business (the payment of bills and salaries) given certain cyclical flows of revenue.
- **Other** – other tentative commitments that may be for future capital agendas, emergency reserves, etc.

It should also be understood that having reasonable levels of reserves is essential to the bond market's perceptions of a local government's sound financial position and related ability to utilize private sector styled business practices.

Long-Term Financial Planning.

The City's responsiveness to emerging economic challenges and its careful long-range planning have been instrumental in maintaining Destin's fiscal health. Fiscal conservatism, a streamlined budget, and operating efficiencies have resulted in a solid position for the City at the close of fiscal year 2019. Approval by Council of mission and goal statements allows staff to create strategic plans and a programmatic budget that directly responds to the Council's vision, goals, and community expectations.

Statement of Philosophy. The Mayor and City Council adopted a new vision statement: *"Destin is a family oriented beach and fishing community where people want to live, work & play and where guests are welcomed to respectfully enjoy our community and its resources."* City leaders have continued to reinforce and refine their support of this vision each year at their strategic planning sessions

As indicated within this Vision Statement, the City of Destin is working at all levels to improve the quality of life within our community. Since the Budget is a policy document and serves as a statement of City policy in fiscal terms, it should be viewed

as a reflection of the Council's adopted strategic plan and service delivery priorities for the city's prioritized key customer groups,

- 1.) Year-round residents
- 2.) Destin-based businesses
- 3.) Visitors

The strategic focus for the City through 2025 is:

- ✓ Public beach acquisition initiative
- ✓ Transparent and equitable governance
- ✓ Financially sound city providing service value
- ✓ World class beach, fishing, and harbor
- ✓ Improved mobility and connectivity
- ✓ High quality of life and safety for residents
- ✓ Quality development and revitalization through clear vision and unified approach

The City Council established specific strategic objectives for FY20, which are listed in priority order:

- ✓ Public beach initiative (acquisition of beachfront)
- ✓ Underground Utilities
- ✓ Short Term Rentals compliance with regulations
- ✓ Recruit Project and Grants Manager
- ✓ Request TDC funds for additional OCSO services
- ✓ Research viability of Multi-use Convention/Sports/Community Center
- ✓ Complete two-lane crosstown connector
- ✓ Calhoun Ave Multi-use Trail (MUT)-Phase II Design and Construction (pathway under Marler bridge)
- ✓ Improve parking: Explore options, garage, surface
- ✓ Beach Re-nourishment, planning and schedule
- ✓ Improve communications with Council/Public/Staff
- ✓ Implement enhanced signage control
- ✓ Develop/Implement Wayfinding Program
- ✓ Update Golf Cart/Low Speed Vehicle (LSV) Rules
- ✓ Continuity of streetlights/Conversion to LED's
- ✓ Improvement of the City gateways
- ✓ Implement a Road Way Striping Program
- ✓ Provide Board and Committee Training to members
- ✓ Improve Sidewalks (Wider, more walkable)
- ✓ Re-establish Environmental Committee
- ✓ Enforce Residential boat and RV parking regulations
- ✓ Regulate building height limits to five stories

It is City Administration's responsibility to implement the policies of the City Council. City Administration established the following top priority management objectives for FY20 to ensure Council Objectives can be met.

- ✓ Balance staffing resources with expectations

- ✓ Align Comp Plan with Land Development Code
- ✓ Acquire and deploy comprehensive municipal management software along with required training
- ✓ Seek out funding sources for beach acquisition
- ✓ Establish Park Foundation to assist with acquisitions, renovations and maintenance
- ✓ Develop and implement processes for consist and streamlined application of Codes and Procedures
- ✓ Implement Code Enforcement Compliance Plan

City Administration also has several “Management in Progress” projects for 2020-21

- ✓ Align Comprehensive Plan, Future Land Use Map (FLUM), and Land Development Code (LDC)
- ✓ Harbor Capacity Study (USACE)
- ✓ Implement proactive Code Compliance program
- ✓ Memorialize institutional knowledge
- ✓ Produce city facilities and city infrastructure plans
- ✓ Monitor Restore Act grants
- ✓ Impact Fee Study

The employees’ overall mission is to *protect and promote the health, safety, welfare, and quality of life of our residents, businesses, and visitors*. In all activities, including the Budget, City employees strive for individual and organizational excellence in order to achieve the highest level of customer understanding and satisfaction. Both Council and staff embrace the same core values to earn and sustain the confidence and trust of the community:

- ✓ Fiscal discipline/responsibility
- ✓ Sound and fair group decision-making
- ✓ Respectful working relationships among City Council, staff, and citizens
- ✓ Lawful, ethical moral standards and actions
- ✓ Commitment to the stated values and goals
- ✓ Professional development of officials, staff, and volunteers
- ✓ Open and sensitive to citizens’ concerns
- ✓ Knowledgeable of the current issues
- ✓ Commitment to public safety
- ✓ Trust/honesty/integrity
- ✓ Organizational development
- ✓ Preservation of heritage and environment

Plans articulated in the fiscal year 2019 and 2020 Adopted Budget and Capital Improvement Plan continue to support basic governmental services (roads, solid waste management, parks, recreation, and stormwater, etc.) while also addressing the City Council’s broad goals and citizens’ expectations for the community.

Destin's financial plan requires many elements working in concert with one another. Some of these financial plan elements are financial resource planning, investment planning, strategic capital improvement project planning, and debt management, all of which are further identified below. The Finance Department's management role will be to maintain and enhance financial plan elements and ensure continued financial stability for the City of Destin.

Financial Planning. Strategic financial planning begins with determining the City's fiscal capacity based upon long-term financial forecasts of recurring available revenues. Financial forecasts coupled with financial trend analysis techniques and careful reserve analysis help preserve the fiscal wellbeing of Destin. Strategic financial capacity planning is a critical element to reach long-term financial stability goals and to determine special financial needs for critical objectives of the City Council.

Budget Planning. The City of Destin is required to adopt an annual budget in accordance with the City Charter and State Statutes. The City Manager is charged with preparing a proposed budget submission in July of each year for the fiscal year that begins the following October 1. Appropriations by department by fund and tax levies are adopted in September. The budget also authorizes the number of full-time equivalent positions available to City departments to deliver services. The budget may be amended by Council motion at a regular meeting or administratively if the change is within the same department and fund. Various thresholds of review and approval have been established for purchases and hiring as the budget is implemented.

Capital Improvement Program. Destin's Capital Improvement Program projects are planned for five years and evaluated based on project totals of over \$25,000, a useful life of five years or more; and costs that do not reoccur annually, unless the project has multi-year elements. The operating cost impacts of projects are also planned and considered in developing future operating budget plans. Projects with significant operating impacts are carefully timed to avoid contingent liabilities, which future operating resources cannot meet. Pay-as-you-go funding sources are also conservatively estimated to avoid over-committing to capital construction using revenues that are not certain. To the extent debt financing is used and/or required, capital project plans are sized to conform to existing debt management policies.

Debt Management. Destin has a financial policy which prohibits the issuance of debt for operating costs. With that as a governing framework, all debt issuances are for the purpose of financing capital infrastructure (or long-lived costly assets). Each debt issuance is evaluated against multiple additional policies addressing: debt service as a percent of operating expenditures, tax and revenue bases for the repayment of debt, the overall debt burden on the community and statutory limitations and market factors affecting tax-exempt interest costs. In all cases a long-term analysis is made

considering the financial (debt) capacity that fits the wherewithal (and willingness) of our community to pay for the capital projects. The annual debt service operating cost for each additional one million dollars in new debt averages about \$30,000 based on an average interest rate of 3.0 percent when amortized over 20 years. Sizing of the City's Capital Improvement Program is based on the debt capacity in conjunction with conservatively estimated pay-as-you-go revenues which will help stabilize per capita debt and lower annual debt service costs to the City over the long-term. Revenues pledged to the repayment of debt issues consist of general government taxes, local option gas taxes, half-cent sales taxes, communication service taxes, and CRA tax increment funding (TIF). Annual requirements and debt transactions are reflected in the notes to the financial statements. The City's CRAs receive funding through a "Tax Increment Formula" (TIF). This revenue is calculated using the growth of the tax base of the property within the boundaries of the CRA from the date the CRA is conceived. The CRA gets an increase in its funding based on the increase of the assessed value of this property over the initial assessed value of the property within the CRA boundaries.

Internal Control. City management is responsible for establishing and monitoring internal controls to ensure that the City fulfills its fiduciary responsibility as custodian of public monies. The purpose of internal controls is to provide reasonable, but not absolute, assurance that City assets are safeguarded against loss through unauthorized use or disposition. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Fiduciary Operations. The City of Destin maintains a defined contribution plan for the City's full-time employees. The City's contributes 7.5% of the employee's annual earnings to the retirement program, and will match the first 5% of the employee's contribution to their 457 retirement program. Additional information on the City's pension arrangements and post-employment benefits can be found in Notes 11 and 12 in the financial statements.

Financial Policies. Ad valorem revenue is recovering from the economic decline in 2009 along with the state shared revenue. The City spending constraints put into place to give it flexibility to make budget changes until the economy recovered are continuing to be observed. Capital expenditures were funded from impact fees, gas tax revenue and grants. These measures have allowed the City to maintain fiscal responsibilities without any major reduction in services to our community.

General Government Functions. The City's accounting system is organized on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds used are determined generally by the City Council upon recommendation of the City Manager and the Finance Director establishes accepted accounting policies and procedures, as well as the number of funds.

In accordance with Florida Statutes, Chapter 218.33, revenues are recorded by source to provide information necessary to (1) prepare and control the budget, (2) record the collection of revenues (3) prepare financial statements and schedules, and (4) prepare financial statistics.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Destin for its comprehensive annual financial report (CAFR) for the year ended September 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the twenty-fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

This achievement is the direct result of the efforts of many people and not the work of a single person. Our gratitude is given to the Mayor and City Council for their continuing attention, assistance, and cooperation regarding the financial operations of the City as well as to our residents for their support toward the planning and administration of the financial operations of the City in a responsible and progressive manner. We would also like to express our thanks to the staff of EFPR Group, Certified Public Accountants for their professional services and assistance to the City of Destin. Lastly, we extend our sincere appreciation to all city employees, particularly our finance staff, for their hard work, professionalism, and dedication to ensuring Destin's financial stability.

Respectfully submitted,

Lance Johnson



Lance Johnson
City Manager

Julio Lacayo



Julio Lacayo
Interim Finance Director

CITY OF DESTIN

EXECUTIVE DIRECTORY

CITY COUNCIL

Gary Jarvis, Mayor
Prebble Ramswell, Mayor Pro Tem/Council
Rodney Braden, Council
Steven Menchel, Council
Skip Overdier, Council
Cyron Marler, Council
Parker Destin, Council
Chatham Morgan, Council

CITY MANAGER

Lance Johnson

Deputy City MGR

Webb Warren

City Clerk

Rey Bailey

**Interim Finance/
Budget Director**

Julio Lacayo

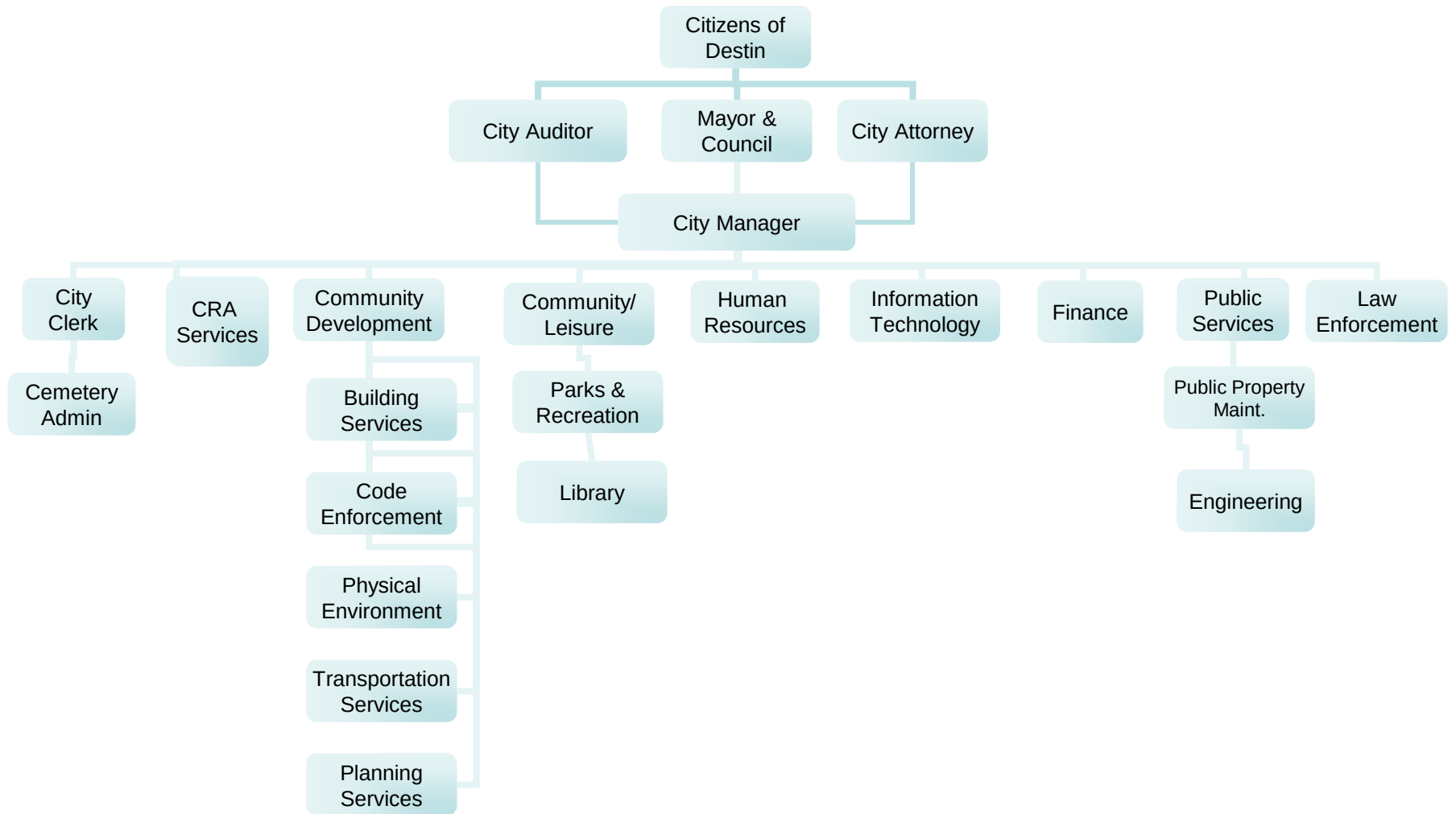
City Attorney

Kyle Bauman
Anchors, Smith,
Grimsley, PLC

City Land Use Attorney

Kimberly Kopp
Romano Kopp Law, P.A.

City of Destin Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Destin
Florida**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

Financial Section

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
 - Government-Wide Financial Statements
 - Fund Financial Statements
 - Notes to Financial Statements
- Required Supplementary Information
- Combining and Individual Nonmajor Fund Financial Statements

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the City Council
City of Destin, Florida:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the fiduciary fund and the aggregate remaining fund information of the City of Destin, Florida (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the fiduciary fund and the aggregate remaining fund information of the City of Destin, as of September 30, 2019, and the respective changes in financial position, and, where applicable, the respective budgetary comparisons for the General Fund, and the Community Redevelopment Agency - Town Center Special Revenue Fund, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of changes in the City's total OPEB liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedules of revenue, expenditures and changes in fund balance - budget to actual, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedules of revenue, expenditures and changes in fund balance - budget to actual, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally

accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules of revenue, expenditures and changes in fund balance - budget to actual, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 6, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Jupiter, Florida
April 6, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Destin, Florida (the "City") we offer readers of the City's financial statements this narrative overview and analysis of financial activities of the City for the fiscal year ended September 30, 2019.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the City exceeded liabilities and deferred inflows by \$112,881,010 (net position) and represent an increase of \$3,350,478 or 3.1%, from prior year. Of this amount, \$88,840,831 represents the net investment in capital assets (e.g. land, infrastructure, building, machinery, and equipment), \$2,661,941 is restricted for future obligations, and \$21,378,238 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

Governmental net position increased by \$3,350,478 compared to the prior year's increase of \$1,836,566. Positive factors included an increase in tax revenues, as property values increased from 2018.

The City's governmental funds reported a combined ending fund balance of \$24,592,945, an increase of \$3,658,278. The fund balance increase was the result of an increase in tax revenue.

At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,040,295, or 79.1% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The focus of the Governmental Accounting Standards Board ("GASB") Statement Number 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* financial statements is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (such as year-to-year and government-to-government), and enhance the City's accountability.

This discussion and analysis intends to serve as an introduction to the City's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Designed to be corporate-like, the government-wide financial statements typically consolidate governmental and business-type activities into two columns, which add to a total for the primary government entity. However, the City only has governmental activities and, therefore, one column is presented that provides readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. This statement combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases or decreases in net position may serve as a useful indicator of the financial position of the City.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government (city clerk, city council, city manager, human resources, finance, purchasing, fleet maintenance, service maintenance and non-departmental expenses), public safety (community development services), physical environment (cemetery), transportation (includes public works, administration, streets, engineering and right-of-way), human services (contract services and contributions), culture and recreation (parks, library and museum) and debt service interest.

The government-wide financial statements are found on pages 16 - 17 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds can be divided into three categories: governmental, proprietary and fiduciary funds.

FUNDS

GOVERNMENTAL FUNDS

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at fiscal year-end.

Such information may be useful in evaluating a government's near-term financial requirements. The basic governmental fund financial statements are found on pages 18 - 21 of this report.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in governmental funds with similar information presented in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and changes in fund balances for the General Fund, 2002 Series Capital Improvement Special Revenue Fund, which is presented in combination with General Fund, and CRA Town Center Special Revenue Fund, which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements and can be found elsewhere in the report.

The City adopted an annual appropriated budget for all of the governmental funds. A budgetary comparison statement is presented within this report for each of these funds to demonstrate compliance with the budgets.

PROPRIETARY FUNDS

Proprietary funds normally report business-type activities and provide the same type of information as the government-wide financial statements, only in more detail. The City has no business-type activities that meet the definition of this fund category.

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the government.

The City maintains a defined contribution plan for the City's full-time employees. The City administers the retirement plan known as the "Employee Thrift Plan." The Board of Trustees operates the investment policy set forth by the City Council. All funds are held by Benjamin F. Edwards & Co., which also acts as the Investment Manager. As of September 30, 2019, total assets were stated at \$5,584,619, a decrease of \$169,697 compared to the September 30, 2018, stated value of \$5,754,316. Allocations of investments were represented as 97.1% mutual funds and 2.9% cash and cash equivalents.

The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements are found on pages 24 - 25 of this report.

NOTES TO FINANCIAL STATEMENTS

The notes to the financial statements provide additional information, which is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 26 of this report.

OTHER INFORMATION

The combining statements, mentioned earlier in connection with nonmajor governmental funds, are presented immediately following the required supplementary information. The combining and individual nonmajor fund financial statements are found on pages 59 - 60 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as an indicator of a government's financial position. The City's assets and deferred outflows, exceeded liabilities and deferred inflows by \$112,881,010 (net position) for the fiscal year ended September 30, 2019, as reported in Table 1.

The largest portion of the City's net position, \$88,840,831 (78.7%), reflects its investment in capital assets (e.g. land, infrastructure, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City reports its investment in capital assets, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities. In both the current and prior fiscal years, the City reported positive balances in net position for the government as a whole. An additional portion of the City's net position, \$2,661,941 (2.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$21,378,238 may be used to meet the City's ongoing obligations to citizens and creditors.

Table 1
Statement of Net Position
As of September 30,

	Governmental Activities		
	2019	2018	Change
Current and other assets	\$ 25,562,083	\$ 21,603,683	\$ 3,958,400
Capital assets	112,969,019	114,783,789	(1,814,770)
Total assets	138,531,102	136,387,472	2,143,630
Deferred outflows	79,770	86,393	(6,623)
Current liabilities	774,413	755,014	19,399
Long-term liabilities outstanding	24,551,824	26,053,719	(1,501,895)
Total liabilities	25,326,237	26,808,733	(1,482,496)
Deferred inflows	403,625	134,600	269,025
Net position:			
Net investment in capital assets	88,840,831	89,128,737	(287,906)
Restricted	2,661,941	2,570,097	91,844
Unrestricted	21,378,238	17,831,698	3,546,540
Total net position	\$ 112,881,010	\$ 109,530,532	\$ 3,350,478

The overall increase in the City's net position was \$3,350,478 (3.1%) during fiscal year 2019. Key elements of this increase are described in the following table.

Table 2
Change in Net Position
For the year ended September 30,

	Governmental Activities		
	2019	2018	Change
Revenue:			
Program revenues:			
Charges for services	\$ 3,634,856	\$ 3,914,961	\$ (280,105)
Operating grants and contributions	734,898	1,407,851	(672,953)
Capital grants and contributions	43,520	30,544	12,976
General revenue:			
Taxes			
Property taxes			
Ad valorem	7,377,570	6,939,210	438,360
Tax incremental financing	1,386,720	1,240,015	146,705
Gas taxes	720,007	699,009	20,998
Utility service fees	916,558	970,150	(53,592)
Intergovernmental	2,778,036	1,756,974	1,021,062
Investment earnings	506,164	20,654	485,510
Miscellaneous	132,896	129,921	2,975
Total revenue	18,231,225	17,109,289	1,121,936
Expenses:			
General government	3,695,191	3,532,139	163,052
Public safety	3,292,103	3,908,737	(616,634)
Economic environment	1,146,463	1,209,950	(63,487)
Physical environment	319,713	432,132	(112,419)
Transportation	3,252,517	3,053,455	199,062
Human services	62,808	55,220	7,588
Culture and recreation	2,323,177	2,274,564	48,613
Debt service-interest	788,775	806,526	(17,751)
Total expenses	14,880,747	15,272,723	(391,976)
Change in net position	3,350,478	1,836,566	1,513,912
Beginning net position, before restatement	109,530,532	106,754,910	2,775,622
Cumulative effect of change in accounting principle for GASB Statement No. 75	-	939,056	(939,056)
Beginning net position, as restated	109,530,532	107,693,966	1,836,566
Ending net position	\$ 112,881,010	\$ 109,530,532	\$ 3,350,478

FINANCIAL IMPACTS

NORMAL IMPACTS

There are eight basic factors that impact revenues and expenses as reflected below.

Revenue

- Economic Condition - This can reflect a declining, stable, or growing economic environment and has a substantial impact on property, sales, gas or other tax revenue.
- Council Approved Rate Adjustments - While certain tax rates are set by statute, the City Council has significant authority to impose and periodically adjust rates (sanitation, impact fees, recreation user fees, etc.)
- Changing Patterns in Intergovernmental Grant Revenue (both recurring and non-recurring) - Certain recurring revenues (state revenue sharing, etc.) may experience significant changes periodically, while non-recurring (or one-time) grants are less predictable and often distort year-to-year comparisons.
- Market Impacts on Investment Income - The current market conditions have a significant influence on the City's investment income causing it to fluctuate greatly.

Expenses

- Introduction of New Programs - Within functional expense categories, (general government, public works, parks and recreation, etc.) individual programs may be added or deleted to meet changing community needs.
- Authorized Position Adjustments - Changes in service demand may cause the City Council to change authorized staffing.
- Salary Adjustments - The ability to attract and retain human resources requires the City to strive to approach a competitive salary range position in the marketplace.
- Inflation - While overall inflation appears to be reasonably modest, the City is a major consumer of certain commodities such as paper, chemicals, supplies, fuel, oil, and parts. Some fluctuations may experience commodity-specific increases.

Current Year Impact – Governmental Activities

- Ad valorem property taxes increased \$438,360 (6.3%), which was caused by the increase of property values within the City.
- Millage rate maintained at 1.615 for each of the last three fiscal years.

- Operating grants and contributions decreased \$672,953 (47.8%), which was attributable to the Gulf Environmental Fund’s Grant closing.
- Total City expenses decreased \$391,976 (2.6%), which was attributable to strong budgetary controls.

Chart 1: Expenses and Program Revenue – Governmental Activities

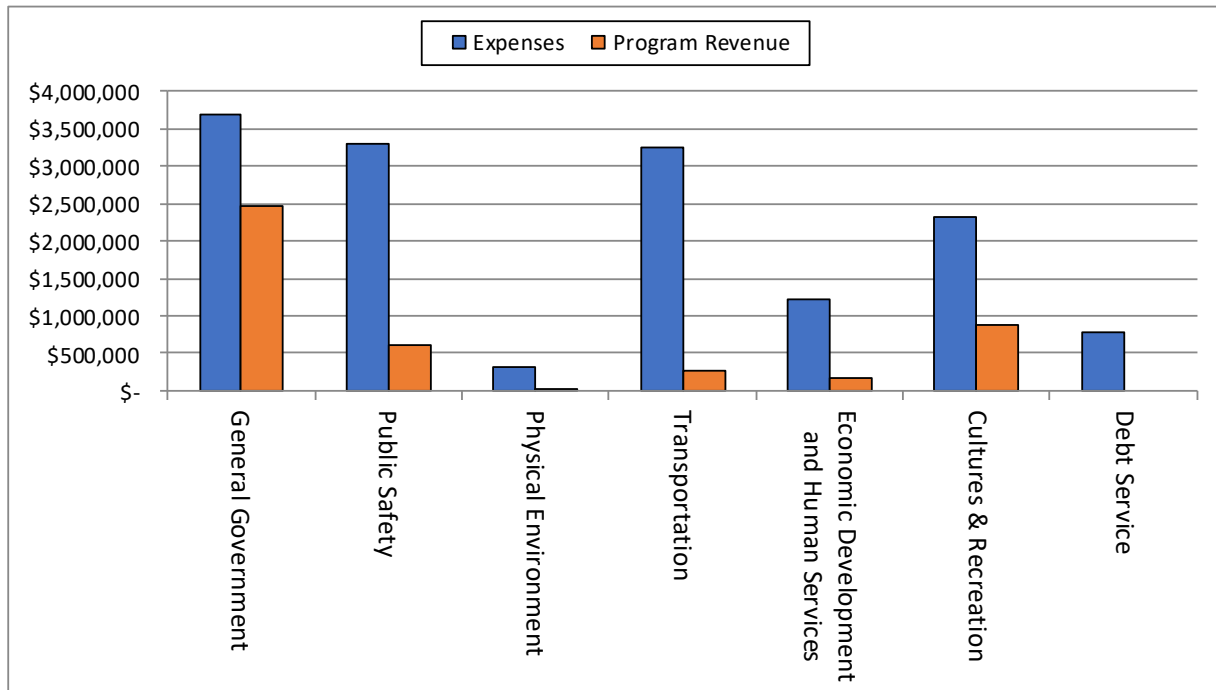
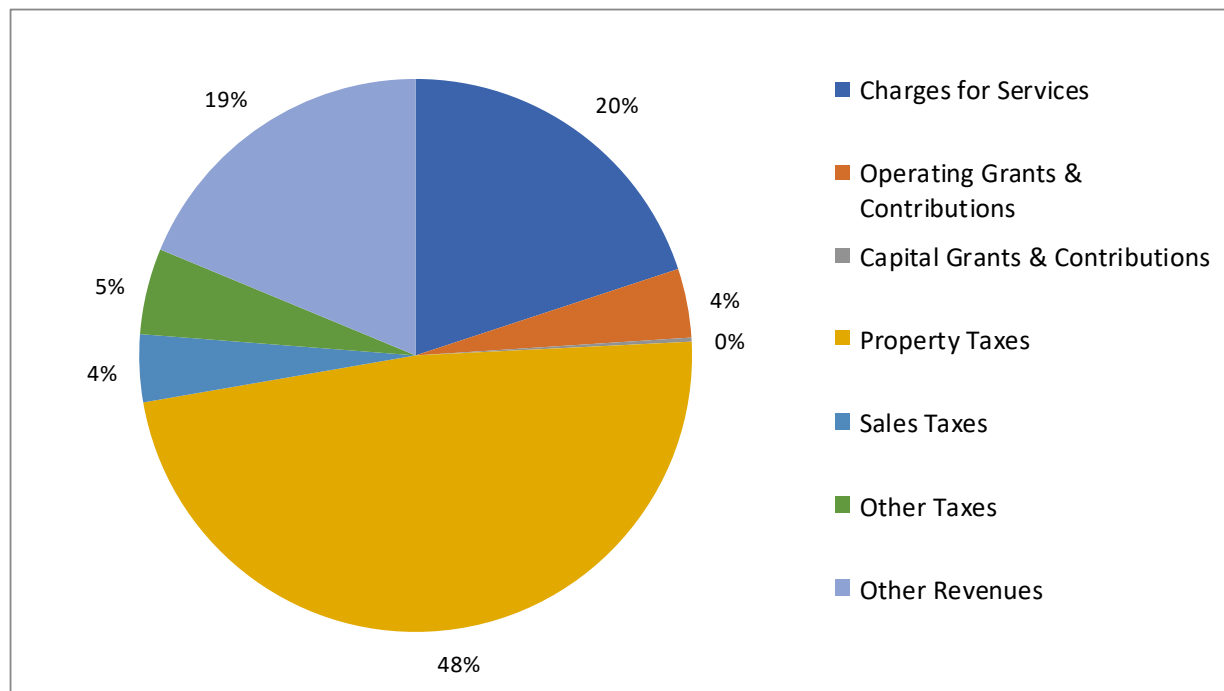


Chart 2: Revenue by Source – Governmental Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of September 30, 2019, the City's governmental funds reported combined ending fund balance of \$24,592,945, an increase of \$3,658,278 compared to prior year.

The general fund is the chief operating fund of the City. At September 30, 2019, unassigned fund balance was \$10,040,295, while total fund balance increased to \$26,416,465. As a measure of the general fund's liquidity, it may be useful to compare both unassigned and total fund balance to total fund expenditures. Unassigned fund balance represents 79.1% of total general fund expenditures, while total fund balance represents 208.2% percent of that same amount.

The fund balance of the City's general fund increased \$3,610,264 during the current fiscal year.

The CRA Town Center Special Revenue fund balance increased \$9,064 due to tax revenue.

Fiduciary funds. The City's fiduciary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Employee Thrift Plan had restricted net position at September 30, 2019 of \$5,584,619. The total decrease in net position was \$169,697.

GENERAL FUND BUDGETARY HIGHLIGHTS

During fiscal 2019, the original expenditure budgeted for capital outlay was increased \$1,450,536 for anticipated projects. The funding for these projects were delayed, and as a result, both the estimated intergovernmental revenue actual results were down \$971,418 and the capital outlay expenditures were below budgeted amounts by \$8,121,192. This variance arose because the City records capital projects using a multiyear model. Most years will show less actual spending compared to budget as projects are completed or cancelled based on proposed funding being lost or projects being completed at a cost less than budgeted.

The following expenditures are of interest in the fiscal year 2019 budget:

Sheriff's Contract: The City provides law enforcement services through a contract with the Okaloosa County Sheriff's Office. This contract provides for all patrol activities including, beach patrol, marine patrol, and investigations.

Capital Outlay: The City Council approved a capital improvement plan for the fiscal year 2018 budget that reflects the immediate need of the City. These projects include the continued work on a five year street resurfacing plan and a five year plan for sidewalk replacement.

Beach Safety Patrol: For the fourteenth year, the Council approved funding (\$100,000 in 2019) to support the beach safety patrol operated by the Destin Fire Control District. The funding supports the equipment and operational needs of the patrol activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The City's investment in capital assets for its governmental activities as of September 30, 2019, was \$112,969,019 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads, and bridges. The total decrease in the City's investment in capital assets for the current fiscal year was \$1,814,770 or 1.5% overall, and is summarized as follows:

Table 3 Capital Assets (net of accumulated depreciation)			
	Governmental Activities		
	2019	2018	Change
Land	\$ 25,542,171	\$ 25,199,597	\$ 342,574
Buildings	7,304,104	7,619,783	(315,679)
Improvements other than buildings	16,531,554	17,058,750	(527,196)
Infrastructure	59,074,708	58,595,789	478,919
Machinery and equipment	1,287,713	1,209,874	77,839
Books, publications and library materials	118,940	111,811	7,129
Equipment under capital lease	364,765	389,758	(24,993)
Construction in progress	2,745,064	4,598,427	(1,853,363)
Total	\$ 112,969,019	\$ 114,783,789	\$ (1,814,770)

Major capital asset events during the current year include the following:

- Transportation improvements: This includes citywide street resurfacing, engineering drawings for the Kelly Street and Cross Town Connector. Restore Act grant, Impact fees and Gas tax revenue are the sole source of revenue for transportation projects.

Additional information on the City's capital assets can be found in Note 7.

LONG TERM DEBT

At September 30, 2019, the City had total revenue notes payable of \$24,032,798. The majority of the City's debt represents notes secured solely by specified revenue sources (i.e. revenue notes). The City has no general obligation or special assessment debt. For general obligation debt greater than one year, the City is required to conduct a voter referendum process for approval of this type of debt.

Table 4
Outstanding Debt
Promissory Notes and Capital Leases

	Governmental Activities		
	2019	2018	Change
Revenue notes	\$ 24,032,798	\$ 25,473,044	\$ (1,440,246)
Capital leases	175,160	268,401	(93,241)
Total	\$ 24,207,958	\$ 25,741,445	\$ (1,533,487)

The City is repaying its outstanding obligations. During 2019, the City's repayments totaled \$1,533,487.

The City has no legal debt margin requirements set forth by the City's Charter or the Florida Statutes.

Additional information on long-term debt can be found in Notes 8 through 10 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The most recent indicators of consumer confidence have shown a positive uptick and low energy prices continue to create slight inflationary fears at the national level. The City experienced a 7.07% increase in the commercial and residential property values over the past 12 months. Hopefully the property market will continue to increase in value going into FY2020 and beyond.

The City has estimated an increase in ad valorem taxes as part of the financial forecast. Several of the City's shared revenue sources have slight increases while the communication service tax has declined 3.7%. Taking all of this into perspective and coupling it with other revenue increases, the City overall general fund revenue increased by \$99,623 or .62% net of a reduction of \$1,201,401 in grant revenue. The City's ad valorem taxes are estimated to increase by 8.13% this year, generating approximately \$584,626 additionally for the City's general fund. This increase is due to the increase in property values by 7.07% while maintaining the millage rate at 1.615 mills.

The City maintained its health care insurance provider to Florida Blue which included a 6.90% increase in the premium. The City made no changes with the dental provider and did not receive an increase. Our pension costs have been budgeted at the same level as FY2019. The City budget includes a 2% cost of living allowance (COLA) and a 2% MERIT increase based on the employee current performance evaluation. Three new full time positions, a beach/harbor parks enforcement officer, a code enforcement clerk and a park maintenance tech., have been budgeted in the current budget. All expenditure areas are constantly being re-evaluated to ensure they are not growing faster than the rate of inflation. The basic "cost of doing business" factors were incorporated into the proposed budget.

The State of Florida, by constitution, does not have a state personal income tax and therefore the State operates primarily using sales, gasoline, and corporate income taxes. Local governments (cities, counties, and school boards) primarily rely upon property and a limited array of permitted other taxes (sales, gasoline, utility service taxes, etc.) and fees (franchise, occupational license, etc.) for their governmental activities. There are a limited number of state shared revenues and recurring and non-recurring grants from both the State and Federal government, which provide funding for specific programs, projects, or activities. For the business-type activities and certain governmental activities (permitting, recreational programs, etc.) the user pays a related fee or charge associated with the service.

The level of taxes, fees, and charges for services (including development-related impact fees) has an impact on the City's specific competitive ability to encourage development and redevelopment (office, retail, residential, and industrial) for those businesses that choose to locate in our jurisdiction. As the City has limited growth potential, it places great emphasis on redevelopment and it is essential for the continued financial and economic health of our community.

Regional economic indicators were also considered in preparing the 2019-2020 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 4200 Indian Bayou Trail, Destin, Florida, 32541. The City's website address is www.cityofdestin.com.

City of Destin, Florida

Statement of Net Position

<i>September 30,</i>	2019
	Governmental Activities
Assets	
Cash and cash equivalents	\$ 11,718,422
Investments	10,129,498
Restricted cash and cash equivalents	2,718,461
Accounts receivable	244,335
Due from other governments	751,367
Prepaid expenses	-
Capital assets, not being depreciated	28,287,235
Capital assets, net of accumulated depreciation	84,681,784
Total assets	138,531,102
Deferred outflows of resources	
Deferred charge on refunding	79,770
Total deferred outflows of resources	79,770
Liabilities	
Accounts payable	429,013
Accrued interest - restricted	208,900
Customer deposits - restricted	4,872
Accrued payroll	131,628
Noncurrent liabilities:	
Due within one year	1,613,272
Due in more than one year	22,938,552
Total liabilities	25,326,237
Deferred inflows of resources	
Deferred revenue	403,625
Total deferred inflows of resources	403,625
Net position	
Net investment in capital assets	88,840,831
Restricted:	
Park	311,697
Traffic	1,472,424
Police	3,727
Library	125,765
NPEB	262,953
Multimodal transportation	407,690
Debt service	77,685
Unrestricted	21,378,238
Total net position	\$ 112,881,010

The accompanying notes are an integral part of these financial statements.

City of Destin, Florida

Statement of Activities

Year ended September 30,

2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities	
Function/Program	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental activities:						
General government	\$ 3,695,191	\$ 2,457,688	\$ 13,037	\$ -	\$ (1,224,466)	
Public safety	3,292,103	614,412	-	-	(2,677,691)	
Economic environment	1,146,463	-	127,349	28,634	(990,480)	
Physical environment	319,713	20,800	-	576	(298,337)	
Transportation	3,252,517	140,017	120,283	14,310	(2,977,907)	
Human services	62,808	-	-	-	(62,808)	
Culture and recreation	2,323,177	401,939	474,229	-	(1,447,009)	
Interest on long term debt	788,775	-	-	-	(788,775)	
Total governmental activities	\$ 14,880,747	\$ 3,634,856	\$ 734,898	\$ 43,520	(10,467,473)	

General revenues:

Taxes:

Property taxes, levied for operational purposes	8,764,290
Sales, use, and fuel taxes	720,007
Utility service fees	916,558

Grants and contributions not restricted to specific programs

2,778,036

Investment income

506,164

Miscellaneous

132,896

Total general revenues

13,817,951

Change in net position

3,350,478

Net position, October 1, 2018

109,530,532

Net position, September 30, 2019

\$ 112,881,010

The accompanying notes are an integral part of these financial statements.

City of Destin, Florida

Balance Sheet - Governmental Funds

September 30,

2019

	General Fund*	CRA Town Center Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 11,213,122	\$ 227,793	\$ 277,507	\$ 11,718,422
Investments	10,129,498	-	-	10,129,498
Due from other funds	8,080	-	-	8,080
Due from other governments	751,367	-	-	751,367
Advance to other funds	2,448,824	-	-	2,448,824
Accounts receivable - other	244,335	-	-	244,335
Restricted cash and cash equivalents	2,584,256	-	134,205	2,718,461
Total assets	\$ 27,379,482	\$ 227,793	\$ 411,712	\$ 28,018,987
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 422,892	\$ 4,766	\$ 1,355	\$ 429,013
Accrued payroll	131,628	-	-	131,628
Customer deposits - restricted	4,872	-	-	4,872
Due to other funds	-	5,356	2,724	8,080
Advance from other funds	-	2,448,824	-	2,448,824
Total liabilities	559,392	2,458,946	4,079	3,022,417
Deferred inflows of resources:				
Deferred revenue	403,625	-	-	403,625
Total deferred inflows of resources	403,625	-	-	403,625
Fund balances:				
Nonspendable	2,448,824	-	-	2,448,824
Restricted	2,584,256	-	77,685	2,661,941
Committed	10,129,498	-	-	10,129,498
Assigned	1,213,592	-	329,948	1,543,540
Unassigned	10,040,295	(2,231,153)	-	7,809,142
Total fund balances (deficit)	26,416,465	(2,231,153)	407,633	24,592,945
Total liabilities, deferred inflows of resources and fund balances	\$ 27,379,482	\$ 227,793	\$ 411,712	\$ 28,018,987

* The 2002 Series Capital Improvement Special Revenue Fund is presented in combination with the General Fund.

The accompanying notes are an integral part of these financial statements.

Reconciliation of the Balance Sheet to the Statement of Net Position

<i>September 30,</i>	2019
Total fund balance - governmental funds	\$ 24,592,945
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental non-depreciable assets	28,287,235
Governmental depreciable assets	139,461,423
Less accumulated depreciation	<u>(54,779,639)</u>
	112,969,019
Deferred amounts on refunding are not financial resources and, therefore are not reported as assets or liabilities in governmental funds. The Statement of Net Position includes these charges, net of amortization.	
Deferred charge on refunding, net of amortization	79,770
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Notes payable	(24,032,798)
Capital lease payable	(175,160)
Accrued interest	(208,900)
Compensated absences	(187,519)
Total OPEB liability	<u>(156,347)</u>
	(24,760,724)
Total net position - governmental activities	<u>\$ 112,881,010</u>

The accompanying notes are an integral part of these financial statements.

Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds

Year ended September 30,

2019

	General Fund*	CRA Town Center Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 10,923,241	\$ 790,785	\$ 595,935	\$ 12,309,961
Licenses and permits	1,079,465	-	-	1,079,465
Intergovernmental	3,494,078	-	-	3,494,078
Charges for services	512,089	-	-	512,089
Contributions	6,871	-	-	6,871
Fines and forfeitures	28,981	-	-	28,981
Impact fees	160,720	-	-	160,720
Investment income	506,164	-	-	506,164
Miscellaneous income	130,424	390	2,082	132,896
Total revenues	16,842,033	791,175	598,017	18,231,225
Expenditures				
General government	3,542,238	-	-	3,542,238
Economic environment	13,209	51,291	41,220	105,720
Physical environment	31,346	-	-	31,346
Public safety	3,061,601	-	-	3,061,601
Transportation	1,924,802	-	-	1,924,802
Human services	62,808	-	-	62,808
Culture and recreation	1,909,794	-	-	1,909,794
Capital outlay	1,580,801	-	26,500	1,607,301
Debt service:				
Principal	428,241	-	1,105,246	1,533,487
Interest	133,329	-	660,521	793,850
Total expenditures	12,688,169	51,291	1,833,487	14,572,947
Excess (deficiency) of revenues over expenditures	4,153,864	739,884	(1,235,470)	3,658,278
Other financing sources (uses)				
Transfers in	2,419,006	-	1,752,753	4,171,759
Transfers out	(2,962,606)	(730,820)	(478,333)	(4,171,759)
Total other financing sources (uses)	(543,600)	(730,820)	1,274,420	-
Net change in fund balances	3,610,264	9,064	38,950	3,658,278
Fund balances (deficit), beginning of year	22,806,201	(2,240,217)	368,683	20,934,667
Fund balances (deficit), end of year	\$ 26,416,465	\$ (2,231,153)	\$ 407,633	\$ 24,592,945

* The 2002 Series Capital Improvement Special Revenue Fund is presented in combination with the General Fund.

The accompanying notes are an integral part of these financial statements.

**Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund
Balances - Governmental Funds to the Statement of Activities**

<i>Year ended September 30,</i>	2019
Net change in fund balances - total governmental funds	\$ 3,658,278
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the Statement of Net Position.	1,607,301
The net effect of miscellaneous transactions involving capital assets (i.e. adjustments and disposals) is to decrease capital assets.	(13,330)
Depreciation expense on governmental capital assets is included in the governmental activities in the Statement of Activities.	(3,408,741)
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Principal payments	1,533,487
Amortization of bond premium	(6,623)
Change in compensated absences	(8,313)
Change in total OPEB liability	(23,279)
Change in accrued interest on long-term debt	<u>11,698</u>
	1,506,970
Change in net position - governmental activities	<u>\$ 3,350,478</u>

The accompanying notes are an integral part of these financial statements.

**Statement of Revenue, Expenditures and Changes in Fund Balance -
Budget and Actual General Fund**

Year ended September 30,

2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 10,766,054	\$ 10,766,054	\$ 10,923,241	\$ 157,187
Licenses and permits	868,250	868,250	1,079,465	211,215
Intergovernmental	4,465,496	4,465,496	3,494,078	(971,418)
Charges for services	489,400	489,400	512,089	22,689
Contributions	3,750	3,750	6,871	3,121
Fines and forfeitures	43,000	43,000	28,981	(14,019)
Impact fees	350,000	350,000	160,720	(189,280)
Investment income	-	-	506,164	506,164
Miscellaneous income	62,900	62,900	130,424	67,524
Total revenues	17,048,850	17,048,850	16,842,033	(206,817)
Expenditures				
General government	3,631,238	3,876,886	3,542,238	334,648
Economic environment	13,500	13,500	13,209	291
Physical environment	52,410	52,410	31,346	21,064
Public safety	3,081,414	3,100,195	3,061,601	38,594
Transportation	2,351,233	2,351,233	1,924,802	426,431
Human services	62,020	62,808	62,808	-
Culture and recreation	2,491,108	2,491,108	1,909,794	581,314
Capital outlay	8,251,457	9,701,993	1,580,801	8,121,192
Debt service:				
Principal	427,136	427,136	428,241	(1,105)
Interest	134,439	134,439	133,329	1,110
Total expenditures	20,495,955	22,211,708	12,688,169	9,523,539
Excess (deficiency) of revenues over expenditures	(3,447,105)	(5,162,858)	4,153,864	9,316,722
Other financing sources (uses)				
Transfers in	6,802,103	6,802,103	2,419,006	(4,383,097)
Transfers out	(5,307,497)	(5,307,497)	(2,962,606)	2,344,891
Net other financing sources (uses)	1,494,606	1,494,606	(543,600)	(2,038,206)
Net change in fund balance	(1,952,499)	(3,668,252)	3,610,264	7,278,516
Fund balance, October 1, 2018	22,806,201	22,806,201	22,806,201	-
Fund balance, September 30, 2019	\$ 20,853,702	\$ 19,137,949	\$ 26,416,465	\$ 7,278,516

* The City adopted a separate legal budget for the 2002 Series Capital Improvement Special Revenue Fund, which is presented in combination with the General Fund in this schedule.

The accompanying notes are an integral part of these financial statements.

Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
Community Redevelopment Agency - Town Center Special Revenue Fund

<i>Year ended September 30,</i>	2019			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ 791,682	\$ 791,682	\$ 790,785	\$ (897)
Miscellaneous income	100	100	390	290
Total revenues	791,782	791,782	791,175	(607)
Expenditures				
Economic environment	130,146	130,878	51,291	79,587
Total expenditures	130,146	130,878	51,291	79,587
Excess (deficiency) of revenues over expenditures	661,636	660,904	739,884	78,980
Other financing sources (uses)				
Transfers out	(730,821)	(730,821)	(730,820)	1
Total other financing sources (uses)	(730,821)	(730,821)	(730,820)	1
Net change in fund balance	(69,185)	(69,917)	9,064	78,981
Fund balance, October 1, 2018	(2,240,217)	(2,240,217)	(2,240,217)	-
Fund balance, September 30, 2019	\$ (2,309,402)	\$ (2,310,134)	\$ (2,231,153)	\$ 78,981

The accompanying notes are an integral part of these financial statements.

City of Destin, Florida

Fiduciary Fund

Statement of Plan Net Position - Pension Trust Fund

<i>September 30,</i>	2019
Assets	
Cash and cash equivalents	\$ 166,600
Investments, at fair value	
Mutual funds	5,418,019
Total assets	5,584,619
Liabilities	
Interfund balance	-
Total liabilities	-
Net position	
Restricted for pensions	\$ 5,584,619

The accompanying notes are an integral part of these financial statements.

City of Destin, Florida

Fiduciary Fund

Statement of Changes in Plan Net Position - Pension Trust Fund

<i>Year ended September 30,</i>	2019
Additions	
Employer contributions	\$ 376,653
Net investment income	118,829
Total additions	495,482
Deductions	
Administrative expenses	5,950
Benefits and other withdrawals	659,229
Total deductions	665,179
Change in net position	(169,697)
Net position, October 1, 2018	5,754,316
Net position, September 30, 2019	\$ 5,584,619

The accompanying notes are an integral part of these financial statements.

NOTE 1: NATURE OF ORGANIZATION & REPORTING ENTITY

The City of Destin, Florida (the "City") was established as a municipality on November 9, 1984. The City's original charter was enacted as Chapter 84-422, Laws of Florida, on June 25, 1984. The present charter was certified November 9, 1984 by referendum. The City operates under a Council-Manager form of government and provides the following services: public safety (law enforcement and protective inspections), transportation (road and street facilities), culture and recreation (library, community center, parks and recreation, and special events), physical environment (cemetery), and general governmental services (including planning and zoning).

As required by generally accepted accounting principles (GAAP), these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The City is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the City. Blended component units are legally separate entities, but are in substance a part of the City's operations and therefore the data from these units are combined with the data from the primary government. The City has two blended component units as described below:

- The Community Redevelopment Agency - Town Center Special Revenue Fund is governed by the members of the City Council. Although it is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City's designated town center area. The CRA - Town Center is reported as a special revenue fund using the blended method. Separate financial information for the CRA - Town Center can be obtained from the City.
- The Community Redevelopment Agency - Harbor Special Revenue Fund is governed by the members of the City Council. Although it is legally separate from the City, the CRA is reported as part of the primary government because its sole purpose is to finance and redevelop the City's designated harbor area. The CRA - Harbor is reported as a special revenue fund using the blended method. Separate financial information for the CRA - Harbor can be obtained from the City.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting and Basis of Presentation

Government-wide Financial Statements - Government-wide financial statements, including the statement of net position and statement of activities, present information about the City as a whole. These statements include the non-fiduciary financial activity of the primary government.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements (Continued)

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the City's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function. Depreciation expense is allocated to the department where the related asset is used.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the City.

The effects of non-fiduciary interfund activity have been eliminated from the government-wide financial statements.

The government-wide financial statements are prepared using the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recognized when earned, and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first and then unrestricted resources, as they are needed.

Fund Financial Statements - Fund financial statements report detailed information about the City in the governmental and fiduciary funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues as available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

For this purpose, the City considers grant revenues to be available if they are collected within six months of the end of the fiscal year. For all other revenues, the period is 60 days. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, compensated absences, and claims and judgments which are recognized when due. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Sales taxes collected and held by the state at year end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

When committed, assigned, or unassigned resources are available for use in governmental fund financial statements, it is the City's policy to use committed resources first, followed by assigned resources, and then unassigned resources as they are needed.

The City reports the following major funds:

General Fund - This is the City's primary operating fund. This fund accounts for all financial resources of the general government, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

2002 Series Capital Improvement Special Revenue Fund - This fund is used to account for the proceeds of specific revenues (telecommunication taxes and the 1/2 cent sales tax). For financial reporting purposes this fund was combined with the general fund.

Community Redevelopment Agency - Town Center Special Revenue Fund - This fund is used to account for the proceeds of specific revenues (Tax Increment Financing Trust Funds) and the redevelopment activities relating to the City of Destin CRA Town Center.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.

Pension Trust Fund - This fund is accounted for using the accrual basis of accounting. The Pension Trust Fund accounts for the assets of the City's Employee Thrift Plan.

Deposits and Investments

Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

As governed by the Florida Statute 218 and the City's investment policy, the City is authorized to invest available surplus funds in investments including money market instruments, certificates of deposit, U.S. Treasury notes, U.S. agency bonds, mortgaged backed securities, investment grade corporate bonds, and asset backed securities. These investments may be bundled into mutual funds which hold only these types of investments or a portfolio with an investment manager that trades these types of investment instruments in a structured manner to enhance overall portfolio return. Investments are stated at fair value. U.S. Treasury notes and U.S. agency and instrumentalities obligations are valued at quoted market prices.

The City's investments and portfolio allocation is determined by the City Council. The portfolio of investments is maintained by the Finance Director who provides a portfolio report quarterly to the Board. The report provides a breakdown of the portfolio as well as its overall performance.

Pension Trust Funds may invest in direct obligations of the United States Government or other obligations unconditionally guaranteed by the United States Government, collateralized interest- bearing time deposits or savings accounts in state or federal banks or savings and loan associations, bonds, or indebtedness of United States corporations rated BAA or better, stocks of U.S. corporations which are listed on the national stock exchanges (limited to 50% of the assets of the fund) and investment accounts maintained by major national banks and insurance companies given the top rating by Best.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Fair Value Measurements and Disclosures***

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.
- Level 2 - Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the assets or liabilities; and
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no changes in the methodologies used at September 30, 2019.

The following is a description of the valuation methodologies used for assets measured at fair value.

Mutual funds and equities - Valued at the closing price reported on the active market in which the individual securities are traded.

Corporate and government bonds - Valued at the closing price reported on the active markets in which the individual securities are traded.

Common trust funds - Valued at the net asset value (NAV) of shares held at year end or as determined by the investment managers.

Alternative investments - Valued at the NAV of shares held at year end or as determined by the investment managers.

Certificates of Deposit - Valued at fair market value.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements and Disclosures (Continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The City assess the levels of the investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with its accounting policy regarding the recognition of transfers between levels of the fair value hierarchy.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, if any, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

All receivables are shown net of an allowance for uncollectibles. At September 30, 2019, the City considers all receivables collectible and accordingly does not have an allowance.

Property Taxes

The City’s ad valorem taxes are assessed by the Okaloosa County Property Appraiser and collected by the Okaloosa County Tax Collector in accordance with Florida Statutes. The City retains the right and duty to set millage rates. Property taxes are not recorded as receivables at September 30th because, though legally assessed as of January 1, they are not due and payable until after the close of the current fiscal year. The following is the current property tax calendar:

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Property Taxes (Continued)***

Lien date	January 1, 2018
Levy date	November 1, 2018
Due date	March 31, 2019
Delinquency date	April 1, 2019

Discounts of 1% for each month taxes are paid prior to March 2019 are granted. Revenue recognition criteria for property taxes under GASB requires that only property taxes expected to be collected within 60 days of the current period be accrued. Property taxes which are uncollected as of the end of the fiscal year are generally immaterial in amount and highly susceptible to uncollectibility; therefore, they are not recorded as a receivable at the balance sheet date.

Capital Assets

Expenditures for capital assets acquired or constructed for general City purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. Donated capital assets received in a service concession arrangement are reported at acquisition value.

Capital assets are defined by the City as assets with an initial cost more than the following:

Land	All
Buildings and improvements	\$10,000
Infrastructure	\$10,000
Improvements - other	\$10,000
Equipment	\$1,000

Interest costs incurred during construction of general capital assets are not considered material and are not capitalized as part of the construction.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life is expensed as incurred.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Capital Assets (Continued)***

Assets	Years
Buildings	20 - 50 years
Improvements other than buildings	10 - 50 years
Machinery, equipment and vehicles	5 -10 years
Infrastructure	20 - 40 years
Books, publications, etc.	5 -10 years

Compensated Absences

The policy of the City for sick and vacation leave, as originally adopted on August 1, 1988, and last amended September 18, 2001, is as follows:

Sick Leave

Sick leave is earned at the rate of one day per month for full-time employees and full-time probationary employees who have completed 30 days of service.

There is no limit to the amount of sick leave that an employee may accumulate. Upon separation of employment, all accrued sick leave is forfeited; therefore, sick pay benefits that have been earned are not accrued, but rather recorded as an expenditure when used by City employees.

Vacation Leave

All full-time employees, excluding those classified as temporary, are permitted to accumulate earned but unused annual vacation leave to their account after satisfactorily completing a probationary period. Upon approval, once an employee completes their probationary period, he/she may use vacation leave as accrued. An employee can accrue up to 160 hours of vacation leave. The employee can be paid for such leave upon separation, if he/she has successfully completed the probationary period.

An employee shall accrue vacation leave based upon the number of years the employee has worked for the City. All service must be continuous to be credited toward accumulated vacation leave.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Compensated Absences (Continued)*****Vacation Leave(Continued)**

Vacation leave is earned as follows:

Years of Employment	Days Accrued per Year
0 - 3 years	10
4 - 7 years	12
8 - 12 years	15
13 or more years	18

If there has been a break in service of 15 working days or more, the employee, upon reinstatement or reemployment, will begin earning annual leave as a new employee. Vacation leave is earned from the first of the month in which the employee begins work, if the starting date occurs between the first and fifteenth of the month. Employees beginning employment after the fifteenth will begin earning leave from the first day of the month following their employment.

Regular employees who resign or are terminated in good standing shall receive pay for their accrued and unused annual leave. Only a full calendar month of employment will be considered in computing vacation leave and will be based upon the employee's regular rate of pay at separation. At September 30, 2019, the City had \$173,957 recorded as accumulated vacation leave.

Compensatory Leave

Compensatory leave is accrued at one hour for every hour worked in excess of 40 for the week. Following an initial probationary period, an employee can use accumulated compensatory time as accrued. The maximum number of hours of compensatory leave that can be carried over from one calendar year to the next is 160 hours. There is no limit (other than limitations as a result of the calendar year roll-over limitation) on the number of hours of accumulated compensatory leave to be paid out to employees who resign or are terminated in good standing. All compensatory leave is liquidated in the General Fund. At September 30, 2019, the City had \$13,562 recorded as accumulated compensatory leave.

Long-term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as current period expenses.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Long-term Obligations (Continued)***

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Other Benefits

The Postemployment Healthcare Benefits Plan (Plan) is a single employer deferred benefit plan administered by the City. Former employees who retire from the City, and eligible dependents, may continue to participate in the City's plan for medical, and prescription drug coverage. Retirees are allowed to elect to continue with the Plan and are required to contribute their premiums in full.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At September 30, 2019, the City had \$79,770 recorded as deferred charge on refunding.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At September 30, 2019, the City had \$403,625 recorded as deferred revenue, which represents payments received prior to September 30, 2019 for 2020 business licenses.

Fund Equity

In the fund financial statements, governmental funds report equity as fund balance. The following is a description of the City's various fund balance accounts:

Nonspendable - Amounts that are not in a spendable form (prepaid insurance, for example) or are legally or contractually required to be maintained intact.

Restricted - Amounts that are constrained by external parties constitutionally, or through enabling legislation. Effectively, restrictions may be changed or lifted only with the consent of the resource provider.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

Committed - Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the government's highest level of decision-making authority which is the City Council. Commitments may be changed or lifted only by the government taking the same formal action (resolution) that imposed the constraint originally.

Assigned - Amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body (the City Council) or by an official or body (the City Manager) to whom the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. At the end of each fiscal period the Council commits an amount of fund balance for encumbrances which represent outstanding purchase orders intended to be fulfilled.

Unassigned - The residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned also contains deficit fund balances for government funds other than the general fund. Unassigned amounts are technically available for any other purpose.

Net Position

Net position in the government-wide financial statements is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to property, plant and equipment, net of any related debt. Restricted net position represents the net position restricted by external parties, constitutional provisions or enabling legislation.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Information

Budgets are adopted on a basis consistent with GAAP for the current fiscal year. For the year ended September 30, 2019, annual appropriated budgets were adopted by ordinance for all governmental funds. All appropriations lapse at year-end except for appropriations related to multi-year capital projects.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

The 2002 Series Capital Improvement Special Revenue Fund is combined with the General Fund for financial reporting purposes. However, for fiscal year 2019 the City adopted a separate legal budget for the fund. Accordingly, the 2002 Series Capital Improvement Special Revenue Fund budgetary comparison combined with the General Fund.

The City follows these procedures to establish the budgetary data reflected in the financial statements:

1. Prior to September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and revenue sources. The City Council requires changes as deemed necessary, sets proposed millages, and establishes dates for tentative and final public budget hearings as prescribed by Florida Statutes.
2. Proposed budgets are advertised in a newspaper of general circulation in the City. Public hearings are conducted for the purpose of receiving input, responding to complaints, and providing reasons and explanations for intended actions to all citizens participating.
3. Prior to October 1, the budgets for all governmental funds are legally enacted through passage of an ordinance. Budget amendments are periodically passed through resolutions during the fiscal year. Budgeted beginning fund balance in the accompanying financial statements reflects planned utilization of prior years unassigned fund balance to the level required to accomplish current year objectives.
4. Budgetary control (the level which expenditures cannot legally exceed the appropriated amount) is maintained by the City Manager at the fund level and may be amended as necessary during the fiscal year.
5. Budgeted amounts reflected in the financial statements are originally adopted amounts as amended by the City Council or by City Manager in accordance with applicable City ordinances.
6. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of resources are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Encumbrances outstanding at year-end are included in the reported components of fund balances and do not constitute expenditures or liabilities because the commitments will be appropriated and honored during the subsequent year.

Notes to Financial Statements

NOTE 3: INVESTMENTS

The City's investments at September 30, 2019, consist of the following:

Investments - Governmental Funds	Maturity	Rating	Fair Value
U.S. Treasuries	10/15/2019-11/15/2028	AAA	\$ 1,329,909
Mortgage backed securities	8/25/2020-10/15/2042	AAA	2,384,731
Investment grade corporate bonds	10/15/2019-9/17/2058	BBB - AAA	3,275,177
Certificate of deposit	10/18/2019-7/5/2022		3,139,681
Total investments - governmental funds			\$ 10,129,498

Investments - Pension Funds	Fair Value
AMCAP Fund, Class A shares	\$ 441,538
Bond Fund of America, Class A shares	547,072
Euro Pacific Growth Fund, Class A shares	848,188
Intermediate Bond Fund of America, Class A shares	529,922
Capital Income Builder, Class A Shares	1,112,653
Short-term Bond Fund of America, Class A Shares	260,392
Investment Company of America Fund, Class A shares	1,678,256
Total investments - pension fund	\$ 5,418,021

These investments are classified as Level 1.

NOTE 3: INVESTMENTS (Continued)

Credit Risk

- Section 218.415(17), Florida Statutes, limits investments to the State Board of Administration Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act as provided in Section 163.01, Florida Statutes; Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; investments in interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes; and direct obligations of the United States Treasury. The City has established an investment policy in accordance with 218.415, Florida Statutes. The investment choices are listed in the City's policy and conform to the provisions of 218.415(16).

Interest Rate Risk

- Section 218.415(17), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they come due. Although it has no formal policy, the City minimizes interest rate risk by structuring investments to mature to meet future operating cash requirements and maintains significant amounts of investments in short-term securities.

Custodial Credit Risk

- For an investment, custodial credit risk is the risk that the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The City has no formal policy for custodial risk. At September 30, 2019, none of the investments listed above are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk

- Concentration of credit risk is the risk of loss attributable to the quantity of the government's investment in a single issuer. Investments in single issuers that equal or exceed 5% of total investments have a reportable concentration of credit risk. The City does not have a formal policy that requires diversification of the portfolio with maximum limits per investment type. At September 30, 2019, the City held 14.50%, 12.90%, 13.13% and 32.44% of its investment balance in Fannie Mae, Freddie Mac, U.S. Treasury notes and Certificates of Deposits, respectively.

Notes to Financial Statements

NOTE 4: RECEIVABLES

Receivables at September 30, 2019, were composed of the following:

	General Fund
Franchise fees	\$ 179,722
Other	64,613
	\$ 244,335

NOTE 5: DUE FROM OTHER GOVERNMENTS

The amount due from other governments at September 30, 2019, were composed of the following:

	General Fund
State of Florida:	
Local option gas tax	\$ 71,376
Alcohol and beverage licenses	48,477
Median beautification and maintenance	-
1/2 cent sales tax	122,765
Communications services tax	76,319
Disc sales surcharge	110,930
Okaloosa County:	
Beach restoration west	288,405
September traffic fines	4,720
Other:	
Gulf Environmental Benefit Fund	28,375
	\$ 751,367

Notes to Financial Statements

NOTE 6: INTERFUND RECEIVABLES, PAYABLES, ADVANCES, AND TRANSFERS

The following is a summary of Interfund payables and receivables reported in the fund financial statements.

	Receivable	Payable
General Fund	\$ 8,080	\$ -
CRA Town Center Special Revenue Fund	-	5,356
Other Governmental Funds	-	2,724
	<u>\$ 8,080</u>	<u>\$ 8,080</u>

The General Fund advanced funds to the CRA Town Center Special Revenue Fund in order to make the debt service payments in prior years. The General Fund will charge interest to the CRA Town Center Special Revenue Fund until the balance is repaid and has been recorded as nonspendable fund balance.

	Advance to	Advance from
General Fund	\$ 2,448,824	\$ -
CRA Town Center Special Revenue Fund	-	2,448,824
	<u>\$ 2,448,824</u>	<u>\$ 2,448,824</u>

All transfers are routine and are consistent with the activities of the fund making the transfer. The following presents the interfund transfers for the year ended September 30, 2019:

	Transfers in	Transfers out
General Fund (1) (2) (5)	\$ 2,419,006	\$ 2,962,606
CRA Town Center Special Revenue Fund (3)	-	730,820
Other Governmental Funds (2) (3) (4)	1,752,753	478,333
	<u>\$ 4,171,759</u>	<u>\$ 4,171,759</u>

(1) The 2002 Series Capital Improvement Special Revenue Fund transferred \$1,640,000 to the General Fund. The 2002 Series Capital Improvement Special Revenue Fund is presented in combination with the General Fund.

(2) The 2002 Series Capital Improvement Special Revenue Fund transferred \$543,600 to the 2013 Revenue Refunding Note Series Debt Service Fund to meet annual debt service requirements.

(3) The CRA Town Center Special Revenue Fund transferred \$730,820 to the 2014 Revenue Refunding Note Series to meet annual debt service requirements.

(4) The CRA Harbor Special Revenue Fund transferred \$478,333 to the 2009 Revenue Note Debt Service Fund to meet annual debt service requirements.

(5) \$779,006 was transferred within the General Fund departments.

Notes to Financial Statements

NOTE 7: CHANGES IN CAPITAL ASSETS

Changes in capital assets for the year ended September 30, 2019 are shown below:

	Beginning Balance	Additions	Deletions/ Reclassifications	Ending Balance
Governmental Activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 25,199,597	\$ 255,703	\$ 86,871	\$ 25,542,171
Construction in progress	4,598,427	843,657	(2,697,020)	2,745,064
Total capital assets not being depreciated	29,798,024	1,099,360	(2,610,149)	28,287,235
<i>Capital assets being depreciated:</i>				
Buildings	12,788,891	7,544	-	12,796,435
Improvements other than buildings	36,681,787	170,024	447,626	37,299,437
Infrastructure	82,037,652	-	2,149,193	84,186,845
Machinery, equipment and vehicles	3,646,182	253,007	-	3,899,189
Property under capital lease	473,409	26,944	-	500,353
Books, publications, and library materials	728,742	50,422	-	779,164
Total capital assets being depreciated	136,356,663	507,941	2,596,819	139,461,423
<i>Less accumulated depreciation for:</i>				
Buildings	5,169,108	323,223	-	5,492,331
Improvements other than buildings	19,623,037	1,144,846	-	20,767,883
Infrastructure	23,441,863	1,670,274	-	25,112,137
Machinery, equipment and vehicles	2,436,308	175,168	-	2,611,476
Property under capital lease	83,651	51,937	-	135,588
Books, publications, and library materials	616,931	43,293	-	660,224
Total accumulated depreciation	51,370,898	3,408,741	-	54,779,639
Total capital assets being depreciated, net	84,985,765	(2,900,800)	2,596,819	84,681,784
Governmental activities capital assets, net	\$ 114,783,789	\$ (1,801,440)	\$ (13,330)	\$ 112,969,019

Notes to Financial Statements

NOTE 7: CHANGES IN CAPITAL ASSETS (Continued)

Amortization of equipment under capital leases is included with depreciation expense in the financial statements. Depreciation expense for the year ended September 30, 2019, totaled \$3,408,741 for governmental activities. Depreciation expense was allocated to specific functions as follows:

Function	Depreciation
General government	\$ 128,822
Public safety	225,543
Physical environment	288,367
Transportation	1,321,349
Economic environment	1,040,515
Culture and recreation	404,145
Total	\$ 3,408,741

NOTE 8: CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt of the City for the year ended September 30, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Community Redevelopment Area Phase I Revenue Note Series 2009, As Restructured	\$ 4,770,168	\$ -	\$ (340,360)	\$ 4,429,808	\$ 442,981
Capital Improvement Refunding Revenue Note Series 2013	5,865,001	-	(379,290)	5,485,711	390,061
Capital Improvement Refunding Revenue Note Series 2014	10,123,875	-	(385,596)	9,738,279	398,937
Capital Improvement Refunding Revenue Note Series 2015A	4,714,000	-	(335,000)	4,379,000	344,000
Capital leases	268,401	-	(93,241)	175,160	37,293
Compensated absences, net	179,206	139,155	(130,842)	187,519	-
Other post employment benefits payable	133,068	30,084	(6,805)	156,347	-
	\$ 26,053,719	\$ 169,239	\$ (1,671,134)	\$ 24,551,824	\$ 1,613,272

*Compensated absences and other postemployment benefits payable are liquidated from the governmental fund in which the related employee compensation is budgeted. Capital leases and Note Series 2015A are paid out of the general fund, Revenue Note Series 2009 is paid out of the 2009 Revenue Note Series fund, Revenue Note Series 2013 is paid out of the 2013 Revenue Refunding Note Series fund and the Notes Series 2014 is paid out of the 2014 Revenue Refunding Note Series fund.

NOTE 9: NOTES PAYABLE

Refunding Revenue Note, Series 2015A

Effective September 18, 2015, the City closed on a \$5,427,000 note payable issued for the purpose of refunding certain outstanding debt of the City. Interest payments are due semiannually on May 1 and November 1 with the principal payments due on November 1. The note carries an interest rate of 2.71%. The final payment is due on November 1, 2029. The net proceeds of the Series 2015 revenue note were used to refund the Florida Municipal Loan Revenue Bonds, Series 2005B.

There are no specific requirements under the loan agreement for the creation of special debt service sinking funds; therefore, the semiannual payments made by the City are reflected as expenditures of the General Fund.

Town Center Area Redevelopment Refunding Revenue Note, Series 2014

Effective March 11, 2014, the City closed on a \$11,871,000 note payable issued for the purpose of refunding certain outstanding debt of the City. Interest payments are due semiannually on March 1 and September 1 with the principal payments due on September 1. The note carries an interest rate of 3.41%. In the current fiscal year, the City reissued the bonds to extend the repayment period by ten years. The final payment is now due on September 1, 2037. The net proceeds of the Series 2014 revenue note were used to refund the Capital Improvement Revenue Bonds, Series 2005.

A. The Town Center Area Redevelopment Refunding Revenue Note, Series 2014 ordinance provides for:

- Town Center Area Redevelopment Revenue Special Revenue Fund records pledged revenues consisting of the ad-valorem tax increment revenue;
- Town Center Area Redevelopment Revenue Note Series 2014 Debt Service Fund records all the debt service requirements of the issue which includes the principal, interest and reserve requirements.

B. Restrictions on the use of cash accumulated in the Town Center Area Redevelopment Revenue Note, Series 2014, Special Revenue Fund, in order of priority, are as follows:

- Deposits to the Sinking Fund accounts are to be used to pay debt service on the 2014 Note and will be spent within a 12-month period beginning on the date of deposits. Moneys in the Sinking Fund will be depleted at least once a year except for a reasonable carryover amount not in excess of and one-twelfth (1/12) of the annual debt service on the 2014 Note for the preceding year.

NOTE 9: NOTES PAYABLE (Continued)

Capital Improvement Refunding Revenue Note, Series 2013

Effective August 26, 2013, the City closed on a \$7,610,000 note payable issued for the purpose of refunding certain outstanding debt of the City. Interest payments are due semiannually on February 1 and August 1 with the principal payments due on August 1. The note carries an interest rate of 3.04%. The final payment is due on August 1, 2031. The net proceeds of the Series 2013 revenue note were used to refund the Capital Improvement Revenue Bonds, Series 2002.

The Capital Improvement Revenue Note, Series 2013 ordinance provides for:

A. Establishment and maintenance of various funds -

- Capital Improvement Revenue Note Series 2013 Special Revenue Fund records pledged revenues consisting of the communication service tax and the ½ cent sales tax;
- Capital Improvement Revenue Note Series 2013 Debt Service Fund records all the debt service requirements of the issue which includes the principal, interest and reserve requirements.

B. Restrictions on the use of cash accumulated in the Capital Improvement Revenue Note, Series 2013, Special Revenue Fund, in order of priority, are as follows:

- Deposits to the Interest and Principal Bond Amortization Accounts are required on or before the fifteenth day of each month equal to one-sixth (1/6) of the interest coming due on the next semiannual interest payment date and one-twelfth (1/12) of the principal coming due on the next principal maturity date;
- Balance remaining is to be used exclusively for funding associated with the capital improvement projects of the City.

Capital Improvement Revenue Note, Series 2009, As Restructured

Effective August 25, 2009, the City closed on an \$8,500,000 note payable issued through the Harbor CRA. Interest payments are due semiannually on January 31 and July 31 with the principal payments due on July 31. In the fiscal year ending September 30, 2016, the City elected to restructure the note in order to avoid the adjustment in interest rate from 4.2% to the market rate in fiscal year 2014. The interest rate is set at 2.84%, after the restructuring. The final payment is due on July 31, 2029.

Notes to Financial Statements

NOTE 9: NOTES PAYABLE (Continued)

The net proceeds of the Series 2009 revenue note were deposited to a construction account to fund the City's five year improvement plan. This plan includes construction and reconstruction of Mountain Drive, related storm water drainage; installation and construction of multi-modal sidewalks; a boardwalk along the Harbor; a parking facility within the Harbor Community Redevelopment Area; the construction of Heritage Park; and any other projects as may be identified by the Council in accordance with the Redevelopment Plan.

The Capital Improvement Revenue Note, Series 2009 ordinance provides for:

A. Establishment and maintenance of various funds -

- Capital Improvement Revenue Note Series 2009 Special Revenue Fund records pledged revenues consisting of the ad-valorem tax increment revenue;
- Capital Improvement Revenue Note Series 2009 Debt Service Fund records all the debt service requirements of the issue which includes the principal, interest and reserve requirements.

B. Restrictions on the use of cash accumulated in the Capital Improvement Revenue Note, Series 2009, Special Revenue Fund, in order of priority, are as follows:

- Deposits to the Sinking Fund accounts are required on or before the fifteenth day of January each year equal to all annual interest and principal payments;
- Balance remaining is to be used exclusively for funding associated with the Harbor CRA. Principal and interest amounts due on notes payable are as follows:

Year ending September 30,	Principal	Interest	Total
<i>Refunding Revenue Note, Series 2015A</i>			
2020	\$ 344,000	\$ 114,010	\$ 458,010
2021	358,000	104,498	462,498
2022	366,000	94,687	460,687
2023	374,000	84,660	458,660
2024	386,000	74,362	460,362
2025-2029	2,092,000	207,261	2,299,261
2030	459,000	6,219	465,219
Subtotal	4,379,000	685,697	5,064,697

Notes to Financial Statements

NOTE 9: NOTES PAYABLE (Continued)

Year ending September 30,	Principal	Interest	Total
<i>Town Center Area Redevelopment Refunding Revenue Note, Series 2014</i>			
2020	\$ 398,937	\$ 332,075	\$ 731,012
2021	412,740	318,472	731,212
2022	427,021	304,397	731,418
2023	441,795	289,836	731,631
2024	457,081	274,771	731,852
2025-2029	2,533,859	1,128,986	3,662,845
2030-2034	3,003,610	666,015	3,669,625
2035-2037	2,063,236	142,308	2,205,544
Subtotal	9,738,279	3,456,860	13,195,139
<i>Capital Improvement Refunding Revenue Note, Series 2013</i>			
2020	390,061	166,766	556,827
2021	401,139	154,908	556,047
2022	412,531	142,713	555,244
2023	424,247	130,172	554,419
2024	436,296	117,275	553,571
2025-2029	2,374,532	379,729	2,754,261
2030-2031	1,046,905	47,962	1,094,867
Subtotal	5,485,711	1,139,525	6,625,236
<i>Capital Improvement Revenue Note, Series 2009, As Restructured</i>			
2020	442,981	125,807	568,788
2021	442,981	113,226	556,207
2022	442,981	100,645	543,626
2023	442,981	88,065	531,046
2024	442,981	75,484	518,465
2025-2029	2,214,903	188,710	2,403,613
Subtotal	4,429,808	691,937	5,121,745
Total	\$ 24,032,798	\$ 5,974,019	\$ 30,006,817

Notes to Financial Statements

NOTE 10: CAPITAL LEASE

In August 2014, the City entered into a lease agreement as lessee for financing the acquisition of a utility truck. The lease agreement qualifies as a capital lease for accounting purposes as a result of the transfer of title at the end of the lease term; therefore, it was recorded at present value of the future minimum lease payments, \$119,220, as of the inception date.

In April 2017, the City entered into a lease agreement as lessee for financing the acquisition of a Pipehunter Combination Jetter. The lease agreement qualified as a capital lease for accounting purposes as a result of the transfer of title at the end of the lease term; therefore, it was recorded at present value of the future minimum lease payments, \$165,472, as of the inception date.

In June 2017, the City entered into a lease agreement as lessee for financing the acquisition of a 410L Loader Backhoe. The lease agreement qualified as a capital lease for accounting purposes as a result of the transfer of title at the end of the lease term; therefore, it was recorded at present value of the future minimum lease payments, \$138,519, as of the inception date.

In July 2018, the City entered into a lease agreement as lessee for financing the acquisition of a lawn mower. The lease agreement qualified as a capital lease for accounting purposes as a result of the transfer of title at the end of the lease term; therefore, it was recorded at present value of the future minimum lease payments, \$50,188, as of the inception date.

Accumulated depreciation on the leased assets through September 30, 2019 was \$135,588. The future minimum lease obligations as of September 30, 2019 are as follows:

Year ending September 30,	Principal	Interest	Total
2020	\$ 37,293	\$ 7,777	\$ 45,070
2021	72,544	5,020	77,564
2022	65,323	2,192	67,515
Total	\$ 175,160	\$ 14,989	\$ 190,149

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS***Plan Description***

The Postemployment Healthcare Benefits Plan (Plan) is a single employer defined benefit plan administered by the City. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees who retire from the City, and eligible dependents, may continue to participate in the City's health and hospitalization plan for medical, and prescription drug coverage. The City implicitly subsidizes the premium rates paid by retirees by allowing them to participate in the plan at blended

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (Continued)

group premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The City does not offer any explicit subsidies for retiree coverage. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible.

The rates paid by the retirees eligible for Medicare are reduced by the Medicare premium. The Plan does not issue a stand-alone report, and it is not included in the report of a Public Employee Retirement System or another entity.

Funding Policy

Contribution requirements of the City and plan members are established and may be amended through action from the City Council. The City has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation, and the Plan is financed on a pay-as-you-go basis from primarily the general fund. For the 2018-2019 fiscal year, no retirees received postemployment health care benefits.

Employees covered by benefit terms

At September 30, 2019, the following employees were covered by the benefit terms:

Current retirees	-
Active employees	<u>62</u>
	<u>62</u>

Total OPEB Liability

The City's total OPEB liability of \$156,347 was measured as of September 30, 2019 and was determined by an actuarial valuation as of October 1, 2017.

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (Continued)***Actuarial Assumptions and Other Inputs***

The total OPEB liability in the October 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.50% per year
Discount rate	3.58% based on the September 30, 2019 Bond Buyer 20-Bond Index, as published by the Federal Reserve
Inflation	2.50% per year
Healthcare cost trend rates	8.50% for 2019, decreasing to an ultimate trend rate of 4.00% for 2074

Mortality rates were based on the RP-2000 Combined Health Mortality Table projected to the valuation date using Scale AA.

Changes in the Total OPEB Liability

Total OPEB liability as of October 1, 2018	\$ <u>133,068</u>
Changes for the year:	
Service cost	15,893
Interest	6,085
Changes of assumptions	8,106
Benefit payments	<u>(6,805)</u>
Total changes	<u>23,279</u>
Total OPEB liability as of September 30, 2019	\$ <u>156,347</u>

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (Continued)***Sensitivity of the total OPEB liability to changes in the discount rate***

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB liability	\$ <u>171,551</u>	<u>156,347</u>	<u>143,209</u>

Sensitivity of the total OPEB liability to changes in the healthcare costs trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.00% - 7.50%) or 1-percentage point higher (5.00% - 9.50%) than the current discount rate:

	1% Decrease (3.00% - 7.50%)	Current Trend Rate (4.00% - 8.50%)	1% Increase (5.00% - 9.50%)
Total OPEB liability	\$ <u>139,448</u>	<u>156,347</u>	<u>176,383</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of \$31,684. At September 30, 2019, the City did not report deferred outflows of resources or deferred inflows of resources related to OPEB due to using the alternative measurement method. Additionally, since the measurement date was the same as the City's fiscal year, there are no contributions subsequent to the measurement date to report.

NOTE 12: RETIREMENT PLANS

Deferred Compensation Plan

The City offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is a tax-deferred supplemental retirement program that allows City employees to contribute a portion of their salary before federal income taxes to a retirement account. The assets are held in trust for the employee's benefit. The plan participants, individually, select and make changes in funding options made available by the independent plan administrator. Since plan participants select the investment fund or funds in which their deferred compensation accounts are invested, the City has no liability for investment losses. The City's fiduciary responsibility is to administer the plan properly and to assure the investment alternatives made available are reasonable.

In accordance with generally accepted accounting principles, the assets and liabilities of the plan are not reflected in the City's financial statements since the City has no fiduciary responsibilities, other than administrative, in connection with the Plan.

Employee Thrift Plan

The City established the City of Destin Employee Thrift Plan on May 1, 1987, a defined contribution plan, made available to all City employees who have attained the age of eighteen, in accordance with Internal Revenue Service Code, Section 401(a) and 501(a) as amended from time to time. The plan is administered by the City. Employees make no contributions to this plan. The City's contribution to the Plan is 7.5% of the participant's compensation for the plan year. If an employee contributes to the Deferred Compensation Plan, the City will also match the first 5% of the employee's contribution with an additional Thrift Plan contribution.

Participants vest 20% in the City's matching contribution after three years of continuous service and continue to vest at 20% per year until fully vested after 7 years of continuous service. Participants are fully vested in the City's annual 7.5% non-matching contribution after 1,000 hours of service. The Plan does not issue separately audited financial statements.

Each participant's account is credited with the City's contribution and plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

The City made all required contributions of \$376,653 during the fiscal year ended September 30, 2019. The contributions represent 10.33% of current year covered and total payroll of \$3,647,096.

NOTE 13: COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the State of Florida. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the City expects such amount, if any, to be immaterial.

Litigation and Other Matters

The City is currently defending a substantial caseload of Bert J. Harris, Jr. Private Property Rights Protection Act proceedings and has determined that any financial impact to the City would be minimal.

The City is also the defendant in various claims, generally concerning development issues. In the opinion of management, any future costs associated with these claims will not have a significant adverse effect on the accompanying financial statements, and accordingly, no provision for losses has been recorded.

Risk Management

The City purchases insurance coverage through commercial insurance carriers to cover liability, workers' compensation, automobile, personal property, marine equipment and crime/fidelity risks. The City's liability and workers' compensation policies are retrospective policies that require adjusted premium calculations following the end of the policy period; however, the City does not retain any risk of loss through these coverages. All policies have been maintained for several years without reductions in coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Remedies for Default

As part of notes payable and capital leases there are terms in such agreements that state if the City were to default on such agreements that all payments are to become current and equipment from capital leases are to be returned to the lessor.

Notes to Financial Statements

NOTE 14: FUND BALANCE CONSTRAINTS

The constraints on fund balance as listed in aggregate in the Balance Sheet - Governmental Funds are detailed according to balance classification and fund as follows:

Description	Major Funds		Other Governmental Funds	Total Governmental Funds
	General Fund	CRA Town Center Special Revenue Fund		
Fund Balance				
<i>Nonspendable:</i>				
Interfund Advance	\$ 2,448,824	\$ -	\$ -	\$ 2,448,824
<i>Restricted for:</i>				
Impact fees: park, traffic, library, and police	2,584,256	-	-	2,584,256
Debt service	-	-	77,685	77,685
<i>Committed for:</i>				
Emergency operations	1,344,697	-	-	1,344,697
Debt service	297,615	-	-	297,615
Emergency maintenance	1,448,370	-	-	1,448,370
Alternative investment	3,899,136	-	-	3,899,136
Certificate of Deposits	3,139,680	-	-	3,139,680
<i>Assigned for:</i>				
Encumbrances	965,486	-	-	965,486
Special Revenue	-	-	273,428	273,428
Capital Projects	-	-	56,520	56,520
Software upgrades	248,106	-	-	248,106
<i>Unassigned:</i>	10,040,295	(2,231,153)	-	7,809,142
Total Fund Balance	\$ 26,416,465	\$ (2,231,153)	\$ 407,633	\$ 24,592,945

Deficit fund balances totaling \$2,231,153 exist in the CRA Town Center Special Revenue Fund. The deficit in the CRA Town Center Special Revenue Fund results from transfers to the 2014 Revenue Refunding Note Series Fund for debt service payments in prior years.

Notes to Financial Statements

NOTE 14: FUND BALANCE CONSTRAINTS (Continued)***Encumbrances:***

Funds have been encumbered in the general fund at September 30, 2019, were composed of the following:

General government	\$ 111,923
Transportation	73,101
Culture and recreation	217,373
Capital outlay	563,089
Total	\$ 965,486

NOTE 15: CONSTRUCTION CONTRACT COMMITMENTS

The City is involved in a number of construction contracts at varying stages of completion. The estimated remaining commitment on each project at September 30, 2019, were composed of the following:

Project	Balance Committed
Gulf Environmental Stormwater Project	\$ 516,965
Stormwater Masterplan Update	39,976
Right of Way Acquisition	6,148
Total	\$ 563,089

NOTE 16: SUBSEQUENT EVENT

The City has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the City and its future results and financial position is not presently determinable.

NOTE 17: ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 84 - "Fiduciary Activities." This Statement, issued in January 2017, established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This Statement is effective for reporting periods beginning after December 15, 2018, which is the fiscal year beginning October 1, 2019 for the City. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the City.

GASB Statement No. 87 - "Leases." This Statement, issued in June 2017, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2019, which is the fiscal year beginning October 1, 2020 for the City. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the City.

GASB Statement No. 89 - "Accounting for Interest Cost Incurred before the End of a Construction Period." This Statement, issued in June 2018, establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62 - "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements" which are superseded by this Statement. The requirements of this Statements are effective for reporting periods beginning after December 15, 2019, which is the fiscal year beginning October 1, 2020 for the City. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the City.

GASB Statement No. 90 - "Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61." This Statement, issued in August 2018, seeks to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and sets parameters as to whether a majority equity interest is to be reported as an investment or component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, which is the fiscal year beginning October 1, 2019 for the City. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the City.

NOTE 17: ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED (Continued)

GASB Statement No. 91 - "Conduit Debt Obligations." This Statement, issued in May of 2019, requires a single method be used for the reporting of conduit debt obligations. The focus of the Statement is to improve financial reporting by eliminating diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, which is the fiscal year beginning October 1, 2021 for the City. Management is in the process of evaluating the potential impact of this Statement on the financial statements of the City.

GASB Statement No. 92 - "Omnibus 2020." This Statement, issued in January 2020, clarifies implementation of GASB Statements No. 73, 74, 84 and 87, generally effective for fiscal years beginning after June 15, 2020, which is the fiscal year beginning October 1, 2020 of the City. Management is in the process of evaluating the potential impact of this Statement on the financial statements of the City.

Required Supplementary Information (Other Than MD&A)

City of Destin, Florida

Schedule of Changes in the City's
Total OPEB Liability and Related Ratios

<i>Year ended September 30,</i>	2019	2018
Total OPEB liability		
Service cost	\$ 15,893	\$ 16,440
Interest	6,085	5,024
Changes of assumptions	8,106	(6,810)
Benefit payments	(6,805)	(6,272)
Net change in total OPEB liability	23,279	8,382
Total OPEB liability - beginning	133,068	124,686
Total OPEB liability- ending	\$ 156,347	\$ 133,068
Covered payroll	\$ 2,873,422	\$ 2,803,339
Total OPEB liability as a percentage of covered payroll	5.44%	4.75%

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2019	3.58%
2018	4.18%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information is presented for those years that are available.

City of Destin, Florida

Combining and Individual Fund Statements and Schedules

These financial statements provide a more detailed view of the “Basic Financial Statements” prepared in the preceding subsection.

Combining statements are presented for the City of Destin for the nonmajor governmental funds. Individual fund statements are necessary to present budgetary comparisons for nonmajor governmental funds for which annual appropriated budgets have been adopted.

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditure for specified purposes.

Community Redevelopment Agency - Harbor Special Revenue Fund

To account for fund relating to the City of Destin CRA Harbor redevelopment activities.

DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of resources for and the payment of general long-term principal and interest in accordance with bond ordinances.

2009 Revenue Note Series Debt Service Capital Improvement Fund

To account for the use of financial resources for payments for debt associated with the 2009 revenue note issue.

2013 Refunding Revenue Note Series Debt Service Capital Improvement Fund

To account for the use of financial resources for payments for debt associated with the 2013 revenue note issue.

2014 Revenue Refunding Note Series Debt Service Fund

To account for the use of financial resources for payments for debt associated with the 2014 revenue note issue.

CAPITAL PROJECTS FUNDS

The capital project funds are used to account for financial resources to be used for the acquisition or construction of major projects.

2002 Bond Series Capital Improvement Capital Improvement Fund

To account for capital projects relating to the 2002 Series Bond.

2009 Bond Series Capital Improvement Capital Improvement Fund

To account for capital projects relating to the 2009 Series Revenue Note.

City of Destin, Florida

Nonmajor Governmental Funds
Combining Balance Sheet

September 30,

2019

	Special Revenue Funds		Debt Service Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	CRA Harbor	2009 Revenue Note Series	2013 Revenue Refunding Note Series	2014 Revenue Refunding Note Series	2002 Bond Series Capital Improvement	2009 Bond Series Capital Improvement		
Assets								
Cash and cash equivalents	\$ 277,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 277,507
Restricted cash and cash equivalents	-	2,212	73,798	1,675	39,393	17,127		134,205
Total assets	277,507	2,212	73,798	1,675	39,393	17,127		411,712
Liabilities and fund balances								
Liabilities:								
Accounts payable	1,355	-	-	-	-	-		1,355
Due to other funds	2,724	-	-	-	-	-		2,724
Total liabilities	4,079	-	-	-	-	-		4,079
Fund balances:								
Restricted	-	2,212	73,798	1,675	-	-		77,685
Assigned	273,428	-	-	-	39,393	17,127		329,948
Total fund balances	273,428	2,212	73,798	1,675	39,393	17,127		407,633
Total liabilities and fund balances	\$ 277,507	\$ 2,212	\$ 73,798	\$ 1,675	\$ 39,393	\$ 17,127	\$	411,712

City of Destin, Florida

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures and Changes in Fund Balance

Year ended September 30,

2019

	Special Revenue Funds	Debt Service Funds			Capital Projects Funds		Total Nonmajor Governmental Funds
	CRA Harbor	2009 Revenue Note Series	2013 Revenue Refunding Note Series	2014 Revenue Refunding Note Series	2002 Bond Series Capital Improvement	2009 Bond Series Capital Improvement	
Revenue							
Taxes	\$ 595,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 595,935
Miscellaneous income	479	351	644	484	70	54	2,082
Total revenue	596,414	351	644	484	70	54	598,017
Expenditures							
Economic environment	41,220	-	-	-	-	-	41,220
Capital outlay	-	-	-	-	-	26,500	26,500
Debt service:							
Principal	-	340,360	379,290	385,596	-	-	1,105,246
Interest	-	137,354	178,296	344,871	-	-	660,521
Total expenditures	41,220	477,714	557,586	730,467	-	26,500	1,833,487
Excess (deficiency) of revenue over expenditures	555,194	(477,363)	(556,942)	(729,983)	70	(26,446)	(1,235,470)
Other financing sources (uses)							
Transfers in	-	478,333	543,600	730,820	-	-	1,752,753
Transfers out	(478,333)	-	-	-	-	-	(478,333)
Total other financing sources (uses)	(478,333)	478,333	543,600	730,820	-	-	1,274,420
Net change in fund balances	76,861	970	(13,342)	837	70	(26,446)	38,950
Fund balances, beginning of year	196,567	1,242	87,140	838	39,323	43,573	368,683
Fund balances, end of year	\$ 273,428	\$ 2,212	\$ 73,798	\$ 1,675	\$ 39,393	\$ 17,127	\$ 407,633

**Schedule of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual
Community Redevelopment Agency - Harbor Special Revenue Fund**

*Year ended September 30,***2019**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenue				
Taxes	\$ 596,110	\$ 596,110	\$ 595,935	\$ (175)
Miscellaneous income	200	200	479	279
Total revenue	596,310	596,310	596,414	104
Expenditures				
Economic environment	118,329	118,329	41,220	77,109
Total expenditures	118,329	118,329	41,220	77,109
Excess of revenue over expenditures	477,981	477,981	555,194	77,213
Other financing uses				
Transfers out	(475,833)	(478,333)	(478,333)	-
Total other financing uses	(475,833)	(478,333)	(478,333)	-
Net change in fund balance	2,148	(352)	76,861	77,213
Fund balance, October 1, 2018	196,567	196,567	196,567	-
Fund balance, September 30, 2019	\$ 198,715	\$ 196,215	\$ 273,428	\$ 77,213

**Schedule of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual
2009 Revenue Note Series Debt Service Fund**

<i>Year ended September 30,</i>	2019			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenue				
Miscellaneous income	\$ -	\$ -	\$ 351	\$ 351
Total revenue	-	-	351	351
Expenditures				
Debt service:				
Principal	340,361	340,361	340,360	1
Interest	135,472	137,354	137,354	-
Total expenditures	475,833	477,715	477,714	1
Excess (deficiency) of revenue expenditures	(475,833)	(477,715)	(477,363)	352
Other financing sources				
Transfers in	475,833	475,833	478,333	2,500
Total other financing sources	475,833	475,833	478,333	2,500
Net change in fund balance	-	(1,882)	970	2,852
Fund balance, October 1, 2018	1,242	1,242	1,242	-
Fund balance, September 30, 2019	\$ 1,242	\$ (640)	\$ 2,212	\$ 2,852

**Schedule of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual
2013 Revenue Refunding Note Series Debt Service Fund**

<i>Year ended September 30,</i>	2019			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenue				
Miscellaneous income	\$ -	\$ -	\$ 644	\$ 644
Total revenue	-	-	644	644
Expenditures				
Debt service:				
Principal	379,290	379,290	379,290	-
Interest	178,296	178,296	178,296	-
Total expenditures	557,586	557,586	557,586	-
Excess (deficiency) of revenue expenditures	(557,586)	(557,586)	(556,942)	644
Other financing sources				
Transfers in	557,586	557,586	543,600	(13,986)
Total other financing sources	557,586	557,586	543,600	(13,986)
Net change in fund balance	-	-	(13,342)	(13,342)
Fund balance, October 1, 2018	87,140	87,140	87,140	-
Fund balance, September 30, 2019	\$ 87,140	\$ 87,140	\$ 73,798	\$ (13,342)

**Statement of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual
2014 Revenue Refunding Note Series Debt Service Fund**

<i>Year ended September 30,</i>		2019		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)	
	Original	Final	Actual	
Revenue				
Miscellaneous income	\$ -	\$ -	\$ 484	\$ 484
Total revenue	-	-	484	484
Expenditures				
Debt service:				
Principal	385,596	385,596	385,596	-
Interest	345,225	345,225	344,871	354
Total expenditures	730,821	730,821	730,467	354
Excess (deficiency) of revenue over expenditures	(730,821)	(730,821)	(729,983)	838
Other financing sources				
Transfers in	730,821	730,821	730,820	(1)
Total other financing sources	730,821	730,821	730,820	(1)
Net change in fund balance	-	-	837	837
Fund balance, October 1, 2018	838	838	838	-
Fund balance, September 30, 2019	\$ 838	\$ 838	\$ 1,675	\$ 837

**Schedule of Revenue, Expenditures and Changes in
Fund Balance - Budget and Actual
2002 Bond Series Capital Improvement Capital Project Fund**

<i>Year ended September 30,</i>	2019			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenue				
Miscellaneous income	\$ 4,212	\$ 4,212	\$ 70	\$ (4,142)
Total revenue	4,212	4,212	70	(4,142)
Expenditures				
Capital outlay	29,559	29,559	-	29,559
Total expenditures	29,559	29,559	-	29,559
Excess (deficiency) of revenue over expenditures	(25,347)	(25,347)	70	25,417
Other financing uses				
Transfers out	(14,960)	(14,960)	-	14,960
Total other financing uses	(14,960)	(14,960)	-	14,960
Net change in fund balance	(40,307)	(40,307)	70	40,377
Fund balance, October 1, 2018	39,323	39,323	39,323	-
Fund balance, September 30, 2019	\$ (984)	\$ (984)	\$ 39,393	\$ 40,377

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
2009 Bond Series Capital Improvement Capital Project Fund**

<i>Year ended September 30,</i>	2019			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenue				
Miscellaneous income	\$ -	\$ -	\$ 54	\$ 54
Total revenue	-	-	54	54
Expenditures				
Capital outlay	42,458	42,458	26,500	15,958
Total expenditures	42,458	42,458	26,500	15,958
Excess (deficiency) of revenue over expenditures	(42,458)	(42,458)	(26,446)	16,012
Net change in fund balance	(42,458)	(42,458)	(26,446)	16,012
Fund balance, October 1, 2018	43,573	43,573	43,573	-
Fund balance, September 30, 2019	\$ 1,115	\$ 1,115	\$ 17,127	\$ 16,012

Statistical Section

This section contains statistical tables reflecting various supplemental financial data concerning general government operations. When applicable, a 10-year history has been depicted to disclose trends in finance-related matters. These tables have been included as part of this report for information purposes only, and therefore, have not been subjected to audit by the City's independent certified public accountants.

The statistical section of the City's comprehensive annual financial report represents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The data contained in these statistical sections is unaudited.

City of Destin, Florida

Net Position by Component-Last Ten Years
(Unaudited)

Fiscal Year	Net investment in Capital Assets	Restricted	Unrestricted	Total Net Position
2019	88,840,831	2,661,941	21,378,238	112,881,010
2018	89,128,737	2,570,097	17,831,698	109,530,532
2017	90,119,716	2,075,871	14,559,323	106,754,910
2016	88,760,939	1,488,351	14,101,586	104,350,876
2015	88,804,998	735,737	13,208,165	102,748,900
2014	90,108,379	43,399	13,331,610	103,483,388
2013	91,599,506	43,355	15,163,303	106,806,164
2012	85,440,401	86,133	15,923,523	101,450,057
2011	86,323,618	145,924	16,122,768	102,592,310
2010	88,762,180	108,973	14,563,083	103,434,236

Source: City Finance Department

City of Destin, Florida

Changes in Net Position-Last Ten Years
(Unaudited)

	Fiscal Year				
	2019	2018	2017	2016	2015
Expenses					
General government	\$ 3,695,191	\$ 3,532,139	\$ 2,981,384	\$ 2,889,172	\$ 3,330,320
Public safety	3,292,103	3,908,737	4,011,135	3,535,716	3,080,103
Physical environment	1,146,463	432,132	433,283	491,154	591,383
Transportation	319,713	3,053,455	3,141,933	2,842,564	2,582,807
Economic environment	3,252,517	1,209,950	1,274,262	1,289,854	1,326,255
Human services	62,808	55,220	107,287	54,394	58,975
Culture and recreation	2,323,177	2,274,564	2,242,446	2,340,627	2,239,857
Debt service interest	788,775	806,526	888,752	873,117	1,132,842
Total expenses	14,880,747	15,272,723	15,080,482	14,316,598	14,342,542
Program revenue					
Charges for services					
General government	2,457,688	2,495,996	2,223,122	2,317,742	2,214,652
Public safety	614,412	847,202	940,221	898,725	697,452
Physical environment	20,800	46,495	79,821	14,660	21,503
Transportation	140,017	119,218	60,534	49,514	115,970
Culture and recreation	401,939	406,050	402,708	456,828	421,704
Operating grants and contributions	734,898	1,407,851	2,450,238	1,727,351	197,614
Capital grants and contributions	43,520	30,544	70,120	42,081	203,334
Total program revenue	4,413,274	5,353,356	6,226,764	5,506,901	3,872,229
Net expense	(10,467,473)	(9,919,367)	(8,853,718)	(8,809,697)	(10,470,313)
General revenue and other changes in net position					
Property taxes	8,764,290	8,179,225	7,761,152	6,844,994	6,443,596
Other taxes	1,636,565	1,669,159	1,623,261	1,583,815	1,530,492
Other revenue	3,417,096	1,907,549	1,873,339	1,982,864	1,761,737
Special items	-	-	-	-	-
Total general revenue	13,817,951	11,755,933	11,257,752	10,411,673	9,735,825
Change in net position	3,350,478	1,836,566	2,404,034	1,601,976	(734,488)
Net position, beginning	109,530,532	106,754,910	104,350,876	102,748,900	103,483,388
Cumulative effect of change in accounting principle	-	939,056	-	-	-
Prior period adjustment	-	-	-	-	-
Net position, ending	\$ 112,881,010	\$ 109,530,532	\$ 106,754,910	\$ 104,350,876	\$ 102,748,900

Source: City Finance Department

City of Destin, Florida

Changes in Net Position-Last Ten Years
(Continued) (Unaudited)

	Fiscal Year				
	2014	2013	2012	2011	2010
Expenses					
General government	\$ 3,135,252	\$ 2,847,225	\$ 3,100,230	\$ 3,083,995	\$ 3,114,648
Public safety	2,721,873	2,633,697	2,656,076	2,783,021	2,864,322
Physical environment	710,134	647,709	798,777	757,543	802,320
Transportation	2,661,304	2,525,995	2,579,572	387,128	421,724
Economic environment	1,387,855	1,103,214	820,654	2,604,558	2,734,425
Human services	59,650	60,250	58,600	59,425	59,800
Culture and recreation	2,277,720	2,163,148	2,077,254	2,249,778	2,139,381
Debt service interest	1,366,317	1,662,880	1,712,494	1,783,709	1,915,233
Total expenses	14,320,105	13,644,118	13,803,657	13,709,157	14,051,853
Program revenue					
Charges for services					
General government	2,099,136	1,835,784	1,908,566	2,003,295	2,030,784
Public safety	553,710	644,091	601,592	295,471	263,785
Physical environment	7,463	51,686	71,600	24,188	19,525
Transportation	47,642	41,810	37,477	41,712	78,697
Culture and recreation	337,804	290,158	294,040	275,151	290,821
Operating grants and contributions	373,317	189,862	152,660	187,627	249,738
Capital grants and contributions	126,767	7,888,961	249,075	248,607	4,716,739
Total program revenue	3,545,839	10,942,352	3,315,010	3,076,051	7,650,089
Net expense	(10,774,266)	(2,701,766)	(10,488,647)	(10,633,106)	(6,401,764)
General revenue and other changes in net position					
Property taxes	6,090,326	5,841,191	6,253,055	6,800,611	8,135,754
Other taxes	1,537,513	1,533,833	1,607,807	1,586,464	1,614,889
Other revenue	1,573,651	1,274,760	1,485,532	1,404,105	1,556,630
Special items	(1,750,000)	-	-	-	-
Total general revenue	7,451,490	8,649,784	9,346,394	9,791,180	11,307,273
Change in net position	(3,322,776)	5,948,018	(1,142,253)	(841,926)	4,905,509
Net position, beginning	106,806,164	101,450,057	102,592,310	103,434,236	98,295,587
Prior period adjustment	-	(591,911)	-	-	233,140
Net position, ending	\$ 103,483,388	\$ 106,806,164	\$ 101,450,057	\$ 102,592,310	\$ 103,434,236

City of Destin

Fund Balances Governmental Funds - Last Ten Years
(Unaudited)

		2019	2018	2017	Fiscal Year 2016	2015
General Fund						
Nondisposable	\$	2,448,824	\$ 2,469,019	\$ 2,999,624	\$ 2,802,335	\$ 1,980,893
Restricted		2,584,256	2,480,877	1,977,027	1,373,526	1,216,046
Committed		10,129,498	9,657,663	9,674,570	10,340,837	11,071,545
Assigned		1,213,592	672,226	1,625,986	1,118,384	328,889
Unassigned		10,040,295	7,526,416	3,626,528	2,905,348	1,848,403
Total	\$	26,416,465	\$ 22,806,201	\$ 19,903,735	\$ 18,540,430	\$ 16,445,776
All other governmental funds						
Nondisposable		-	88	-	-	68
Restricted		77,685	89,220	98,844	114,825	884,473
Committed		-	-	-	-	-
Assigned		329,948	279,391	255,797	276,444	345,855
Unassigned		(2,231,153)	(2,240,233)	(2,142,360)	(1,979,433)	(2,462,082)
Total all other governmental funds	\$	(1,823,520)	\$ (1,871,534)	\$ (1,787,719)	\$ (1,588,164)	\$ (1,231,686)

The City implemented GASB Statement 54 beginning with fiscal year 2011, changing their policy of fund balance classification. Accordingly data prior to 2011 is presented under the prior classification.

Source: City Finance Department

City of Destin

Fund Balances Governmental Funds - Last Ten Years
(Continued) (Unaudited)

	Fiscal Year				
	2014	2013	2012	2011	2010
General Fund					
Nonspendable	\$ 1,879,620	\$ 1,324,569	\$ 749,569	\$ -	\$ -
Restricted	1,098,945	1,152,307	1,584,691	2,045,893	-
Committed	10,276,708	10,418,492	843,061	285,911	-
Assigned	684,591	730,267	1,460,679	265,430	-
Unassigned	1,743,576	2,657,863	10,488,610	10,596,954	-
Reserved	-	-	-	-	625,065
Unreserved:					
Designated	-	-	-	-	2,082,539
Undesignated	-	-	-	-	8,365,993
Total	\$ 15,683,440	\$ 16,283,498	\$ 15,126,610	\$ 13,194,188	\$ 11,073,597
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	151,914	1,524,027	1,726,853	1,750,981	-
Committed	74,256	95,853	196,393	203,614	-
Assigned	633,953	1,109,529	1,303,787	5,190,139	-
Unassigned	(1,835,073)	(1,010,642)	(329,808)	-	-
Reserved	-	-	-	-	1,799,359
Unreserved, undesignated reported in:					
Special revenue funds	-	-	-	-	2,971,640
Capital projects funds	-	-	-	-	6,644,894
Total all other governmental funds	\$ (974,950)	\$ 1,718,767	\$ 2,897,225	\$ 7,144,734	\$ 11,415,893

**Changes in Fund Balances Governmental Funds - Last Ten Years
(Unaudited)**

	Fiscal Year				
	2019	2018	2017	2016	2015
Revenue					
Taxes	\$ 12,309,961	\$ 11,766,912	\$ 11,192,022	\$ 10,316,957	\$ 9,891,235
Licenses and permits	1,079,465	1,008,548	930,187	885,870	674,131
Intergovernmental	3,494,078	2,889,811	3,734,054	3,232,561	1,819,128
Charges for services	512,089	568,635	525,860	568,018	509,159
Impact fees	160,720	671,922	801,424	446,936	280,494
Fines and forfeits	28,981	44,278	46,812	47,238	114,111
Miscellaneous income	132,896	131,376	169,629	142,136	62,364
Contributions	6,871	8,608	24,772	22,848	34,839
Investment income	506,164	20,654	59,756	256,010	222,593
Total revenue	18,231,225	17,110,744	17,484,516	15,918,574	13,608,054
Expenditures					
General government	3,542,238	3,398,890	2,853,328	2,747,954	3,489,939
Economic environment	105,720	123,024	163,637	176,210	216,503
Physical environment	31,346	88,226	90,710	148,581	248,810
Public safety	3,061,601	2,779,558	2,610,831	2,410,183	2,107,835
Transportation	1,924,802	1,824,192	1,885,837	1,681,535	1,472,935
Human services	62,808	55,220	107,287	54,394	58,975
Culture and recreation	1,909,794	1,872,829	1,858,739	1,976,500	1,927,771
Capital outlay	1,607,301	1,877,832	4,762,510	3,075,354	1,642,819
Debt service					
Principal	1,533,487	1,485,956	1,417,449	1,087,340	901,028
Interest	793,850	836,554	874,429	822,369	1,083,667
Investment loss	-	-	-	-	-
Total expenditures	14,572,947	14,342,281	16,624,757	14,180,420	13,150,282
Excess (deficiency) of revenue over expenditures	3,658,278	2,768,463	859,759	1,738,154	457,772
Other financing sources (uses)					
Transfers in	4,171,759	6,343,303	3,907,488	2,971,389	1,563,616
Transfers out	(4,171,759)	(6,343,303)	(3,907,488)	(2,971,389)	(1,563,616)
Issuance of debt	-	50,188	303,991	-	-
Proceeds of refunding	-	-	-	-	5,427,000
Debt service principal	-	-	-	-	(5,379,150)
Total other financing sources (uses)	-	50,188	303,991	-	47,850
Special item - Settlement	-	-	-	-	-
Net change in fund balance	\$ 3,658,278	\$ 2,818,651	\$ 1,163,750	\$ 1,738,154	\$ 505,622
Debt service as a percentage of noncapital expenditures	18.0%	18.6%	19.3%	17.2%	17.2%
Footnote on capital assets					
Capital outlay	\$ 1,607,301	\$ 1,877,832	\$ 4,762,510	\$ 3,075,354	\$ 1,642,819
Net capitalized	\$ 1,607,301	\$ 1,877,832	\$ 4,762,510	\$ 3,075,354	\$ 1,642,819

Source: City Finance Department

**Changes in Fund Balances Governmental Funds - Last Ten Years
(Continued) (Unaudited)**

	Fiscal Year				
	2014	2013	2012	2011	2010
Revenue					
Taxes	\$ 9,429,663	\$ 8,951,113	\$ 9,515,410	\$ 10,156,136	\$ 11,555,256
Licenses and permits	597,505	846,549	674,302	431,642	397,118
Intergovernmental	1,674,915	9,294,741	1,567,009	1,570,516	4,608,547
Charges for services	462,224	366,618	355,199	333,667	1,753,389
Impact fees	268,840	144,678	9,298	46,455	71,389
Fines and forfeits	49,229	43,404	38,678	44,928	99,098
Miscellaneous income	166,802	36,132	185,357	71,745	461,293
Contributions	99,975	20,292	316,151	212,142	10,251
Investment income	-	-	-	-	-
Total revenue	12,749,153	19,703,527	12,661,404	12,867,231	18,956,341
Expenditures					
General government	2,951,776	2,713,560	2,661,534	2,616,589	2,665,639
Economic environment	209,632	185,215	146,377	127,647	119,400
Physical environment	379,218	287,702	464,567	56,173	162,923
Public safety	1,768,098	1,661,520	1,701,869	1,745,789	1,952,136
Transportation	1,544,311	1,295,486	1,247,816	1,294,605	1,475,520
Human services	59,650	60,250	58,600	59,425	59,800
Culture and recreation	1,949,815	1,772,495	1,744,325	1,900,024	1,799,523
Capital outlay	1,581,816	8,697,826	4,037,950	2,174,904	9,029,171
Debt service					
Principal	1,374,432	1,243,032	1,191,883	3,252,384	4,518,620
Interest	1,562,813	1,697,345	1,721,570	1,790,259	1,919,650
Investment loss	1,824	110,438	-	-	-
Total expenditures	13,383,385	19,724,869	14,976,491	15,017,799	23,702,382
Excess (deficiency) of revenue over expenditures	(634,232)	(21,342)	(2,315,087)	(2,150,568)	(4,746,041)
Other financing sources (uses)					
Transfers in	3,730,001	2,206,101	5,037,324	7,118,394	5,469,743
Transfers out	(3,730,001)	(2,206,101)	(5,037,324)	(7,118,394)	(5,469,743)
Non-operating loss	119,229	-	-	-	-
Lease proceeds	11,871,000	7,610,000	-	-	-
Issuance of debt	(12,900,000)	(7,610,000)	-	-	-
Total other financing sources (uses)	(909,771)	-	-	-	-
Special item - Settlement	(1,750,000)	-	-	-	-
Net change in fund balance	\$ (3,294,003)	\$ (21,342)	\$ (2,315,087)	\$ (2,150,568)	\$ (4,746,041)
Debt service as a percentage of noncapital expenditures	24.9%	26.7%	26.6%	39.3%	43.9%
Footnote on capital assets					
Capital outlay	\$ 1,581,816	8,697,826	4,037,950	2,174,904	9,029,171
Net capitalized	\$ 1,581,816	\$ 8,697,826	\$ 4,037,950	\$ 2,174,904	\$ 9,029,171

City of Destin, Florida

**Revenue Base - Last Ten Years
(Unaudited)**

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value	Net New Taxable Value	Total Direct Tax Rate
2019	5,289,909,655	100,875,258	5,390,784,913	96,176,491	1.615000
2018	4,939,580,947	96,041,092	5,035,622,039	73,408,910	1.615000
2017	4,631,906,780	94,406,296	4,726,313,076	63,601,297	1.615000
2016	4,200,186,464	83,206,674	4,283,393,138	34,494,387	1.615000
2015	3,953,422,895	77,212,445	4,030,635,340	16,204,980	1.500000
2014	3,747,016,760	78,140,476	3,825,157,236	12,425,495	1.500000
2013	3,688,914,802	74,840,249	3,763,755,051	10,732,896	1.500000
2012	3,867,973,497	79,535,484	3,947,508,981	17,076,973	1.455000
2011	4,204,208,488	88,099,052	4,292,307,540	13,101,472	1.455000
2010	4,968,815,287	95,161,399	5,063,976,686	22,377,983	1.455000

Source: Okaloosa County Tax Collector

City of Destin, Florida

Property Tax Rates Per \$1,000 of Taxable Value
All Direct and Overlapping Governments - Last Ten Years
(Unaudited)

Fiscal Year	Direct Rate	Indirect Rate				
	City of Destin	Destin Fire District	Okaloosa County	Okaloosa Co. School Board	Northwest Florida Water District	Total Overlapping Rates
2019	1.615000	1.000000	3.830800	6.206000	0.032700	11.069500
2018	1.615000	1.000000	3.830800	6.361000	0.033800	12.225600
2017	1.615000	1.000000	3.830800	6.588000	0.035300	10.454100
2016	1.615000	1.000000	3.430800	6.907000	0.036600	11.374400
2015	1.500000	1.000000	3.430800	7.551000	0.040000	12.021800
2014	1.500000	1.000000	3.430800	7.441000	0.039000	11.910800
2013	1.500000	1.000000	3.430800	7.551000	0.040000	12.021800
2012	1.455000	1.000000	3.289900	7.476000	0.040000	11.805900
2011	1.455000	1.000000	3.289900	7.769000	0.045000	12.103900
2010	1.455000	1.000000	3.289900	7.534000	0.045000	11.868900

As of levy date, November 1 of each year listed

Source: Okaloosa County Tax Collector

City of Destin, Florida

Principal Tax Payers - Current Year and Ten Years Ago
(Unaudited)

Taxpayer	September 30, 2019			September 30, 2010		
	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value
Emerald Grande, LLC	\$ 57,684,180	1	1.07%	\$ 64,649,530	1	1.28%
PASSCO Sea Glass DST	50,600,294	2	0.94%	-		0.00%
BR Henderson Beach, LLC	32,787,863	3	0.61%	-		0.00%
Henderson Beach Resort	26,376,395	4	0.49%	-		0.00%
Henderson Beach Properties	22,200,807	5	0.41%	-		0.00%
Key Destin Ownerd, LLC	16,142,005	6	0.30%			
Paradise Isle Destin, LLC	14,359,682	7	0.27%	-		0.00%
Wyndham Vacation Resorts Inc.	10,029,000	8	0.19%	18,491,000	2	0.37%
Long Larry T	8,915,414	9	0.17%	-		0.00%
Crystal Beach Plaza	8,636,054	10	0.16%	-		0.00%
TBH Corporation	-		0.00%	16,213,836	3	0.32%
AHB Apartments LLC	-		0.00%	16,007,601	4	0.32%
98 Palms LTD	-		0.00%	15,078,108	5	0.30%
WRI-SRP Paradise Isle, LLC	-		0.00%	12,304,886	6	0.24%
Dunavant Gulf, LLC	-		0.00%	10,027,193	7	0.20%
Shanri Holdings Corp.	-		0.00%	9,317,147	8	0.18%
Pointe One, LLC	-		0.00%	8,990,252	9	0.18%
Harbor Lights of Destin	-		0.00%	8,923,000	10	0.18%
Total Principal Taxpayers	<u>\$ 247,731,694</u>		<u>4.60%</u>	<u>\$ 180,002,553</u>		<u>3.55%</u>
Total Tax Value of Other	<u>\$ 5,143,053,219</u>		<u>95.40%</u>	<u>\$ 4,883,974,133</u>		<u>96.45%</u>
Total Taxable Assessed Value	<u>\$ 5,390,784,913</u>		<u>100.00%</u>	<u>\$ 5,063,976,686</u>		<u>100.00%</u>

Source: Okaloosa County Property Appraiser

City of Destin, Florida

Property Tax Levies and Collections-Last Ten Years
(Unaudited)

Fiscal Year Ended September 30,	Taxes Levied For the Calendar Year*	Collected within the Calendar Year of the Levy		Collections of Delinquent Taxes	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 8,132,530	\$ 7,879,410	96.89%	\$ 4,613	\$ 7,884,023	96.94%
2018	7,632,996	7,405,759	97.02%	1,809	\$ 7,407,568	97.05%
2017	7,280,770	7,031,699	96.58%	4,122	7,035,821	96.64%
2016	6,425,090	6,211,296	96.67%	3,797	6,215,093	96.73%
2015	6,045,953	5,842,418	96.63%	10,172	5,852,590	96.80%
2014	5,737,736	5,530,911	96.40%	54,974	5,585,885	97.35%
2013	5,202,450	5,294,736	101.77%	29,787	5,202,450	100.00%
2012	5,743,626	5,512,611	95.98%	53,720	5,566,331	96.91%
2011	6,245,307	6,004,421	96.14%	29,068	6,033,489	96.61%
2010	6,690,594	6,489,898	97.00%	11,849	6,501,747	97.18%

*Includes discount taken for early payment of taxes (maximum of 5%)

Source: Okaloosa County Tax Collector

City of Destin, Florida

Ratios of Outstanding Debt (Bonds and Notes)-Last Ten Years
(Unaudited)

Fiscal Year Ended September 30,	1999B Florida Municipal Loan Council Revenue Bonds	2002 Capital Improvement Revenue Bonds	2005B Florida Municipal Loan Council Revenue Bonds	2005 CRA Town Center Revenue Bonds	2006 YMCA Revenue Note	2006A & B Florida Land Acq. Note	2009 CRA Harbor Revenue Note (Restructured 2015)
2019	-	-	-	-	-	-	4,429,808
2018	-	-	-	-	-	-	4,770,168
2017	-	-	-	-	-	-	5,096,625
2016	-	-	-	-	-	-	5,409,749
2015	-	-	-	-	-	-	5,709,446
2014	-	-	5,800,000	-	-	-	5,997,542
2013	-	-	6,040,000	12,900,000	-	-	6,136,242
2012	-	7,870,000	6,275,000	13,515,000	-	-	6,269,274
2011	-	8,125,000	6,500,000	14,100,000	-	-	6,396,157
2010	-	8,370,000	6,720,000	14,600,000	183,541	-	8,500,000

Note: Detail regarding the District's outstanding debt can be found in the notes to the financial statements.

City of Destin, Florida

Ratios of Outstanding Debt (Bonds and Notes)-Last Ten Years
(Continued) (Unaudited)

Fiscal Year Ended September 30,	2013 Capital Improvement Revenue Note	2014 Revenue Refunding Note Series	2015 Revenue Refunding Note Series	Capital Leases	Total Revenue Bonds and Notes and Capital Leases	Per Capita
2019	5,485,711	9,738,279	4,379,000	175,160	24,207,958	1,825
2018	5,865,001	10,123,875	4,714,000	268,401	25,741,445	1,941
2017	6,233,816	10,496,575	5,039,000	311,197	27,177,213	2,049
2016	6,592,446	10,856,811	5,359,000	72,665	28,290,671	2,133
2015	6,941,172	11,205,000	5,427,000	95,393	29,378,011	2,208
2014	7,280,268	11,205,000	-	119,229	30,402,039	2,302
2013	7,610,000	-	-	-	32,686,242	2,379
2012	-	-	-	-	33,929,274	2,590
2011	-	-	-	-	35,121,157	2,681
2010	-	-	-	-	38,373,541	3,013

City of Destin, Florida

**Demographics
(Unaudited)**

Land area (miles)		
Square miles incorporated		8.25
Land		7.50
Water		0.75
Gulf-front		6.60
Bay-front		18.40
City maintained streets		66.10
Paved		65.86
Unpaved		0.24
Estimated population		
Year-round		13,765
Seasonal-peak		75,000
Gender composition		
Female		50.1%
Male		49.9%
Racial composition		
White		85.0%
Hispanic		9.3%
Black		2.5%
American Indian		0.4%
Asian		1.9%
Other		0.9%
Median household income	\$	75,486
Personal income	\$	43,086
Number of households		13,672
Households with homestead exemption		5,885
Unemployment rate		2.30%

Source: City of Destin census FY2010 and updated by the State of Florida

Note: Information has not significantly changed for last ten years.

City of Destin, Florida

Principal Employers - Current Year and Ten Years Ago
(Unaudited)

Employer	September 30, 2019				September 30, 2010		
	Approximate Range of Numbers of Employees	Rank	Percent of City's Estimated Population		Approximate Range of Numbers of Employees	Rank	Percent of City's Estimated Population
ResortQuest International, Inc.	1000-1300	1	10.0%	Abbott Realty Services, Inc.	1000-1300	1	10.0%
Henderson Beach Resort	100-300	2	1.00%	A J's Seafood and Oyster House	100-249	2	1.00%
Emerald Grand Resort	100-250	3	1.00%	Crab Trap	100-249	3	1.00%
Charter Boat's	100-225	4	1.00%	Cracker Barrel	100-249	4	1.00%
Destin Healthcare and Rehabilitation	100-200	5	1.00%	Destin Healthcare and Rehabilitation	100-249	5	1.00%
A J's Seafood and Oyster House	100-125	6	1.00%	Harbor Docks	100-249	6	1.00%
Harbor Docks	100-125	7	1.00%	Hey Baby Charter Boat	100-249	7	1.00%
Cracker Barrel	100-125	8	1.00%	Holiday Inn	100-249	8	1.00%
Lucky Snapper Grill & Bar	100-125	9	1.00%	Lucky Snapper Grill & Bar	100-249	9	1.00%
Track Recreation Center	100-110	10	1.00%	Track Recreation Center	100-249	10	1.00%
Total			<u>19.00%</u>	Total			<u>19.00%</u>

City of Destin, Florida

City Employees - Last Five Years
(Unaudited)

	Fiscal Year				
	2019	2018	2017	2016	2015
City Manager's Office					
City Manager	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Deputy City Manager	1	1	0	0	0
Public Information Manager	1	1	1	1	1
Grants Projects Manager	0	0	1	1	1
Development/Re-Development Manager	0	0	1	1	0
Geographic Information Systems Manager	1	1	1	1	1
IT Manager	1	1	1	1	1
Systems Network Specialist	1	1	1	0	0
Help Desk Technician	0	0	0	0	0
Receptionist 2-PT (FTE)	1	1	1	1	1
Subtotal	8	8	9	8	7
Public Safety					
Crossing Guards (2 PT Seasonal)	1	1	1	1	1
Human Resources					
HR/Risk Manager	1	1	1	1	1
HR Coordinator	0.5	0.5	0.5	0.5	1
Intern (PT)	0	0	0	0	0
Subtotal	1.5	1.5	1.5	1.5	2.0
City Clerk's Office					
City Clerk	1	1	1	1	1
Deputy City Clerk	1	1	1	1	1
Deputy City Clerk	0	0	0	0	0
Records Clerk (PT)	1	1	1	1	1
Subtotal	3	3	3	3	3
Finance Director's Office					
Finance Director	1	1	1	1	1
Accountant	1	1	1	1	1
Accounting Clerk	1	1	0	0	0
Payroll Accounting Clerk	0.25	0.25	0.25	0.25	0.25
AP Administrative Clerk	0.25	0.25	0.25	0.25	0.25
Subtotal	3.5	3.5	2.5	2.5	2.5
Community Development Office					
Community Development Director	1	1	1	1	1
Comprehensive Planning Manager	1	1	1	1	1
Current Planning Manager	0	0	0	0	0
Transportation Manager	0	0	0	0	0
Administrative Assistant	1	1	1	1	1
Engineering Assistant II	0	0	0	0	0
Stormwater Management Specialist	0	1	0	0	1
Planner	2	1	1	1	1
Subtotal	5	5	4	4	5

City of Destin, Florida

City Employees - Last Five Years
(Continued) (Unaudited)

	Fiscal Year				
	2019	2018	2017	2016	2015
Building Inspections					
Building Official	1	1	1	1	1
Deputy Building Official	1	1	1	1	0
Building Inspector	1	1	1	1	1
Permit & Licensing Administrator	1	1	1	1	1
Permit & Licensing Clerk	1.5	1.5	2	1.5	1
Subtotal	5.5	5.5	6	5.5	4
Environmental Code Enforcement					
Code Compliance Manager	1	1	0.5	0.5	0.5
Code Compliance Officer (Harbor)	1	0	0.5	0.5	0.5
Code Enforcement Officer	2	3	3	3	2
Code Enforcement Clerk	1	1	0	0	0
Subtotal	5	5	4	4	3
Public Services Department					
Public Services Director	1	1	1	1	1
Deputy Public Services Director	1	1	1	1	1
Operations & Maintenance Manager	0	0	0	0	0
Repair & Maintenance Supervisor	0	0	0	0	0
Field Crew Supervisor	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Mechanic	1	1	1	1	1
Maintenance Technician-General Maintenance	2	2	2	2	2
Equipment Operator	1	1	1	1	1
Maintenance Technicians (4x.5 PT Seasonal)	1	2	2	2	2
Subtotal	9	10	10	10	10
Facilities					
Maintenance Technician - Facilities	2	2	2	2	2
Maintenance Technician - Custodian	2	0	0	0	0
Subtotal	4	2	2	2	2
Cemetery					
Maintenance Technician	0	0	0	0	0
Parks					
Maintenance Technician	5.5	5.5	5.5	5.5	5.5
Groundskeeper	1	1	1	1	1
Subtotal	6.5	6.5	6.5	6.5	6.5

City of Destin, Florida

City Employees - Last Five Years
(Continued) (Unaudited)

	Fiscal Year				
	2019	2018	2017	2016	2015
City Engineer's Department					
City Engineer	1	0	0	0	0
Engineering Assistant II	1	1	1	1	1
Administrative Assistant	0	0	0	0	0
Drafting Cad Technician	1	1	1	1	1
Stormwater Program Coordinator	1	1	1	0	0
Subtotal	4	3	3	2	2
Library					
Library Director	1	1	1	1	1
Technical Services (Cataloger)	1	1	1	1	1
Circulation Desk	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Youth Services & Reference Librarian	1	1	1	1	1
Technology Specialist	0	0	0	0	0
Custodian	0	0	0.5	0.5	0.5
Library Assistant - (6 x .5) PT	3.0	2.5	2.5	2.5	2.5
Subtotal	8	7.5	8	8	8
Morgan Sports Complex					
Recreation Program Coordinator (50% Outdoor Rec)	2	1	1	1	1
Recreation Assistant I	3	2	2	1	1
Field Maintenance Supervisor	0	1	1	1	1
Field Maintenance Technician	5	3	3	4	3.5
Field Maintenance Tech/Mechanic	0	0	0	0	0
Recreation Assistant	1	1	1	1.5	1.5
Scorekeepers (PT)	1.5	1.5	1.5	1.5	1.5
Subtotal	12.5	9.5	9.5	10	9.5
Outdoor Recreation					
Recreation Manager	1	1	1	1	1
Park Attendant (PT)	1	1	1	1	0.5
Joe's Bayou Attendant (3 x .5 PT)	2	2	2	2	1.5
Recreation Program Coordinator (50% Morgan SC)	1	1	1	1	1
Subtotal	5	5	5	5	4
Community Center					
Deputy Recreation Manager	1	1	1	1	1
Recreation Supervisor	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Clerk/Receptionist	1	1	1	1	1
Recreation Program Coordinator	1	1	1	1	1
Recreation Assistant	2.5	2.5	2.5	2.5	2.5
Custodian	2	2	2	1.5	1.5
Camp Counselors (3 x .5 PT)	2	2	2	2	1.5
Subtotal	11.5	11.5	11.5	11	10.5

City of Destin, Florida

City Employees - Last Five Years
(Continued) (Unaudited)

	Fiscal Year				
	2019	2018	2017	2016	2015
Community Redevelopment Agency					
CRA Manager (Town Center)	0.25	0.25	0.25	0.25	0.25
CRA Manager (Harbor)	0.25	0.25	0.25	0.25	0.25
Program Manager (FT) (thru March 09) (Harbor)	0	0	0	0	0
Maintenance Technician	1.5	1.5	1.5	1.5	1.5
CRA Finance Administrative Clerk (Town Center)	0.25	0.25	0.25	0.25	0.25
CRA Finance Administrative Clerk (Harbor)	0.25	0.25	0.25	0.25	0.25
Subtotal	2.5	2.25	2.5	2.5	2.5
Total all positions	95.00	89.50	89.00	76.50	82.50

Information is provided for the most recent five years as this is the most relevant.

Source: City Human Resources Manager

Compliance Section

- Compliance Matters
- Management Letter
- Attestation Report

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and
Members of the City Council
City of Destin, Florida:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the fiduciary fund and the aggregate remaining fund information of the City of Destin, Florida, (the City), as of and for the year ended September 30, 2019, and the related notes to the City's basic financial statements which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 6, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Jupiter, Florida
April 6, 2020

MANAGEMENT LETTER

The Honorable Mayor and
Members of the City Council
City of Destin, Florida:

We have audited the financial statements of the City of Destin, Florida (the City), as of and for the year ended September 30, 2019, and have issued our report thereon dated April 6, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in this report, which is dated April 6, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were recommendations made in the preceding annual audit report. See management's responses to prior year observations and recommendations on pages 91 through 92.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity to be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the City for the fiscal year ended September 30, 2019, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2019. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we noted certain matters, as reported in Appendix A attached hereto. Included in our observations are management's responses, which we did not audit and, accordingly, we express no opinion on them.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or likely to have occurred that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

EFPR Group, CPAs, PLLC

Jupiter, Florida
April 6 2020

INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Mayor and
Members of the City Council
City of Destin, Florida:

We have examined City of Destin, Florida's (the City) compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2019. Management is responsible for the City's compliance with those requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

EFPR Group, CPAs, PLLC

Jupiter, Florida
April 6, 2020

Prior Year Observations, Recommendations and
Management Responses

2019-01 Fund Balance Policy (Also reported as 2018-02 in the September 30, 2018 report, as 2017-04 in the September 30, 2017 report and as 2017-04 in the September 2016 report.)

Observation:

We noted that the City has not adopted a formal fund balance policy.

Criteria:

A fund balance policy is important to comply with GASB Statement No. 54, as well as to establish minimum fund balance benchmarks to provide a stable tax levy for future budgeting purposes.

Recommendation:

We recommend that the City adopt a fund balance policy to comply with GASB Statement No. 54 and which also states a benchmark for unassigned fund balance for future budgeting purposes.

Management's Response:

Management presented a fund balance policy to the City Council which was discussed but not approved.

REPORT TO THE BOARD

April 6, 2020

The Honorable Mayor and Members of the City Council
City of Destin, Florida

Dear City Council Members:

We have audited the financial statements of the governmental activities, each major fund, the fiduciary fund, and the aggregate remaining fund information of the City of Destin, Florida (the City) as of September 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Principles

Management is responsible for the selection and use of appropriate accounting policies. Significant accounting policies used by the City are described in note 2 to the financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions, have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the financial statements taken as a whole.

Significant Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of long-term debt in note 8.
- The disclosure of other postemployment benefits in note 11.
- The disclosure of retirement plans in note 12.
- The disclosure of commitments and contingencies in note 13.
- The disclosure of fund balance constraints in note 14.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this report, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditors' opinion that may be expressed on those financial statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquires of management and evaluated the form content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the Untied States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

* * * * *

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

EFPR Group, CPAs, PLLC

EFPR GROUP, CPAs, PLLC

April 6, 2020

EFPR Group, CPAs PLLC
6390 Main Street, Suite 200
Williamsville, NY 14221

This representation letter is provided in connection with your audit of the financial statements of the City of Destin, which comprise the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 17, 2020, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated August 23, 2019, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of City Council or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the City and involves—

- Management,
- Employees who have significant roles in internal control, or
- Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

21) The City has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

23) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

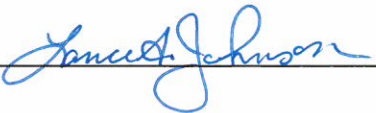
24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

25) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

- 26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 28) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 29) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 30) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 31) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended, and GASBS No. 84 .
- 32) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 33) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 34) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 35) Provisions for uncollectible receivables have been properly identified and recorded.
- 36) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 37) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 38) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 39) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 40) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 41) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 42) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

44) With respect to the supplementary information:

- a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Signature: 

Title: CITY MANAGER



City of Destin

4200 Indian Bayou Trail | Destin, FL 32541 | Phone: 850-837-4242 | Fax: 850-269-9890 | www.cityofdestin.com

APRIL 6, 2020

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Destin:

We are pleased to present to you the Comprehensive Annual Financial Report (CAFR) of the City of Destin, Florida (the City) for the fiscal year ended September 30, 2019. Chapter 218.39, Florida Statutes require that a complete set of financial statements be published within one year of fiscal year end and presented in conformance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Destin. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Destin has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Destin's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Destin's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

In compliance with the laws of the State of Florida, the City's financial statements have been audited by EFPR Group, Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Destin for the fiscal year ended September 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Destin's financial statements for the fiscal year ended September 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Destin was part of a broader, state mandated “Single Audit” designed to meet the special needs of state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. This was not required for FY2019 but if so, these reports would be made available within this document. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Destin’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Destin incorporated and adopted the Council-Manager form of government in 1984. The City Council is composed of seven voting members with the Mayor casting tie-breaking votes only. The Mayor and Council, traditionally was elected in March of even years by the City at-large, and can serve up to two consecutive four-year terms. In 2019, the City Council approved moving the municipal election to the first Tuesday following the first Monday in November on even years, which aligns with the state’s general election. The City Council is the legislative body of the City Government. They consider and adopt ordinances and enact regulations for the maintenance of good government, the preservation of peace, welfare, health and safety and convenience of the citizens. The Council also reviews and adopts the City Budget, makes appropriations, levies taxes, authorizes bond issues, holds public hearings for citizen input, appoints committees and establishes municipal policies. Pursuant to City Charter, the City Manager is appointed by a super-majority vote of the City Council. The City Manager is the chief administrative officer of the City and serves directly at the pleasure of the City Council. The City Manager implements Council policies, directs and supervises the administration of all departments, programs, offices, and agencies of the City.

The City of Destin provides a range of services that include the construction and maintenance of highways, streets, and other infrastructure; and parks and leisure/cultural activities and events. Police and fire protection, as well as utilities, including water, are provided by other agencies working in close cooperation with City management. Tourism is the major field of employment within the City of Destin. The City of Destin includes a planning area of 7.9 square miles and is located in Okaloosa County approximately 52 miles east of Pensacola, Florida, and 40 miles west of Panama City Beach, Florida. The Gulf of Mexico on the south and Choctawhatchee Bay on the north form the City’s natural boundaries. Destin is located on Florida’s Emerald Coast known for sugar-white beaches, crystal clear emerald water and warm, sunny days. Destin is home to approximately 13,500 full-time residents with an estimated peak seasonal population of approximately 70,000. One of the City’s most significant on-going

challenges is to provide infrastructure and services to accommodate the seasonal population.

Budgetary Control. The annual budget serves as the foundation for the City of Destin's financial planning and control. All departments of the City of Destin are required to submit requests for appropriation to the City Manager in the spring of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review. The council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (the level at which expenditures cannot legally exceed appropriated amount) is maintained by the City Manager at the fund level and may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 22 as part of the basic financial statements for the government funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 23.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Destin operates.

Local economy. In FY2019, the City continued to experience an increase in tourist-related business and hotel and condo occupancy. Tourism is one of Destin's largest industries, and Destin has made great strides to promote and market its commitment to serve as a community offering an outstanding quality of life to residents and visitors alike. The City is centrally located in the panhandle of Florida. Known as the "World's Luckiest Fishing Village," one of the largest and most elaborately equipped fishing fleets in the State of Florida docks at the Destin Harbor. In addition to fishing, recreational opportunities include golf, tennis and water sports, including diving and snorkeling. The Destin Harbor lies closer to the 100 Fathom curve than any other harbor on Florida's west and north coast, providing speedy deep-water access.

Besides tourism, Destin's economic base has been dependent on the real estate and construction industries. During FY2019, rising property values translated into higher ad valorem taxes. Ad valorem taxes are the City of Destin's largest single source of revenue. By City Charter the maximum rate of levy is limited to 2.0 mills, or \$2 per \$1,000 in property value; the rate for FY2019 was set at 1.615 mills, which was the same as the FY2018 rate.

Major Projects

Beach Acquisition

Council's top priority objective is to purchase beachfront property in order to preserve public access to Destin's waterways and beaches specifically in the Crystal Beach neighborhood. During the summer months, our small 67' (.43 acres) parks are regularly well beyond capacity with beachgoers from the neighborhood short-term rentals. The highest percentage of complaints received at Destin City Hall are concerns about the lack of public beach parks and disputes with property owners and vendors in the Crystal Beach area. This initiative will restore developed areas of the beach to their original natural beach environment and provide recreational opportunities for visitors and residents alike. In FY2019 \$8.5 million dollars in Tourist Development and City funds were earmarked for this initiative with additional funds being pursued from Triumph Gulf Coast as well as other grant and revenue opportunities.

Purchase and Installation of Municipal Management Software

A top priority for the organization is to implement a comprehensive software package that will automate and centrally connect critical processes, including permitting, planning, regulatory management, inspections and code compliance, while providing an easily accessible system to our customers. In particular, the City's planning, permitting, licensing and citizens requests will be automated and connected with a view to streamlining workflow, improving communication, and increased productivity from the office to the field operations. In light of that, the City purchased Tyler Technology's Energov product in 2019. Throughout 2019-2020 Staff and the Energov consulting team have been working diligently on this monumental City project and have an estimated "go-live" date of January 2021.

Airport Road Safety Improvements

In FY2019, the Florida Department of Transportation has agreed to take on the responsibility of designing and constructing safety improvements on the curve on Airport Road. These improvements could include: super-elevation of the outside of both lane-sets to help vehicles negotiate the curve, the application of a high-friction surface treatment to provide additional grip (especially in wet conditions), new retro-reflective signage, new thermoplastic pavement markings, new reflective pavement markers, etc. Design for this project should be completed in Spring 2020 with construction commencing in the Summer.

Norriego Point Stabilization and Recreational Amenities. This has been a high priority – and very costly – project for the Destin community. Due to the complex dynamics of the Destin East Pass, in FY2011 the City Council appointed a Blue Ribbon Panel of stakeholders to assist in the decision-making for the proposed design for stabilization of the Point. In late FY2013 the City was notified that it had been awarded a NRDA grant through the Florida Department of Environmental Protection to construct this project. In FY2014 city staff began working with the State to implement this project. The project began in the fall of FY2017 with the stabilization phase. The recreational

amenities should be constructed in FY 2020. Long-term savings to the City in terms of manpower and resources to maintain Norriego Point in the future will be substantial.

Joe's Bayou Renovation: A parcel of waterfront property became available for sale in late 2013 that has long been desired by the City of Destin to complete its plans for the Joe's Bayou Recreation Area. Staff has worked diligently for over two years to negotiate its purchase and was successful in 2016. City Council appropriated \$2 million from fund balance to complete the purchase and ensure this premium piece of bay/bayou-front property remains in the public domain for perpetuity. In FY2017 the property was cleared in anticipation of converting the property into City park land and merging it with Joe's Bayou Boat Launch facility, Mattie Kelly fishing pier and Mattie Kelly Nature Walk. The City has applied for a grant to redevelop and combine the parks into one large waterfront recreation area. In FY2020 the City should confirm the awarding of this grant.

Current and Future Planning In FY2015-2016, the City undertook a planning effort, Envision Destin, to finalize the City's Comprehensive Plan 2020. The Envision Destin plan was adopted on 2nd reading on November 3, 2014; however, the existing Chapter 1, Future Land Use Element was retained within the Plan. To address the need to further amend Chapter 1, the current City Council reached consensus at a workshop in the summer of 2016 and engaged Northwest Florida Regional Planning Council to draft the new language for Chapter 1 and the Land Development Code (LDC). The City adopted the 2020 Comprehensive Plan in FY2018. Throughout 2019 the City completed a year-long effort of aligning the Future Land Use Map (FLUM) and the Zoning Map to provide both synergy and clarity to the City Land Use policies and regulations. Now the City is turning its efforts to updating the City's Land Use Regulations to be consistent with the Comprehensive Plan.

Community Redevelopment. The City of Destin continues to focus on redevelopment opportunities. The establishment of two Community Redevelopment Agency (CRA) districts directs major capital improvements in the heart of the City to maintain the vitality and heritage of our harbor district and to facilitate mobility across the City and through our downtown area, be it by car, bicycle, or foot.

The first three major projects of the Harbor District CRAs were completed in FY2011-FY2013:

- a) The reconstruction of Mountain Drive into a multi-modal roadway
- b) The construction of the first phase of the Harbor Boardwalk
- c) The construction of a long-term surface parking lot on Harbor Boulevard with appropriate lighting, landscaping, and stormwater improvements.

In FY2014 focus was placed on safe pedestrian mobility in the Harbor District and along US 98. The City worked with the State of Florida Department of Transportation (FDOT) to conduct a Pedestrian Safety Assessment analysis of Highway 98 from the Marler Bridge to Airport Road. In the spring of FY2016, FDOT installed five (5) signalized pedestrian crossings on Harbor Blvd/Highway 98.

Furthermore, the City is in the process of undertaking two major development efforts aimed at enhancing the festive atmosphere and experience of our redevelopment areas.

A. Captain Royal Melvin Park

The City of Destin provided \$2.3 million in matching funds, as part of a 2008 Florida Forever grant to purchase a 0.77 acre waterfront property at 206 Harbor Blvd for Captain Royal Melvin Park. Located in the center of the Harbor Community Redevelopment Area (CRA), Captain Royal Melvin Park will serve as a gateway to the Destin Harbor District featuring an observation platform, resource center, educational signage, kayak/canoe launch, walkways, plaza with picnic tables and playground equipment. **(Policy 1-3.3.4: Harbor CRA Redevelopment, Infrastructure, and Design Enhancements, Comprehensive Plan)**

B. Gulf Power Easement/Linear Park

One key project aimed at redeveloping the Town Center Community Redevelopment Area (CRA) is the proposed Linear Park. An objective outlined in the Town Center CRA Plan, the Linear Park extension of 98 Palms Boulevard to the east, will connect portions of the Gulf Power easement providing an opportunity to create a “linear park/multi-use trail” connecting Main Street to Airport Road. The project will provide a safe area for walking, jogging, biking and exercise. In addition, it will provide an alternate means of transportation from the residential areas off Airport Road to access shops, restaurants and other amenities in the Town Center CRA. **(Policy 1-3.3.1: CRA Building Forms, Grid System, Pedestrian Environment, and Park, Comprehensive Plan)**

Roadway and Pedestrian Improvements

The Transportation Element of the Comprehensive Plan guides the City’s regulations regarding street improvements for both motor vehicle and pedestrian needs. Specifically, the City’s transportation system is aimed at maintaining and enhancing the efficient and high-quality multimodal transportation system that balances community circulation needs with regional travel demand. **(Goal 2-1 Multimodal Transportation System. Policy 2-1.1.9 Capital Improvement Program and Schedule and Policy 2-1.1.12 Construct Transportation Facilities to MMTD Standards of the City’s Comprehensive Plan).**

The FY 2020 Capital Improvements Plan budget includes the following:

- Two City pathways projects:
 - The two pathway projects will connect the Harbor Boardwalk with additional parking as well as other City facilities including the library, the community center, fishing museum and two city parks
 - The two pathway projects will also connect other segments of the existing 10 foot wide pathways for greater pedestrian connectivity. This connectivity ties into US Highway 98/Harbor Boulevard.
- One pedestrian project:
 - (Zerbe-Calhoun, Phase I); ready for construction

- (Zerbe-Calhoun, Phase II, Boardwalk under the bridge) ready for design; and
- Sibert Ave. parking lot consolidation.

Additionally, the FDOT 3R project on Harbor Boulevard should be wrapping up within the next 30 days in time for spring break and the hundred days of summer. The 3R project provides additional pedestrian facilities as well as providing overall safer access to and from Harbor Boulevard between Airport Road and the Marler Bridge.

Undergrounding Utilities

The City is working to finalize a franchise and undergrounding agreement with Gulf Power (subsidiary of Nextera Energy). One of the City's priority long-term goals is to underground city utilities. Undergrounding utilities is essential to hardening Destin's infrastructure to better improve service and business continuity while decreasing recovery times in post-disaster scenarios. This initiative will also improve economic development opportunities in the City.

Harbor and Bayfront Parks.

In FY2014-2015, the City applied for funding for two (2) Restore Act grants to renovate Clement Taylor Park (\$750,000) and to build the new Royal Melvin Heritage Park (\$1,250,000) on the Destin Harbor. Funding from the US Treasury, through Okaloosa County (Recipient) to the City of Destin (Sub-Recipient) is expected in 2020.

In addition, in late 2014/2015 the City was notified that we would be receiving a \$9,700,000 grant from BP's Early Restoration Funds. This grant, administered through The Trust for Public Land, acquired a 3-acre parcel on the Choctawhatchee Bay and will construct the new Leonard Destin Park along with providing funding for ten (10) years of operation and maintenance of this new facility. Construction of the park is scheduled to be complete in FY2020.

The City is responsibly adjusting its budget for out-years to reflect a fiscally conservative program that still addresses the City's strategic priority goals. Most projects continue to be funded by impact fees, gas tax and grant revenues.

Financial Information

Management's Discussion and Analysis (MD&A) (starting on page 4) summarizes the Statement of Net Assets and Statement of Activities and reviews the changes (from the beginning to the end of the period and current year to prior year). The Government-wide financial statements (in detail) are presented on pages 16 through 17 and are intended to present the City in a manner similar to private-sector businesses.

Additionally, the Fund Financial Statements (starting on page 18) are designed to address the Major (or more significant) individual funds by category. An explanation of these complementary presentations can be found in the MD&A (starting on page 4).

The following review of the types of commitments against unrestricted net assets for governmental activities is designed to complement the otherwise available information:

Commitments against Unrestricted Net Assets.

The Unrestricted Net Asset balance represents assets available for the general use of the City.

The normal types of commitments are:

- ***Encumbrances*** – where a contract exists to purchase/acquire some item or construct a capital project that will be acquired/constructed after the September 30 statement date.
- ***Project Commitment*** – where a tentative pre-contract commitment has been made and a related project budget established for a significant capital or maintenance effort (normally to be performed by a yet-to-be-hired third party contractor).
- ***Working Capital*** – is available resources set aside to ensure the normal and ordinary conduct of business (the payment of bills and salaries) given certain cyclical flows of revenue.
- ***Other*** – other tentative commitments that may be for future capital agendas, emergency reserves, etc.

It should also be understood that having reasonable levels of reserves is essential to the bond market's perceptions of a local government's sound financial position and related ability to utilize private sector styled business practices.

Long-Term Financial Planning.

The City's responsiveness to emerging economic challenges and its careful long-range planning have been instrumental in maintaining Destin's fiscal health. Fiscal conservatism, a streamlined budget, and operating efficiencies have resulted in a solid position for the City at the close of fiscal year 2019. Approval by Council of mission and goal statements allows staff to create strategic plans and a programmatic budget that directly responds to the Council's vision, goals, and community expectations.

Statement of Philosophy. The Mayor and City Council adopted a new vision statement: *"Destin is a family oriented beach and fishing community where people want to live, work & play and where guests are welcomed to respectfully enjoy our community and its resources."* City leaders have continued to reinforce and refine their support of this vision each year at their strategic planning sessions

As indicated within this Vision Statement, the City of Destin is working at all levels to improve the quality of life within our community. Since the Budget is a policy document and serves as a statement of City policy in fiscal terms, it should be viewed

as a reflection of the Council's adopted strategic plan and service delivery priorities for the city's prioritized key customer groups,

- 1.) Year-round residents
- 2.) Destin-based businesses
- 3.) Visitors

The strategic focus for the City through 2025 is:

- ✓ Public beach acquisition initiative
- ✓ Transparent and equitable governance
- ✓ Financially sound city providing service value
- ✓ World class beach, fishing, and harbor
- ✓ Improved mobility and connectivity
- ✓ High quality of life and safety for residents
- ✓ Quality development and revitalization through clear vision and unified approach

The City Council established specific strategic objectives for FY20, which are listed in priority order:

- ✓ Public beach initiative (acquisition of beachfront)
- ✓ Underground Utilities
- ✓ Short Term Rentals compliance with regulations
- ✓ Recruit Project and Grants Manager
- ✓ Request TDC funds for additional OCSO services
- ✓ Research viability of Multi-use Convention/Sports/Community Center
- ✓ Complete two-lane crosstown connector
- ✓ Calhoun Ave Multi-use Trail (MUT)-Phase II Design and Construction (pathway under Marler bridge)
- ✓ Improve parking: Explore options, garage, surface
- ✓ Beach Re-nourishment, planning and schedule
- ✓ Improve communications with Council/Public/Staff
- ✓ Implement enhanced signage control
- ✓ Develop/Implement Wayfinding Program
- ✓ Update Golf Cart/Low Speed Vehicle (LSV) Rules
- ✓ Continuity of streetlights/Conversion to LED's
- ✓ Improvement of the City gateways
- ✓ Implement a Road Way Striping Program
- ✓ Provide Board and Committee Training to members
- ✓ Improve Sidewalks (Wider, more walkable)
- ✓ Re-establish Environmental Committee
- ✓ Enforce Residential boat and RV parking regulations
- ✓ Regulate building height limits to five stories

It is City Administration's responsibility to implement the policies of the City Council. City Administration established the following top priority management objectives for FY20 to ensure Council Objectives can be met.

- ✓ Balance staffing resources with expectations

- ✓ Align Comp Plan with Land Development Code
- ✓ Acquire and deploy comprehensive municipal management software along with required training
- ✓ Seek out funding sources for beach acquisition
- ✓ Establish Park Foundation to assist with acquisitions, renovations and maintenance
- ✓ Develop and implement processes for consist and streamlined application of Codes and Procedures
- ✓ Implement Code Enforcement Compliance Plan

City Administration also has several “Management in Progress” projects for 2020-21

- ✓ Align Comprehensive Plan, Future Land Use Map (FLUM), and Land Development Code (LDC)
- ✓ Harbor Capacity Study (USACE)
- ✓ Implement proactive Code Compliance program
- ✓ Memorialize institutional knowledge
- ✓ Produce city facilities and city infrastructure plans
- ✓ Monitor Restore Act grants
- ✓ Impact Fee Study

The employees’ overall mission is to *protect and promote the health, safety, welfare, and quality of life of our residents, businesses, and visitors*. In all activities, including the Budget, City employees strive for individual and organizational excellence in order to achieve the highest level of customer understanding and satisfaction. Both Council and staff embrace the same core values to earn and sustain the confidence and trust of the community:

- ✓ Fiscal discipline/responsibility
- ✓ Sound and fair group decision-making
- ✓ Respectful working relationships among City Council, staff, and citizens
- ✓ Lawful, ethical moral standards and actions
- ✓ Commitment to the stated values and goals
- ✓ Professional development of officials, staff, and volunteers
- ✓ Open and sensitive to citizens’ concerns
- ✓ Knowledgeable of the current issues
- ✓ Commitment to public safety
- ✓ Trust/honesty/integrity
- ✓ Organizational development
- ✓ Preservation of heritage and environment

Plans articulated in the fiscal year 2019 and 2020 Adopted Budget and Capital Improvement Plan continue to support basic governmental services (roads, solid waste management, parks, recreation, and stormwater, etc.) while also addressing the City Council’s broad goals and citizens’ expectations for the community.

Destin's financial plan requires many elements working in concert with one another. Some of these financial plan elements are financial resource planning, investment planning, strategic capital improvement project planning, and debt management, all of which are further identified below. The Finance Department's management role will be to maintain and enhance financial plan elements and ensure continued financial stability for the City of Destin.

Financial Planning. Strategic financial planning begins with determining the City's fiscal capacity based upon long-term financial forecasts of recurring available revenues. Financial forecasts coupled with financial trend analysis techniques and careful reserve analysis help preserve the fiscal wellbeing of Destin. Strategic financial capacity planning is a critical element to reach long-term financial stability goals and to determine special financial needs for critical objectives of the City Council.

Budget Planning. The City of Destin is required to adopt an annual budget in accordance with the City Charter and State Statutes. The City Manager is charged with preparing a proposed budget submission in July of each year for the fiscal year that begins the following October 1. Appropriations by department by fund and tax levies are adopted in September. The budget also authorizes the number of full-time equivalent positions available to City departments to deliver services. The budget may be amended by Council motion at a regular meeting or administratively if the change is within the same department and fund. Various thresholds of review and approval have been established for purchases and hiring as the budget is implemented.

Capital Improvement Program. Destin's Capital Improvement Program projects are planned for five years and evaluated based on project totals of over \$25,000, a useful life of five years or more; and costs that do not reoccur annually, unless the project has multi-year elements. The operating cost impacts of projects are also planned and considered in developing future operating budget plans. Projects with significant operating impacts are carefully timed to avoid contingent liabilities, which future operating resources cannot meet. Pay-as-you-go funding sources are also conservatively estimated to avoid over-committing to capital construction using revenues that are not certain. To the extent debt financing is used and/or required, capital project plans are sized to conform to existing debt management policies.

Debt Management. Destin has a financial policy which prohibits the issuance of debt for operating costs. With that as a governing framework, all debt issuances are for the purpose of financing capital infrastructure (or long-lived costly assets). Each debt issuance is evaluated against multiple additional policies addressing: debt service as a percent of operating expenditures, tax and revenue bases for the repayment of debt, the overall debt burden on the community and statutory limitations and market factors affecting tax-exempt interest costs. In all cases a long-term analysis is made

considering the financial (debt) capacity that fits the wherewithal (and willingness) of our community to pay for the capital projects. The annual debt service operating cost for each additional one million dollars in new debt averages about \$30,000 based on an average interest rate of 3.0 percent when amortized over 20 years. Sizing of the City's Capital Improvement Program is based on the debt capacity in conjunction with conservatively estimated pay-as-you-go revenues which will help stabilize per capita debt and lower annual debt service costs to the City over the long-term. Revenues pledged to the repayment of debt issues consist of general government taxes, local option gas taxes, half-cent sales taxes, communication service taxes, and CRA tax increment funding (TIF). Annual requirements and debt transactions are reflected in the notes to the financial statements. The City's CRAs receive funding through a "Tax Increment Formula" (TIF). This revenue is calculated using the growth of the tax base of the property within the boundaries of the CRA from the date the CRA is conceived. The CRA gets an increase in its funding based on the increase of the assessed value of this property over the initial assessed value of the property within the CRA boundaries.

Internal Control. City management is responsible for establishing and monitoring internal controls to ensure that the City fulfills its fiduciary responsibility as custodian of public monies. The purpose of internal controls is to provide reasonable, but not absolute, assurance that City assets are safeguarded against loss through unauthorized use or disposition. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Fiduciary Operations. The City of Destin maintains a defined contribution plan for the City's full-time employees. The City's contributes 7.5% of the employee's annual earnings to the retirement program, and will match the first 5% of the employee's contribution to their 457 retirement program. Additional information on the City's pension arrangements and post-employment benefits can be found in Notes 11 and 12 in the financial statements.

Financial Policies. Ad valorem revenue is recovering from the economic decline in 2009 along with the state shared revenue. The City spending constraints put into place to give it flexibility to make budget changes until the economy recovered are continuing to be observed. Capital expenditures were funded from impact fees, gas tax revenue and grants. These measures have allowed the City to maintain fiscal responsibilities without any major reduction in services to our community.

General Government Functions. The City's accounting system is organized on a fund basis. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. The types of funds used are determined generally by the City Council upon recommendation of the City Manager and the Finance Director establishes accepted accounting policies and procedures, as well as the number of funds.

In accordance with Florida Statutes, Chapter 218.33, revenues are recorded by source to provide information necessary to (1) prepare and control the budget, (2) record the collection of revenues (3) prepare financial statements and schedules, and (4) prepare financial statistics.

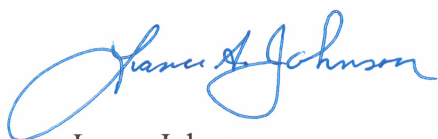
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Destin for its comprehensive annual financial report (CAFR) for the year ended September 30, 2018. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. This was the twenty-fourth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

This achievement is the direct result of the efforts of many people and not the work of a single person. Our gratitude is given to the Mayor and City Council for their continuing attention, assistance, and cooperation regarding the financial operations of the City as well as to our residents for their support toward the planning and administration of the financial operations of the City in a responsible and progressive manner. We would also like to express our thanks to the staff of EFPR Group, Certified Public Accountants for their professional services and assistance to the City of Destin. Lastly, we extend our sincere appreciation to all city employees, particularly our finance staff, for their hard work, professionalism, and dedication to ensuring Destin's financial stability.

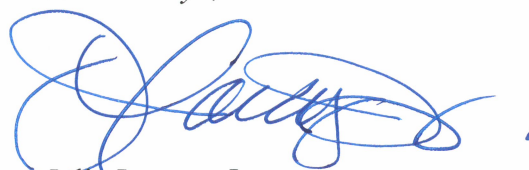
Respectfully submitted,

Lance Johnson



Lance Johnson
City Manager

Julio Lacayo, Jr.



Julio Lacayo, Jr.
Interim Finance Director

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: April 6, 2020

TYPE OF AGENDA ITEM: City Manager Report

TO: City Council

THRU:

FROM:

DATE:

SUBJECT: Resolution 20-07 - Ratifying Extension Number 2 of the Declaration of State of Emergency

I. BACKGROUND: At the April 1 Special City Council meeting, the City Council directed the City Manager to issue Extension Number 2 to the Declaration of State of Emergency. The City Manager subsequently issued Extension Number 2. Resolution 20-06 further subjects Extension Number 2 to ratification by the City Council. Resolution 20-07 ratifies the issuance of Extension Number 2.

II. DISCUSSION:

- A. Link to Strategic Goals / Objectives:**
- B. Effect on Budget (EOB):**
- C. Level of Service (LOS):**

III. CONCLUSION:

IV. RECOMMENDED MOTION: I move to approve Resolution 20-07 and direct the Mayor to execute Resolution 20-07.

Attachments:

- 1. Resolution 20-07 - Ratifying Extension No. 2 to the Declaration of State of Emergency
- 2. Declaration of State of Emergency - March 18, 2020
- 3. Extension No. 2 - COVID-19 Declaration of State of Emergency

RESOLUTION 20-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DESTIN, FLORIDA, RATIFYING EXTENSION NUMBER 2 OF THE COVID-19 DECLARATION OF STATE OF EMERGENCY; PROVIDING A PROCEDURE FOR FUTURE EXTENSIONS OF THE COVID-19 DECLARATION OF STATE OF EMERGENCY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Novel Coronavirus Disease 2019 (COVID-19) is a severe acute respiratory illness that can spread among humans through respiratory transmission and other potential methods, and presents symptoms similar to those of influenza; and

WHEREAS, in December 2019, a new and substantial outbreak of COVID-19 emerged in Wuhan, China, and has since spread rapidly to 150 countries and territories throughout the World, including the United States, and more specifically Okaloosa County and 26 other counties in the State of Florida; and

WHEREAS, on March 11, 2020, the World Health Organization (“WHO”) declared COVID-19 a pandemic; and

WHEREAS, on March 13, 2020, President of the United States, Donald J. Trump, issued a Proclamation on Declaring a National Emergency Concerning the Novel Coronavirus Disease Outbreak pursuant to section 501 (b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act; and

WHEREAS, no vaccine or drug is currently available to cure or combat COVID-19; and

WHEREAS, The City of Destin, Florida (the “City” or “Destin”) is threatened by COVID-19 because of the apparent ability of the virus to spread rapidly among humans, and COVID-19 thereby constitutes a clear and present threat to the health, safety, and welfare of the citizens and visitors of Destin; and

WHEREAS, the CDC has issued guidelines for “community mitigation strategies” to limit the spread of COVID-19, including recommendations for social distancing, which has proven to be an effective method for containing COVID-19; and

WHEREAS, on March 9, 2020, Governor DeSantis issued Executive Order Number 20-52 regarding COVID-19, declaring a state of emergency in the State of Florida and authorizing in accordance with Section 252.38, Florida Statutes, each political subdivision within the State to “waive the procedures and formalities otherwise required of the political subdivision by law pertaining to performance of public work and taking whatever prudent action is necessary to ensure the health, safety, and welfare of the community;” and

WHEREAS, on March 17, 2020, the Okaloosa County Board of County Commissioners declared a local state of emergency; and

WHEREAS, on March 18, 2020, pursuant to Chapter 8, Articles II and III of the City's Code of Ordinances, the City declared a State of Emergency relating to COVID-19 exists in the City; and

WHEREAS, the Declaration of State of Emergency empowers the City with wide latitude allowing it to adopt any measure allowed by law that is in the best interest of the public's health, safety, and welfare; and

WHEREAS, on March 20, 2020, Governor DeSantis issued Executive Order Number 20-69, suspending any Florida Statute requiring a quorum to be present in person or requiring a local government body to meet at a specific public place, and allowing local government bodies to utilize communications media technology as provided in § 120.54(5)(b)2., Florida Statutes; and

WHEREAS, on March 25, 2020, the City's Declaration of State of Emergency was extended by Extension Number 1; and

WHEREAS, on April 1, 2020, the COVID-19 Declaration and Extension Number 1 thereto were duly ratified and approved by the Destin City Council; and

WHEREAS, on April 1, 2020, the Destin City Council authorized and directed the City Manager to issue Extension Number 2 to the COVID-19 Declaration; and

WHEREAS, § 252.46, Florida Statutes, permits political subdivisions of the state to make, amend, and rescind such orders and rules as are necessary for emergency management purposes and to supplement and carry out the provisions of §§ 252.31-252.90, Florida Statutes; and

WHEREAS, Section 3.11(b), of the City Charter permits the City Council to determine its own rules and order of business; and

WHEREAS, The City Charter generally empowers the City Council to adopt measures relating to the public's health, safety, and welfare; and

WHEREAS, the measures implemented below are as narrowly tailored as possible to protect the public's health, safety, and wellbeing; and

NOW, THEREFORE, the City Council of the City of Destin, Florida, does hereby declare and establish the following:

Section 1. Recitals.

1. The foregoing recitals are true and correct, and incorporated into this Resolution.

Section 2. Ratification of the Extension Number 2 of the Declaration of State of Emergency.

2. The issuance of Extension Number 2 of the Declaration of State of Emergency is hereby ratified and affirmed.

Section 3. Procedures for Future Extensions of the Declaration of State of Emergency.

3. Future Extensions of the Declaration of State of Emergency shall be subject to ratification and affirmation of the City Council.

Section 4. Severability.

4. If any portion of this Resolution is determined by any Court to be invalid, the invalid portion shall be stricken, and such striking shall not affect the validity of the remainder of this Resolution.

Section 5. Effective Date.

5. This Resolution shall be effective immediately upon adoption and shall continue to remain in effect until superseded by action of the City Council through vote, future resolution, or future ordinance.

PASSED AND DULY ADOPTED BY THE CITY COUNCIL OF THE CITY OF DESTIN, FLORIDA THIS 6th DAY OF APRIL 2020.

GARY JARVIS, MAYOR

ATTEST:

REY BAILEY, CITY CLERK

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY FOR THE
CITY OF DESTIN, ONLY:**

**KYLE S. BAUMAN, ESQ.
CITY ATTORNEY**

DECLARATION OF STATE OF EMERGENCY
CITY OF DESTIN, FLORIDA

On this 18th day of March, at ~~4:30~~ p.m., the Mayor and City Manager of the City of Destin, Florida (the "City") hereby jointly declare a State of Emergency in response to the novel coronavirus, COVID-19.

WHEREAS, the Centers for Disease Control and Prevention ("CDC") expects widespread transmission of the novel coronavirus, COVID-19, and the pandemic has reached Florida and Okaloosa County; and

WHEREAS, the President of the United States of America, declared a state of national emergency and has issued guidelines which include limiting public gatherings to 10 people or fewer; and

WHEREAS, on March 1, 2020, Governor Ron Desantis, of the State of Florida (the "Governor"), issued Executive Order No. 20-51, directing the Florida Department of Health to issue a Public Health Emergency; and

WHEREAS, on March 1, 2020, the State Surgeon General and State Health Officer declared a Public Health Emergency exists in the State of Florida as a result of COVID-19; and

WHEREAS, on March 17, 2020, the Governor issued Executive Order No. 20-68, limiting the operation of bars, pubs, nightclubs, and restaurants, and further directing parties accessing public beaches in the State of Florida to follow CDC guidelines by limiting their gatherings to no more than 10 persons, and distancing themselves from other parties by 6 feet; and

WHEREAS, on March 17, 2020, the Okaloosa County Board of County Commissioners declared that a state of emergency exists in Okaloosa County; and

WHEREAS, in accordance with § 252.38, Florida Statutes, Executive Order 20-52 authorizes the City to waive the procedures and formalities otherwise required of the City by law pertaining to (1) performance of public works and taking whatever prudent action is necessary to ensure the health, safety, and welfare of the community; (2) entering into contracts; (3) incurring obligations; (4) employment of permanent and temporary workers; (5) utilization of volunteer workers; (6) rental of equipment, (7) acquisition and distribution, with or without compensation, of supplies, materials, and facilities, and (8) appropriation and expenditure of public funds; and

WHEREAS, § 252.38(3), Florida Statutes, authorizes the City to declare a state of emergency and to waive the procedures and formalities otherwise required of political subdivisions by law; and

WHEREAS, pursuant to the City's broad constitutional home rule powers, it has the authority to institute reasonably tailored measures designed to protect the public's health, safety, and welfare; and

WHEREAS, Chapter 8, Article II, of the City's Code of Ordinances (the "Code") sets forth the procedures for the City to follow in the event of a emergency; and

WHEREAS, Chapter 8, Article III, of the Code empowers the Mayor and/or City Manager to proclaim that a civil emergency exists and institute measures designed to protect the public's health, safety, and welfare; and

WHEREAS, the City is threatened by COVID-19 because the deadly virus spreads rapidly among humans and has the potential to overwhelm healthcare infrastructure; and

WHEREAS, COVID-19 constitutes a clear and present threat to the public's health, safety, and welfare.

NOW, THEREFORE, in consideration of the recitals above, all of which are incorporated herein below by reference, the Mayor and City Manager hereby jointly declare a State of Emergency, and further state:

Section 1. Boundaries of the areas affected by the emergency.

This State of Emergency encompasses the City's entire municipal bounds.

Section 2. Powers.

The City shall have the right to exercise the full complement of powers afforded to the City through its broad constitutional home rule powers, any executive order issued by the Governor, any powers described in Florida Statutes, including, but not limited to § 252.38, Florida Statutes, and any powers described in the City's Code, including, but not limited to, Chapter 8, Articles II and III.

Section 3. Direction to the Public.

The Public, including all businesses, is hereby directed to comply with any emergency orders, regulations, and measures issued by the City, Okaloosa County, the State of Florida, and to cooperate with safety personnel in executing these orders, regulations, and measures.

Section 4. Course of action.

This State of Emergency shall take effect immediately and shall remain in effect as long as law allows and until the Mayor and City Manager determine that a state of emergency no longer exists. However, this State of Emergency shall not to exceed any Executive Order from the Governor revoking or withdrawing Executive Order 20-51 and if Executive Order 20-51 is revoked or withdrawn, then this State of Emergency shall terminate automatically and without further action by the Mayor or City Manager.

Section 5. Direction to City Staff.

This State of Emergency shall be disseminated to the appropriate City agencies, the Okaloosa County Sheriff's Office, the Okaloosa County Board of County Commissioners, the local news media, and the general public, as soon as possible.

IT IS SO DECLARED AND ORDERED THIS 18TH DAY OF MARCH, 2020.


Lance Johnson, City Manager

Date: 3/18/2020


Gary Jarvis, Mayor

Date: 3/18/2020

Attest:


Rey Bailey, City Clerk

Date: 3/18/2020

Approved as to form and legal
sufficiency:


Kyle Bauman, City Attorney

Date: 3/18/2020

**EXTENSION NO. 2 – COVID-19
DECLARATION OF STATE OF EMERGENCY
CITY OF DESTIN, FLORIDA**

WHEREAS, on March 1, 2020, Governor Ron DeSantis issued Executive Order No. 20-51 directing the Florida Department of Health to issue a Public Health Emergency, which direction was followed by the appropriate agencies; and

WHEREAS, on March 9, 2020, Governor Ron DeSantis issued Executive Order No. 20-52 declaring a State of Emergency for every county in Florida for COVID-19; and

WHEREAS, on March 18, 2020, the Mayor and City Manager of the City of Destin, Florida (the “City”) jointly issued a Declaration of a State of Emergency (the “COVID-19 Declaration”) in response to COVID-19; and

WHEREAS, there is law potentially limiting the COVID-19 Declaration’s effect to a period of only seven (7) days; and

WHEREAS, the conditions continue to exist requiring the extension of the COVID-19 Declaration; and

WHEREAS, on March 25, 2020, the Mayor and City Manager jointly issued Extension Number 1 to the COVID-19 Declaration;

WHEREAS, on April 1, 2020, the COVID-19 Declaration and Extension Number 1 thereto were duly ratified and approved by the Destin City Council; and

WHEREAS, on April 1, 2020, the Destin City Council authorized and directed the City Manager to issue Extension Number 2 to the COVID-19 Declaration; and

NOW THEREFORE, in consideration of the recitals above, all of which are incorporated herein below by reference, the City Manager hereby extends the COVID-19 Declaration, and further states:

Section 1. COVID-19 Declaration Extended.

1. The COVID-19 Declaration is hereby extended for the maximum amount of time allowed by law or until the City Council determines that a state of emergency no longer exists. However, this the state of emergency shall not exceed any Executive Order from the Governor revoking or withdrawing Executive Order 20-51 and if Executive Order 20-51 is revoked or withdrawn, then this State of Emergency shall terminate automatically and without further action by the City Manager or City Council.
2. This Extension shall be subject to ratification by the City Council.

DULY EXECUTED this 2nd day of April, 2020.

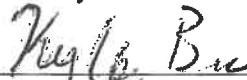

Lance Johnson, City Manager

Date: 4/2/2020

Attest:


Key Bailey, City Clerk
Date: 4/2/2020

Approved as to form and legal
sufficiency:


Kyle Bauman, City Attorney
Date: 4/2/2020

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: April 6, 2020**TYPE OF AGENDA ITEM:** City Manager Report

TO: City Council**THRU:** Lance Johnson, City Manager
Webb Warren, Deputy City Manager
Julio Lacayo, Interim Finance Director**FROM:** Jeffrey Cozadd, Grants Manager**DATE:** April 2, 2020**SUBJECT:** Request Approval to submit Tourist Development Department Operational & Capital Funding Requests to the Okaloosa County Tourist Development Council

I. BACKGROUND:

Tourism Development Council (TDC) funding requests - At the request of Council on September 16, 2019, City staff have prepared two TDC funding requests. The first request is for Destin Park Operation and Maintenance expenses, the second funding request is for additional public safety services through the Sheriff's Office and Destin Fire District. Applications are due April 10, 2020.

The Park Operation and Maintenance request is a recurring funding request that has been made annually since 2015.

The public safety services request is a new request that originated from Council concerns regarding insufficient public safety services in the city's most frequented tourist areas. Florida Statute 125.0104 6 e (c) does allow for 10% of tax revenue received to be used to reimburse expenses incurred in providing public safety services which are needed to address impacts related to increased tourism and visitors to an area.

II. DISCUSSION: The TDC Destin Park Operation and Maintenance funding request has been submitted annually for some time. This year's funding request is consistent with both scope of service and funding levels as previous requests.

The TDC public safety services funding request came as a result of Council discussion on 9/16/19 requesting for the TDC to provide funding for additional public safety services due to the increased amount of tourism that the city has

been experiencing. On 2/25/20 Council emailed the City Manager a list of additional public safety services that the Council would like to see provided at City tourist locations, specifically the harbor and beach areas.

A. Link to Strategic Goals / Objectives: Goal 1 Objective 1A: Create and maintain strategies for revenue growth, expenditure monitoring, and long term financing options.

1A2: Evaluate and recommend alternative revenue sources and grant opportunities.

This item is also priority #5 on the 2020 City Council's objective list in the City's strategic plan.

B. Effect on Budget (EOB): No matching funds are required for the TDC funding.

The Park Maintenance request is for \$459,000

The Public Safety Services request is for \$528,564.46

Both requests would be in the form of a reimbursement grant from the TDC. The City would need to submit eligible expenses and documentation of payment in order to be reimbursed from the TDC.

C. Level of Service (LOS): If funded these request would provide both safety and economic benefits to the City of Destin.

III. CONCLUSION: Staff is requesting approval from Council to move forward with the submission of two funding requests to the Tourist Development Department of the TDC.

IV. RECOMMENDED MOTION: I move that the Destin City Council authorize City staff to move forward with the Tourist Development Department Operational & Capital Funding Requests through the Okaloosa County Tourism Development Council and submit those requests by the April 10, 2020 deadline.

Attachments:

1. TDC Narrative Destin Public Safety
2. FY21 Funding Request - Destin
Public Safety request
3. FY21 Funding Request - Destin Park
Maintenance request
4. Public Safety Budget - Sheriff
5. Public Safety Budget - Destin Fire

Funding Request Information:

This funding request is for additional contractual services of first responders through Okaloosa County Sheriff's Office and Destin Fire Control District. This funding would increase the Sheriff's Office presence on the beach and harbor to better ensure the safety and wellbeing of our tourists.

With the growing number of tourists every year we find that services through the Sheriff's Office are in very high demand and this is especially true of the beach and harbor areas. This funding request would also increase the number of lifeguards present at Norriego Point and expand that service to year-round coverage. We anticipate with the planned improvements to Norriego Point that the usage of this area will increase both in visitors and that it will become a year-round attraction.

Okaloosa County Sheriff's Office- The City of Destin's present Law Enforcement Service Agreement with the Sheriff's Office is for \$2,327,806. In FY19 the contract was \$2,160,198. FY18 and FY17 were \$1,975,080 and \$1,767,705 respectively. There has been a steady increase from year to year in the contracts that deliver similar amounts of services each year. Due to the rising cost of the existing contract with the Sheriff's Office, Destin is not financially able to allocate more funding for additional services even though these services are much needed. The need for the additional services is a result of the growing number of tourists to the Destin harbor and beach locations. These locations are seeing year-round use by tourists and the numbers continue to grow from year to year, not considering the 2020 tourist numbers. It is expected that once the COVID-19 pandemic has passed, tourists will return to Destin in great numbers.

Presently the service agreement with the Sheriff's Office provides funding for 17 patrol deputies, two investigators, one deputy front desk position, and one marine patrol deputy. This funding request would include the expenses of two full-time employees, one marine unit, and one beach unit fully equipped. Future funding requests for these services would be reduced since the boat, truck and ATV would already be purchased. This additional service agreement request is for \$328,989.

Destin Fire Control District – With the recreational improvements scheduled for Norriego Point that will include restrooms, showers, bike and jogging trail, a rest area for kayakers, a picnic pavilion, and vehicle parking, it is reasonable to expect a significant amount of tourists will utilize this area more than ever. With the addition of these facilities we also expect Norriego Point to be utilized year-round.

Due to high and low tide cycles and frequent rip currents, Norriego Point poses an increased danger to swimmers and it will be necessary to increase lifeguard coverage during the peak season and reduced coverage throughout the remainder of the year. Norriego Point experiences Red Flag conditions a minimum of 12 hours a day due to the diurnal tide changes. Over the past 10 years, there have been numerous drownings in the area of East Pass and the additional recreation improvements will substantially increase the use of this area including gulf water access. Most beach locations that offer free parking, restrooms, and water access also provide year-round lifeguards and Norriego Point should be no exception.

Our present FY20 contractual service contract with the Destin Fire Control District is for \$100,000 and provides limited lifeguard coverage at Norriego Point as well as other City beach locations. This additional service contract request is for \$199,575.46 and would include three year-round lifeguards at the Norriego Point location and the needed equipment.

SECTION THREE: OPERATIONAL & CAPITAL FUNDING REQUESTS

ANNUAL APPLICATION DEADLINE: APRIL 10

L.100. PURPOSE

The TDD may provide operational and capital funding support to organizations promoting tourism within the sub-county taxing district, as authorized under Section 125.0104, Florida Statutes, and Okaloosa County's Tourist Development Plan.

L.200. AUTHORIZATION

The TDD may set aside a portion of the overall annual budget as a budgeted line item to fund operational and capital funding requests approved in accordance with this Manual.

L.300. APPLICATION PROCESS

- 1) The application must be completed in its entirety in order for the funding request to be presented to the Tourist Development Council for consideration. Supplemental information may be provided, but summary information must be provided in each section of this form.
- 2) **Applications are due by April 10** to be considered for the upcoming fiscal year budget.

For example, applications for expenses to be incurred October 1, 2020 through September 30, 2021 are due no later than April 10, 2020.

- 3) The individual signing the Application must be authorized to enter into agreements on behalf of the requesting organization.
- 4) Applications may be electronically submitted or hand-delivered or mailed to the Tourist Development Department, 1540 Miracle Strip Pkwy SE, Fort Walton Beach, FL 32548. Incomplete applications and applications received after 5pm on April 10 may not be considered. A Conflict of Interest form must be submitted with the application.
- 5) Applications received by April 10 shall be presented to the Tourist Development Council during its May budget meeting to be considered for funding as part of the annual budget process.
- 6) Upon final adoption of the annual budget by the Board of County Commissioners in mid-September, applications will be processed in accordance with County Purchasing approval authority limits and a purchase order or contract issued.
- 7) Applicants shall be notified of their funding status in mid to late September.
- 8) An exception to the April 10 application deadline may be granted by the Tourist Development Director for emergency situations when the issues are time critical. If an exception is granted, the application will be presented to the Council for consideration. If funding is approved by the Council and budget funds are available, the application will be executed in accordance with County Purchasing approval authority limits. If funding is approved by the Council and a budget amendment from reserves is required, recommendation of the Council and approval by the Board is required regardless of dollar amount. If the budget amendment is approved, the application will be executed in accordance with County Purchasing approval authority limits.

L.400. REIMBURSEMENT PROCESS

- 1) Payments are on a reimbursement basis only. Copies of proof of performance and proof of payment for approved expenditures must accompany the organization's invoice.
- 2) **Reimbursement requests are due no later than October 15.** Funding lapses at fiscal year end (September 30). Failure to submit a timely invoice along with proof of performance and proof of payment may result in forfeiture of funding.
- 3) The TDD recognizes that amounts requested on the Operational & Capital Funding Request may vary from amounts actually incurred. While variances in dollar amounts among approved expenditures are acceptable, only expenditures approved on the application will be paid and the total invoiced for reimbursement may not exceed the total approved on the Funding Request.
- 4) In the event a portion of an invoice submitted to the County for payment, as specified above, is disputed, payment for the disputed amount may be withheld pending resolution of the dispute, and the remainder of the invoice will be processed for payment without regard to that portion which is in dispute.



Okaloosa County Tourist Development Department Operational & Capital Funding Request (Annual Deadline: April 10)

This form is to be used for all operational and capital requests for tourist development tax funding to facilitate the review and approval process. This form must be completed in its entirety in order for the funding request to be presented to the Tourist Development Council for consideration. Supplemental information may be provided, but summary information must be provided in each section of this form.

ORGANIZATION INFORMATION:

Name: City of Destin
Tax I.D.: 59-2480854
Contact Person: Jeff Cozadd Title: Projects/Grants/Contracts Manager
Phone: 850-279-4228 Email: jcozadd@cityofdestin.com
Street Address: 4200 Indian Bayou Trail City/ST/Zip: Destin, Fl. 32541
Briefly describe the organization: City Government

FUNDING REQUEST INFORMATION:

Describe the funding request in detail. Attach pictures or any other supporting documentation.
This funding request is for additional first responder contractual services through Okaloosa County Sheriff's Office
and Destin Fire Control District. The City of Destin is making this funding request based on Florida Statute 125.0104 6 e (c)
which allows up to 10% of tax revenue to be used to reimburse expenses incurred in providing public safety services.
This request is for additional public safety services directly related to increased tourism and does not supplant any services
the City of Destin is currently contracting for. This request is also consistent with City of Destin's strategic plan.

Please see the attached narrative for a details of the funding request.

Describe how the funding request promotes tourism within the sub-county taxing district.
The well being and safety of tourists is paramount in any vacation destination. The increased services provided by the
Sheriff's Office and Destin Fire District will create a a safer environment in Destin for our tourists. Efforts to increase safety
in the harbor and on the beaches are of great importance to our tourists and promote the appeal of Destin to vacationing
families. The harbor and beaches are both very attractive to tourists but both should also be areas of caution, additional
officers and lifeguards in those areas will substantially decrease the response time should an emergency arise.

Describe other funding methods pursued and why Tourist Development Tax funding is necessary.
Whenever available, the City pursues both State and Federal grants to cover these expenditures.

Dates during which expenses will be incurred: Start Month/Year: 10/1/2020 End Month/Year: 9/30/2021

Itemize expenses requested for reimbursement. Denote what portion of the expense, if any, is funded by another source. Attach quotes or any other supporting documentation.

Expenditure Type	Detailed Description	Amount funded by tourist development tax	Amount funded by other sources	
Contractual Serv	Okaloosa County Sherriff's Office for add. services	\$ 328,989.00		
Contractual Serv	Destin Fire District for additional services	\$ 199,575.46		
<select one>				
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	TOTAL	\$ 528,564.46	\$ 0.00	\$ 528,564.46

Note: Item(s) may be disqualified individually without impacting other items listed.

Upon completing this funding request in its entirety, please read the following statement and affix your signature.

I am submitting this funding request on behalf of my organization and am aware that this request will be reviewed for final approval. I have completed this funding request fully and accurately, understand that all information submitted will be used to determine funding eligibility, and have not misrepresented any information contained herein.

I understand that if the funding request is approved, payment will be made on a reimbursement basis based on actual expenses incurred. While actual expenses may vary from the amounts noted on this funding request, the total dollar amount reimbursed will not exceed the total dollar amount approved. Copies of vendor invoices, proof of payment, and an invoice from my organization to the County will be required for payment.

Signature of Applicant

Date

Lance Johnson, City Manager

Printed Name of Applicant

OFFICIAL USE ONLY

Allowable use of tourist development tax funds per F.S. 125.0104? Yes _____ No _____

Allowable use of tourist development tax funds per Ordinance 14-08? Yes _____ No _____

Fiscal Year in which funds will be disbursed: FY _____

Funding Source: 1st _____ 2nd _____ 3rd _____ 5th _____

Funding Source: Contingency Budget _____

Budget Reallocation _____

Reserves Amendment _____

Approved By: _____

In accordance with County purchasing approval authority limits.

Total Funding Approved: \$ _____

Title: _____

Date: _____

CONFLICT OF INTEREST DISCLOSURE FORM

For purposes of determining any possible conflict of interest, all bidders/proposers, must disclose if any Okaloosa Board of County Commissioner, employee(s), elected officials(s), or if any of its agencies is also an owner, corporate officer, agency, employee, etc., of their business.

Indicate either "yes" (a county employee, elected official, or agency is also associated with your business), or "no". If yes, give person(s) name(s) and position(s) with your business.

YES_____

NO_____

NAME(S)

POSITION(S)

FIRM NAME: _____

BY (PRINTED): _____

BY (SIGNATURE): _____

TITLE: _____

DATE: _____

ADDRESS: _____

PHONE NO. _____

E-MAIL _____

SECTION THREE: OPERATIONAL & CAPITAL FUNDING REQUESTS

ANNUAL APPLICATION DEADLINE: APRIL 10

L.100. PURPOSE

The TDD may provide operational and capital funding support to organizations promoting tourism within the sub-county taxing district, as authorized under Section 125.0104, Florida Statutes, and Okaloosa County's Tourist Development Plan.

L.200. AUTHORIZATION

The TDD may set aside a portion of the overall annual budget as a budgeted line item to fund operational and capital funding requests approved in accordance with this Manual.

L.300. APPLICATION PROCESS

- 1) The application must be completed in its entirety in order for the funding request to be presented to the Tourist Development Council for consideration. Supplemental information may be provided, but summary information must be provided in each section of this form.
- 2) **Applications are due by April 10** to be considered for the upcoming fiscal year budget.

For example, applications for expenses to be incurred October 1, 2020 through September 30, 2021 are due no later than April 10, 2020.

- 3) The individual signing the Application must be authorized to enter into agreements on behalf of the requesting organization.
- 4) Applications may be electronically submitted or hand-delivered or mailed to the Tourist Development Department, 1540 Miracle Strip Pkwy SE, Fort Walton Beach, FL 32548. Incomplete applications and applications received after 5pm on April 10 may not be considered. A Conflict of Interest form must be submitted with the application.
- 5) Applications received by April 10 shall be presented to the Tourist Development Council during its May budget meeting to be considered for funding as part of the annual budget process.
- 6) Upon final adoption of the annual budget by the Board of County Commissioners in mid-September, applications will be processed in accordance with County Purchasing approval authority limits and a purchase order or contract issued.
- 7) Applicants shall be notified of their funding status in mid to late September.
- 8) An exception to the April 10 application deadline may be granted by the Tourist Development Director for emergency situations when the issues are time critical. If an exception is granted, the application will be presented to the Council for consideration. If funding is approved by the Council and budget funds are available, the application will be executed in accordance with County Purchasing approval authority limits. If funding is approved by the Council and a budget amendment from reserves is required, recommendation of the Council and approval by the Board is required regardless of dollar amount. If the budget amendment is approved, the application will be executed in accordance with County Purchasing approval authority limits.

L.400. REIMBURSEMENT PROCESS

- 1) Payments are on a reimbursement basis only. Copies of proof of performance and proof of payment for approved expenditures must accompany the organization's invoice.
- 2) **Reimbursement requests are due no later than October 15.** Funding lapses at fiscal year end (September 30). Failure to submit a timely invoice along with proof of performance and proof of payment may result in forfeiture of funding.
- 3) The TDD recognizes that amounts requested on the Operational & Capital Funding Request may vary from amounts actually incurred. While variances in dollar amounts among approved expenditures are acceptable, only expenditures approved on the application will be paid and the total invoiced for reimbursement may not exceed the total approved on the Funding Request.
- 4) In the event a portion of an invoice submitted to the County for payment, as specified above, is disputed, payment for the disputed amount may be withheld pending resolution of the dispute, and the remainder of the invoice will be processed for payment without regard to that portion which is in dispute.



Okaloosa County Tourist Development Department
Operational & Capital Funding Request (Annual Deadline: April 10)

This form is to be used for all operational and capital requests for tourist development tax funding to facilitate the review and approval process. This form must be completed in its entirety in order for the funding request to be presented to the Tourist Development Council for consideration. Supplemental information may be provided, but summary information must be provided in each section of this form.

ORGANIZATION INFORMATION:

Name: City of Destin
Tax I.D.: 59-2480854
Contact Person: Jeff Cozadd Title: Projects/Grants/Contracts Manager
Phone: 850-279-4228 Email: jcozadd@cityofdestin.com
Street Address: 4200 Indian Bayou Trail City/ST/Zip: Destin, Fl. 32541
Briefly describe the organization: City Government

FUNDING REQUEST INFORMATION:

Describe the funding request in detail. Attach pictures or any other supporting documentation.
General Operation and Maintenance costs for tourist provided amenities along the beach and harbor.

This year's funding request includes maintenance and repairs to the harbor boardwalk
The boardwalk is in need of structural repair in a number of areas and the entire boardwalk
needs to be pressure washed and then resealed. This was last done in 2015. As a major tourist destination it is important
for the boardwalk to remain safe and in a state of good repair to maximize its appeal as part of the harbor's main attraction.

Describe how the funding request promotes tourism within the sub-county taxing district.
Destin is the primary tourist destination in Okaloosa County with the majority of tourists flocking to Destin's beaches,
restaurants, and tourist related business through out the year. This funding allows for general repair, maintenance, and
addition of tourist related facilities within the City.

Describe other funding methods pursued and why Tourist Development Tax funding is necessary.
Whenever available, the City pursues both State and Federal grants to cover these expenditures.

Dates during which expenses will be incurred: Start Month/Year: 10/1/2020 End Month/Year: 9/30/2021

Itemize expenses requested for reimbursement. Denote what portion of the expense, if any, is funded by another source. Attach quotes or any other supporting documentation.

Expenditure Type	Detailed Description	Amount funded by tourist development tax	Amount funded by other sources
Wages	Employee Wages & Benefits	\$ 250,960.00	
Contractual Serv	Contract Repair and Maintenance costs	\$ 31,500.00	
Operating Suppl	General Operating Supplies	\$ 44,671.00	
Promotions/Adv	Printing & Binding & Advertising Exp.	\$ 1,345.00	
Travel	Training and Certification	\$ 2,000.00	
Utilities	Electricity, Water, Gas ect.	\$ 21,000.00	
Facility Mainten	Repairs & Maintenance of park/harbor facilities	\$ 45,124.00	
Facility Mainten	Boardwalk Restoration Project	\$ 37,400.00	
<select one>	Risk Management - Insurance Premiums	\$ 24,000.00	
<select one>	Equipment Rental and Leases	\$ 1,000.00	
<select one>			
<select one>			
<select one>			
<select one>			
<select one>			
	TOTAL	\$ 459,000.00	\$ 0.00
			\$ 459,000.00

Note: Item(s) may be disqualified individually without impacting other items listed.

Upon completing this funding request in its entirety, please read the following statement and affix your signature.

I am submitting this funding request on behalf of my organization and am aware that this request will be reviewed for final approval. I have completed this funding request fully and accurately, understand that all information submitted will be used to determine funding eligibility, and have not misrepresented any information contained herein.

I understand that if the funding request is approved, payment will be made on a reimbursement basis based on actual expenses incurred. While actual expenses may vary from the amounts noted on this funding request, the total dollar amount reimbursed will not exceed the total dollar amount approved. Copies of vendor invoices, proof of payment, and an invoice from my organization to the County will be required for payment.

Signature of Applicant

Date

Lance Johnson, City Manager

Printed Name of Applicant

OFFICIAL USE ONLY

Allowable use of tourist development tax funds per F.S. 125.0104? Yes _____ No _____

Allowable use of tourist development tax funds per Ordinance 14-08? Yes _____ No _____

Fiscal Year in which funds will be disbursed: FY _____

Funding Source: 1st _____ 2nd _____ 3rd _____ 5th _____

Funding Source: Contingency Budget _____

Budget Reallocation _____

Reserves Amendment _____

Approved By: _____

In accordance with County purchasing approval authority limits.

Total Funding Approved: \$ _____

Title: _____

Date: _____

CONFLICT OF INTEREST DISCLOSURE FORM

For purposes of determining any possible conflict of interest, all bidders/proposers, must disclose if any Okaloosa Board of County Commissioner, employee(s), elected officials(s), or if any of its agencies is also an owner, corporate officer, agency, employee, etc., of their business.

Indicate either "yes" (a county employee, elected official, or agency is also associated with your business), or "no". If yes, give person(s) name(s) and position(s) with your business.

YES_____

NO_____

NAME(S)

POSITION(S)

FIRM NAME: _____

BY (PRINTED): _____

BY (SIGNATURE): _____

TITLE: _____

DATE: _____

ADDRESS: _____

PHONE NO. _____

E-MAIL _____

Destin Beach/Marine Unit FY 2021 Cost Worksheet
March 31, 2020

		FY 2021 Estimated FTE = 2
Personnel Expenses		
	Regular Payroll \$	97,608
	Social Security	7,467
	Retirement	23,865
	Workers Compensation	13,347
	Insurance	33,219
Total Personnel		\$ 175,506
Operational Expenses		
	Professional Liability \$	2,145
	Aviation Liability	-
	Automobile Liability	1,475
	Automobile Collision	2,552
	Auto Repair and Maintenance	1,300
	Cameras	3,534
	Tires	1,140
	Fuel	10,600
	Uniforms & Duty Gear	1,655
	Support Allocation	29,582
	Vessel Repair/Maintenance	1,200
Total Operational		\$ 55,183
Capital Expense		
	Truck Acquisition \$	42,500
	Boat Acquisition	50,200
	ATV Acquisition	5,600
Total Capital		\$ 98,300
TOTAL CONTRACT		\$ 328,989

Jeffrey Cozadd

From: Joe D'Agostino <jdagostino@destinfire.com>
Sent: Wednesday, April 1, 2020 12:26 PM
To: Jeffrey Cozadd
Subject: Norriego Lifeguard Destin Fire

[CAUTION: This email originated from outside of the City of Destin email system. DO NOT CLICK on links or open attachments unless you are sure the content is safe.]

Jeff, I have included some numbers for staffing the lifeguard towers(s) at Norriego Point. If we are to staff both towers we will need 5 year round employees, if we staff just one, we will need 3.

Employee	total cost
Lifeguard I	\$ 62,535.82 $\times 3$

Other Costs

atv with modifications	\$ 7,000.00
atv fuel cost	\$ 1,500.00
atv repair and maintenance	\$ 2,000.00
radio service	\$ 108.00
Cell phone #1	\$ 180.00
Cell phone #2	\$ 180.00
Pager #1	\$ 500.00
Pager #2	\$ 500.00
	\$ 11,968.00 $\times 1$

Total \$ 199,575.46

These lifeguards will work 10 hour days during Spring / Summer and 8 hour Days during Fall / Winter.

I believe some justification points include the drownings that have occurred over the last 10 years in the East Pass. I have lost count.

The fact that even with purchasing small parcels of land on the beach, our tourism numbers greatly exceed the space available on the traditional Gulf facing Beach. This will make Norriego even more popular.

You will need to also consider that everyday Norriego Point will have Red Flag conditions for 12 hours. Tides in Destin are diurnal. We have a High and low every 11-12 hours. When the tide is going out, the conditions are horrid for recreating.

Also consider that every Thursday night in Summer, the best seat in the house to watch Emerald Grand Fireworks are free. Yup, that seats at Norriego Point.

Free parking, restrooms, water access in Florida=Lifeguards. Compare how many places in Florida have those amenities and how few do not have year round lifeguards.

Jeff, I know I have just thrown some bullet point facts at you and it is very unorganized but I wanted to get you something quick. Please call me if you have any questions. 850-685-0408. You should also check out our Facebook post from this morning in regards to an incident yesterday at Norriego Point. It did not end well.

Thanks.

Joe D'Agostino

**Beach Safety Division Chief
Destin Fire Control District
848 Airport Road
Destin , FL 32541**

Disclaimer: Florida has a very broad public records law. As a result, any written communication created or received by the Destin Fire Control District will be made available to the public and media, upon request, unless otherwise exempt. Under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public records request, do not send electronic mail to this office. Instead, contact our office by phone or in writing.

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: April 6, 2020

TYPE OF AGENDA ITEM: Announcement

TO: City Council

THRU:

FROM:

DATE:

SUBJECT: Announcements:

1. Capt. Royal Melvin Heritage Park Status Update:
 - a. Rebidding required under 2CFR200 (2 bids required/only 1 received)
 - b. Bid packet is being finalized and will be advertised when all documents are prepared.
 2. COVID-19 Updates
 - a. Staff Travel/Conferences temporarily suspended.
 - b. Current staffing vacancies will be considered on a case-by-case basis.
 - c. Staff voluntary compliance with age and preexisting conditions precautionary measures.
 - d. Policies addressing COVID-19 being developed, implemented and evaluated.
 - e. Municipal staff is classified as "essential personnel."
 - f. We are adjusting staff schedules to minimize person to person contacts.
 - g. To further minimize contact, additional staff are being allowed to telecommute.
 - h. Staff is preparing estimated revenue losses associated with COVID-19.
 - i. Revenue loss impacts on projects is being evaluated.
 - j. PIM continues to push out the most current COVID-19 information to residents.
-

I. BACKGROUND:

II. DISCUSSION:

- A. Link to Strategic Goals / Objectives:**
- B. Effect on Budget (EOB):**
- C. Level of Service (LOS):**

III. CONCLUSION:

IV. RECOMMENDED MOTION:

Attachments:

None

CITY OF DESTIN, FLORIDA

REQUEST FOR CHECK

DATE: March 11, 2020

TO: Accounting Clerk/April Nickens

THROUGH: City Manager/Lance Johnson
(Required if exceeds \$350.00)

THROUGH: Finance Director

FROM: City Clerk/Rey Bailey

DEPARTMENT: City Clerk

BRIEF EXPLANATION: Reimbursement to Councilmember Skip Overdier for expenses incurred while attending the Florida League of Cities IEMO III training, in Orlando, Florida, from March 5-7, 2020

DATE REQUIRED: NEXT SCHEDULED CHECK RUN X
(Check One) MANUAL CHECK REQUIRED _____

VENDOR NAME: Skip Overdier

VENDOR ADDRESS: 705 Gulf Shore
Destin, FL 32541

VENDOR FED ID # _____
(only needed if new vendor)
AMOUNT OF CHECK: \$1,101.23

CHARGE TO ACCOUNT: 0151110.540000

P.O. NUMBER: _____
(If Applicable)

MAIL CHECK WITH NORMAL CHECK RUN _____

RETURN CHECK TO DEPT FOR DISTRIBUTION X

CITY OF DESTIN
TRAVEL EXPENSE LOG

Name: Skip Overdier

Travel Dates: March 5-7, 2020

Date:					Thursday 5-Mar-20	Friday 6-Mar-20	Saturday 7-Mar-20	Total
Meals:								
Partial Per Diem:								\$ -
Daily Per Diem:					\$ 59.00	\$ 59.00	\$ 59.00	\$ 177.00
Total Meals					\$ 59.00	\$ 59.00	\$ 59.00	\$ 177.00
Transportation:								
Airfare:					\$ 473.00			\$ 473.00
Car Rental:								
Fuel Expenses								
Taxi:					\$ 35.21		\$ 26.26	\$ 61.47
Personal Miles:								
Total Transportation					\$ 508.21		\$ 26.26	\$ 534.47
Lodging:								
Hotel Charges:					\$ 194.88	\$ 194.88		\$ 389.76
					\$ 194.88	\$ 194.88		\$ 389.76
Misc. Expenses:								
Parking:								
Tolls:								
WIFI:								
Other: Explain: Conf. Reg.					\$ 295.00			\$ 295.00
Other: Explain:								
Total Misc. Expenses					\$ 295.00			\$ 295.00
Grand Total		\$ -	\$ -	\$ -	\$ 1,057.09	\$ 253.88	\$ 85.26	\$ 1,396.23

City of Destin
Travel Expense Claim

Name: Skip Overdier

Department: Councilmember

Travel: Place/Purpose Orlando, Florida - IEMO III Training

Date: March 5-7, 2020

Note: All expenses must be supported by a receipt except meal per diems and must be supported by a Travel Expense Log.

Meals/Per Diem: \$ 177.00

Airfare: \$ 473.00

Car Rental: \$ -

Fuel Expenses \$ -

Taxi: \$ 61.47

Personal Miles: \$ - POV

Lodging: \$ 389.76

Parking: \$

Tolls: \$ -

WIFI: \$ -

Other: Itemize \$ 295.00 Conference Registration

Other: Itemize \$ -

\$ -

\$ -

Total Reimbursable Expenses: \$ 1,396.23

Less: Purchasing Card Charges \$ 295.00

Less: Purchasing Card Charges

Balance Due Traveler \$ 1,101.23

Reimburse City for fuel cost \$ -

Net Due Traveler \$ 1,101.23

Finance Director:

Account #: 151110.54

City Manager: Lance Johnson

Date: 3/11/2020

DRAFT

SPECIAL LOCAL PLANNING AGENCY MEETING MINUTES JANUARY 23, 2020 - 5:30 P.M. DESTIN CITY HALL BOARDROOM

1. CALL TO ORDER:

Chairman Wood called the Special Local Planning Agency Meeting to order on Thursday, January 23, 2020 at 5:30 p.m., in the Destin City Hall Boardroom; with the Pledge of Allegiance immediately following.

2. ROLL CALL:

Members Present

James T. Wood, Jr.
Darryl Shelton
Don David
Corey Ledbetter
Kevin Schmidt
Jason Klosterman

Staff Members Present

Kim Montgomery, Deputy City Clerk
Lauren Witt, Planning Manager
Joe Bodi, Engineering Asst. II
Kimberly Kopp, Land Use Attorney
Kyle Bauman, City Attorney

3. APPROVAL OF MINUTES:

January 9, 2020

Motion by Agency member Shelton seconded by Agency member Klosterman to approve the January 9, 2020 minutes as written, passed with a vote of 6-0.

4. NEW BUSINESS:

The Chairman explained to the audience that the LPA makes recommendations to City Council so there may be another meeting, at a later date for this issue. He also explained Council adopted an ordinance that that limits the timeframe that an individual or a group of people can speak on certain issues that come before them. A group is 5-minutes, if they all agree to the same conclusion and want a spokesperson to speak and all others will have 3-minutes to individually speak. However, Boards and committees don't have that ruling in place. So, he announced that everyone has a right to speak, but he is going to make the motion to adopt the 5/3 minute ruling for this hearing, in order to have a timely meeting.

Chairman Wood made the motion to limit a group speaker to 5-minutes and individuals to 3-minutes with Agency member Klosterman providing the second. A roll call vote of 6-0 was taken and the motion passed.

The Chairman then explained ex parte communications and asked if any of the members have experienced this prior to this hearing.

DRAFT

Agency member Shelton stated that he has received ex parte communication from people on both sides of this request. And explained that the answer he provided to everyone was the same, that he would make his decision based on the facts of the testimonies and the documents that are presented at this meeting. Additionally, he admitted that he was on this Board 2-years ago when this was initially presented to them and has visited the property on both occasions. He also admitted that he has seen other information that was not a part of their agenda packet for this meeting.

Chairman Wood stated that he always meets with city staff prior to the meetings to get details in order to have a smoothly run meeting. He admitted to having a couple of quick conversations on the phone and face-to-face conversations with a couple of people that approached him. But the facts that will be presented to them tonight will be what he will take under consideration. And he admitted that he has seen some comments on the website Nextdoor.com. He drove to the parcel in question yesterday to remind himself of what is down there.

The City Attorney announced that this is a quasi-judicial hearing and read the ordinance by title into the record.

A. A public hearing regarding Ordinance No. 20-07-CN related to the abandonment of a meandering portion of Harbor Lane. The proposed Ordinance title is as follows:

ORDINANCE NO. 20-07-CN

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR ABANDONMENT OF A MEANDERING PORTION OF HARBOR LANE RIGHT-OF-WAY; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

The City Attorney then swore in the following audience members who wished to provide testimony:

The following listed provided testimony:

Ted Love, 3845 Indian Trail

Danny Davis, NWF Pavers and Landscaping

Rich Lacour, 4061 Indian Bayou N.

Tom Rooney, 45 Country Club Drive

Sandra Trammell, 3823 Indian Trail

Bill K., 1241 Airport Road

John Joubert, 720 Beach Drive

Don G. 704 Harbor Ln.

Bryan Otto, 3826 Indian Trail

DRAFT

Mike Eller, 3794 Indian Trail
Blake Kruger, 227 Mattie M. Kelly
Jean Carter, 3813 Indian Trail
Helen Anderson, 345 Bayou Drive
Ron Furman, 995 Airport Road
Matthew Trammell, 735 Planet Drive
Amanda Belcher,
Michelle Boswell 420 Oak Harbor
Ann Buroker, 4066 Indian Trail
Phillip Destin, 717 Harbor Lane
Al Gardner, 738 Planet Drive
Scott Murie, 37906 Indian Trail
Richard Reiger, 790 Bayou Drive
John Green, 3792 Indian Trail
Joanne Bouchillon, 720 Planet Drive
Robert Bouchillon, 720 Planet Drive

The Land Use Attorney (LUA) explained the details of the request and the portion of right-of-way (ROW) that is being requested is approximately .05 acres. She then asked the Engineering Assistant, Joseph Bodi the following questions (bulleted and in bold) in relation to the application:

➤ **Is the requested vacation consistent with the comprehensive plan?**

It is staff's opinion that the request does not conflict with the Comprehensive Plan and the requested area does not reduce water frontage to Joe's Bayou, owned by the city. And there are no policies in Chapter 2, Transportation that either govern or prohibit a partial segment of vacation of right of way.

➤ **The ROW does not provide the sole access to any property. The remaining access shall not be by easement.**

The access is to the adjoining property and there will not be any ingress/egress easements required for any other part of the property

➤ **The vacation would not jeopardize the current or future location of any utilities.**

All utilities have provided clearance letters although, a couple have requested for easements.

- **The proposed vacation is not detrimental to the public interest. City ownership of the ROW is no longer necessary to accomplish any valid city purpose.**

Staff reviewed this through the current level of service (LOS) and the LOS for this property is, it is only accessible by pedestrians. There is no vehicle access allowed and the water frontage or shoreline will not change as part of this vacation of ROW. Therefore, this request meets all the four criteria requirements.

The LUA asked Mr. Bodi if it is his testimony that the public can still access what is commonly known as a “park” but technically, we know it as a platted ROW. But for purposes of this hearing we will refer to it as a “park” since that is how it’s been used for several decades now.

Can the public still access the “park” area? Yes. Even if the ROW vacation is granted? Yes. What exactly is being requested for this ROW Vacation? Mr. Bodi referenced a map that was displayed on the screen and explained that the city will have 300-feet from the northern ROW to the requested vacation, so there will still be 30-feet of the 60-foot ROW.

What is the difference of what is being requested today as compared to what was request in the previous application 2-years ago? Generally, its real close to what was previously requested. However, it’s pushed a little further south so that almost half of the existing ROW will still remain.

Is there more or less property being sought? About 4-5% more will be left for the ROW.

What was removed from the previous request? There was a proposed parking type turn-around that was eliminated from this request. So now, its solely an access driveway without any parking area? Yes. And staff recommends approval of the Vacation based on compliance with the Code? Yes.

The LUA explained to the Agency members that the burden is now on the applicant to prove that he is in compliance with the Code.

Mr. William Ketchersid with Morgan Ketchersid P.A, on behalf of the applicant, Timothy Krueger briefed the members of the history of how they came before them at the hearing. He explained that at the time Mr. Krueger purchased the property, there was an existing permit issued by the City to construct a driveway on the 60-foot ROW. And Mr.

was under the incorrect assumption that he would be allowed to fence and gate the driveway. However, the city ordinance does not allow for fences or gates in a city ROW. Explaining further, when Mr. Krueger also thought that he would have unimpeded access to his property because of it landlocked by the ROW on the southside and the neighbors on the other side. He spoke of how Florida Law requires every citizen access to their property and even though his assumption was wrong, he thought he would have unencumbered access to his property. Explaining that if ultimately approved, the driveway will be moved 3-feet into the ROW and the full thirty feet will be left for access to the waterfront.

He addressed the following misrepresentations that have been posted on social media and a sign erected at the location:

- ***If approved, the residents of Destin will lose access to the waterfront –***

He provided pictures taken at various times of the day where people have parked their vehicles directly in front of Mr. Krueger's driveway and spoke of multiple instances where they were unable to either enter or leave their home. And where they would have to contact the Sheriff's Dept and a tow company to come out and remove the vehicles.

- ***Water frontage will not be available if approved.***

The same 60-feet of water frontage will still be available to the public if the vacation is granted. Reiterating that there is no loss of the ROW to the public and no impact on the waterfront. He then explained that he and his client Mr. Krueger had been working with Mrs. Trammell and they all thought that they had come to the agreement of Option #3, then come to find out just recently that she is now not in agreement with that compromise.

The LUA clarified for the record that fences and gates are not allowed in city ROW however, the city agrees that Mr. Krueger is entitled a driveway with or without the Vacation. She emphasized, if the Krueger's are granted the approval, they will be able to apply for a permit to fence and gate their property and either way, the driveway will be there. Additionally, it is the city's position to support the request. Noting that this request has been reduced from the initial request 2-years ago and a compromise has been made to allow the residents to continue to use the "park" as well as giving the property owner a buffer from vehicular problems.

The Chairman opened the Public Portion of the meeting.

Mrs. Sandy Trammell, 3823 Indian Trail agreed that she was involved in a conference call with Mr. Krueger and his attorney Mr. Ketchersid. She then asked to enter into the record a petition signed by 133 people that reads:

1. Signing this petition indicates that you are in favor of the property owner having a 12-foot driveway extending from his property line to the south half of the current road. Without fencing, cameras, additional parking, or landscaping in the ROW.
2. You do not want a Vacation of said ROW.

Mrs. Trammell then showed a picture of the ROW and pointed out a stucco cinderblock wall that sits 10-feet into the ROW and questioned, where the 30-feet is because of the wall. Adding that is part of the reason why they are not in agreement with the request because they need a better clarification of what is planned. She also added that if the area is vacated and a fence is installed, a hazard zone will be created with a blind spot that cannot be seen by patrols; and is their main objection.

The LUA explained what Mrs. Trammell was referring to is the old design and asked Mr. Bodi to explain the newest proposal.

Mr. Bodi showed the 2-year plan and explained how it goes further westward and the new design, there is a significant difference that goes back further east and away from the water as well as it has been shifted to the south.

Agency member Klosterman asked how big of a fence is allowed per the Code. According to Mrs. Witt, eight feet is the maximum allowed per code.

The Chairman opened the hearing to the public to provide testimony.

John Joubert, 720 Beach Drive explained that he lives on the opposite side of the water and his back yard looks straight onto the area. He spoke of the numerous times people drive down at night, as far as they can in their vehicles, leave their car lights on and try to swim to his side of the waterway. He spoke of how to him; this park is not needed and all it does is attracts people that don't live in the area who shouldn't be there after dark.

Ted Love, 3845 Indian Trail spoke of using this area for 30+ years and asked, is it a park or a right-of-way? According to the LUA, it's a platted ROW that technically has been used like a park by residents for decades. Mr. Love spoke of what Mr. Krueger is wanting is not going to impact the property at all, everybody can still get down to the

water. He also added that the way the bluff is elevated, as it is, no one can see up towards the entrance from the water. So, if he places a fence, it's not going to make a difference.

Don Guthrie 704 Harbor Lane spoke of how he uses the area quite often to watch the sunset and see his neighbors using it as well. He spoke at first being against the Vacation but now that he knows what is being requested, he is agreeable with Mr. Krueger's request and the man should be able access his property without any problems.

Brian Otto 3826 Indian Trail provided pictures he took and spoke of using the "park" daily since moving into his home three years ago. He stated that his main objection is the fence noting that if it's fenced off, no one can use it. And stated that it would limit access to a lot of people; especially those who are in wheelchairs and pushing strollers.

The City Attorney pointed out that with the physical evidence provided by Mr. Otto, he asked if the applicant's counsel wanted to respond.

Mr. Ketchersid stipulated that he did. He then pointed out to the Agency members that what Mr. Otto provided does not depict what is being proposed. He referred them to the bollards at the end of the road and how they will be moving further to the edge of the driveway. He then referred the Agency members to a picture he supplied that shows a large pickup truck parked right next to the No Parking sign and explained how this is an example of the continual problems experienced at this ROW. Adding that no matter how many "No Parking" signs and "Tow Away Zone" signs are posted, people still continue to park there. He then referenced the comment made about people in wheelchairs and pushing strollers not being able or having a hard time accessing the water. Mr. Ketchersid explained that the City does not maintain the ROW to be accessible to anyone and since it is grass and sand they should not base their decision on that testimony.

Tom Rooney, 45 Country Club Drive explained that he has been working with Mr. Krueger for years now regarding his landscaping and how Mr. Krueger has always maintained that he wants to keep low growing landscaping for minimum impact to the common area. He also spoke of how Mr. Krueger needs to have access to his property and to enable EMS to access his residence, as well as the ROW.

Joanne Bouchillon, 720 Planet Drive provided photographs taken today and spoke of what is being proposed has been shifted but, she feels that the ROW should not be vacated, or a fence installed. She explained that the area is detrimental to the public if the

fence is installed, safety wise. And if the property is sold, the next owner would have the right to install an 8-foot solid fence and thicker shrubbery. Adding that children go down to the water all the time and if a fence is erected no one can see if it's safe to walk back up to the initial access for self-defense purposes, because of the wall on the other side. She also spoke of how there are no streetlights, which is also a safety hazard.

Agency member Klosterman asked staff if the bollards that are in place now are technically a fence. According to the LUA, bollards are allowed in a ROW, but fences require the vacation in order for anyone to get a permit for one to be erected. She explained further that if approved, his driveway will be moved to increase the access to the ROW and will also decrease the area of the driveway. She clarified that a fence and a gate are not part of the request, just the Vacation. Reiterating that Mr. Krueger would still need to come back to the city and pull a permit for a fence and gate. And at that time, staff would review the permit application and address any issues that may apply to the Code. Adding that however this turns out, he will have a driveway with or without the vacation approval.

Mr. Rob Bouchillon, 720 Planet Drive spoke of his concern for the safety issue if an 8-foot fence is erected, it will obstruct the view of people exiting the "park" and also, his concern for the coyote problem that exists in the neighborhood and the safety of his wife and little dogs. Adding that he is all for the installation of a driveway but against the Vacation request. He also spoke of a possible economic impact on the surrounding property values, if the request is approved.

Mike Eller, 3794 Indian Trail spoke of how the people that live on the right side of the ROW intentionally park their cars to make it harder to access the ROW and if the Vacation is approved then it will only make it harder to access. Adding, if people are parking where they shouldn't, he suggested having a tow company cruise the area on a regular basis. Pointing out that if certain people are repeat offenders and get towed a few times that should stop the problem. He added the land was set aside for the purposes of the public to use and he is not in favor of the Vacation request.

Rich Lacour, 4061 Indian Bayou N. spoke of an instance when he, his wife, and two children rode their bikes down to the access and experienced no problem what-so-ever accessing the area with their bikes. Adding that it's probably wider than a lot of the city beach accesses. He spoke of how Mr. Krueger happened to be outside at the time and how he couldn't have been more friendly to he and his family. Adding that Mr. Krueger has a right, as a homeowner, to be able to access his property at all times. As well as a right to have a fence, if it's built to Code.

Blake Kruger, 227 Mattie M. Kelly Blvd. addressed the comment about the area not being properly lit and how it is not a private citizens responsibility to light up and monitor a ROW. Adding that he and his family have always tried to help people and inform the ones that come into their driveway that it's a private residence. He also spoke of how in return, they are generally treated poorly and cussed.

Danny Davis, NWF Pavers and Landscaping spoke of not knowing Mr. Krueger prior to being hired to install the pavers. He explained that he installed Mr. Krueger's driveway by how it was permitted, and also that it was permitted for bushes. But Mr. Krueger installed the bollards instead by listening to the public's wishes of it not being blocked. He spoke of the numerous times he was interrupted when trying to install the driveway by citizens because they didn't want the "park" eliminated and people parking their cars where they shouldn't be. Adding that there is plenty of room for strollers, wheelchairs, bicycles, etc. to access the area.

Jean Carter, 3813 Indian Trail spoke of how when they were looking for a waterfront lot to build their home, they looked at the lot that Mr. Krueger built his home on. But decided against it because the shape of the lot there would be issues being able to access it as well as adequate parking. She spoke how she feels the city should provide him and easement but not a Vacation, which would increase his property value and decrease the neighborhood's.

Helen Anderson, 345 Bayou Drive explained that she is a close neighbor to Mr. Kreuger and spoke of the knowledge she has of he and his family having trespassing problems and added that she herself has witnessed some questionable activity down there and she is in favor of the Krueger's being able to have a gate for their property.

Ron Furman, 995 Airport Road spoke of being familiar of the ROW and familiar with the Krueger's. He spoke of how when personal property rights are concerned, they have to be considered heavily and therefore, he is in favor of the request.

Matthew Trammell, 735 Planet Drive provided photos he took of the ROW showing several cars parked all in the ROW and then asked, "Does the potential still exist post Vacation, for cars to park in the ROW and block his access?" Because it sure looks like it to him. Adding that a fence or a gate would be detrimental to the safety for rest of the neighborhood. As it would make it unsafe for anyone to potentially get attacked. Adding that what he is going to get is a lot of value to his property and a lot of devaluation to the "park" if it's vacated.

Michelle Boswell, 420 Oak Harbor spoke of remembering seeing on the City's website 2-years ago as well as a sign on Google Maps calling the area Joe's Bayou Pedestrian Park suggested an area (that she pointed out in a picture on the screen) where Mr. Krueger's gate could be in his current driveway instead of the city vacating public property.

The City Attorney informed the Chairman that the applicant has the right to respond to Ms. Boswell's comments.

According to Mr. Ketchersid, it was represented to the LPA by the previous person that there is a sign in the area in question that says Joe's Bayou Park. However, it actually says, Joe's Bayou Public Access and the sign also says, "Dusk to Dawn Only." So, all the safety issues that have been brought up tonight are not a true issue because folks should not be there after dark anyway. He reiterated that the sign says public access not public park.

John Green 3792 Indian Trail says it's a park and we own it. It was deeded to as a park for everyone. He doesn't own it, we own it.

Amanda Belcher stated she does not believe in vacating the property.

Joanne Bouchillon handed the Chairman a copy of a "No Trespassing" Warning Document that is on file with the County since 2016 where anyone is authorized to contact the Sheriff's Department if there are cars parked in the area.

Ann Buroker, 4066 Indian Trail, who was sworn in by the City Attorney for testimony, spoke of understanding that Mr. Krueger should be able to access his property but doesn't understand the request if he can still be blocked by illegal vehicles parked at his driveway. Adding that she also doesn't understand the premise to give away the land. Adding that when he bought the property, he knew there would be a challenge to access his property.

Phillip Destin, 717 Harbor Lane wanted to let everyone know that he agrees with what Mrs. Trammell testified to and submitted a letter from his wife into the record.

Al Gardner, 738 Planet Drive stated that he has lived at his address for 20-years and does not agree to giving up public lands to private ownership. He spoke of his permitting process and requirements. He has no problem with Mr. Krieger but hopes he would not intrude upon the public access.

Scott Murie 37906 Indian Trail suggested that since the Burl Oak Tree is no longer healthy, and it should be cut down and Mr. Krueger can have his driveway put in that area and leave the property as it currently is.

Richard Reiger, 790 Bayou Drive spoke of his concern of taking something away from all these people and giving it to one person, who could in turn, sell it tomorrow, and permanent once done. He then asked the members to push the no button.

With no more comments, the Chairman closed the public portion of the meeting and turned it over to staff for additional comments.

The LUA announced to the Agency members that she would like to make a couple of clarifications for the record. She then informed Mr. Bodi how, while he was out of the room, there were comments made by the public saying that the access would not be accessible for strollers, wheelchairs and kayaks if the Vacation is approved. And asked him if those are true statements. According to Mr. Bodi, in the proposed form it will still be accessible as it is now for strollers, wheelchairs and kayaks.

The LUA asked Mr. Bodi in the current application, is there an application for a fence or gate? According to Mr. Bodi, there is not.

She asked Mr. Bodi, if a fence or a gate was to be requested by the current applicant, in the driveway, would they have to come to the City for a permit. According to Mr. Bodi, yes, they would. And would the specification of the gate or fence be reviewed by the City? According to Mr. Bodi, yes, it would.

She then spoke of testimony that parking problems would still occur and would not be fully eliminated if a fence or gate was placed on the driveway. And asked if he would agree that parking violations would be reduced if not eliminated. According to Mr. Bodi, they would be reduced but I don't believe they would be eliminated.

The Chairman asked the applicant if they wanted to provide additional information.

According to Mr. Ketchersid he does have some additional points to make in his closing statements for his client to address.

The questions made by a couple of members that the city was unable to address, since it is not part of the tonight's hearing concerning a wall allegedly built into the ROW, on the other side of Mr. Krueger's property. He explained that theatrically, it does

limit the amount of space in the ROW, but they have no ability to affect that issue, since it belongs to another property owner. As far as the presentation by Mrs. Trammell, he wanted to make it clear that the survey and drawings she was referring to in her testimony were for the old application from two years ago. And Mr. Bodi cleared that up in his testimony with his overlay he showed on the screen. He also showed on the overlay and explained the reason why a gate cannot go in the location that a couple of people suggested is because the public always parks in that location, which right now there is a fence there, and that would not help Mr. Krueger's current situation. And finally, he asked that the application, the attachments thereto, and the PowerPoint presentation be admitted into evidence.

The LUA had no objections to the admittance and entered the Staff Report and attachments into the record as well.

Mr. Tim Krueger, 604 Harbor Lane addressed the Agency members, staff and audience and thanked them all for their attendance. He spoke of agreeing to the comments made that there is nothing left regards to land in the city and the sense of loss. He explained that all they're asking for is 5/100 of an acre and they made it as small as possible. He spoke of the 15-years he lived on Bambi and biked to the ROW; and he too never saw things happening either. But pointed out that is because he didn't live down there all the time like he does now and how the things they see after dark and how it's effected his wife. He spoke of how they are being portrayed as evil people by some, but they're not. He spoke of how he too is a taxpayer and therefore he too is part owner of the access, as mentioned by some people earlier. He spoke of how his attorney, Sandy Trammell and the LUA all spoke on the phone a week prior and they thought they had all come to the agreement of Option 3, which was her plan. He spoke again how this is smallest area they could design to allow a fire truck/EMS to come into their property or for anyone else that could potentially get hurt at the ROW. He spoke of how everyone of his immediate neighbors supports this plan and how just today at 2:55 p.m. when he came home, there was a vehicle parked in his driveway. And finally, he respectfully requested that they approve his request.

The Chairman called for a 5-minute recess.

Upon reconvening from the break, the Chairman asked the LPA members for comments or a motion.

Agency member Shelton explained that he's sat on this board for 4-years and was present when Mr. Krueger came before them 2-years ago. He explained that this is a tough decision for him. Adding that he recently found out that there are several ROW's

similar to this one in the city and feels that the city may set a precedence for others to follow if they approve this request. So, he cannot support the vacation.

Agency member David explained they have a mandate set forth by them to make sure the ordinances brought before them are in compliance with the Land Development Code and the Comprehensive Plan. Additionally, they rely on city staff and legal counsel to provide them with direction. Therefore, to him, there is nothing that was provided to them that is in disagreement with either of those documents and staff has made the logical conclusion that the request be approved.

Agency member David moved that the Local Planning Agency recommend City Council approval of the vacation of a portion of the right-of-way on Harbor Lane, with the condition that the applicant record a Unity of Title for the primary parcel and the newly vacated right-of-way; with Agency member Ledbetter providing the second.

The Chairman asked for staff to provide the answer to how much square feet this request is. According to Mr. Bodi, the request is approximately 2,001.4 square feet.

Agency member Schmidt asked what the reason is for needing the Vacation of ROW.

According to Mr. Kreuger, he was told by the past City Attorney, Jeff Burns that the only way he could have a gate installed would be to apply for a Vacation. Adding that he never initially sought the Vacation, but procedurally that is the only way he could do it to get the gate.

Agency member Schmidt asked Mr. Krueger is there a reason for the gate? According to Mr. Krueger, as he testified earlier, and as early as three hours ago, someone had parked in his driveway. He spoke of how back when the county put in the roadway, they should have paved it all the way to the water. And what many don't realize is, if this doesn't get approved, then the city should just pave the ROW and then there won't be anything left to say because there wouldn't be a "park."

Agency member Schmidt asked Mr. Krueger if he has any plans at this time for what type of gate he wants installed. According to Mr. Krueger, they have not made any final decisions at this time.

Mr. Ketchersid reiterated that any fence or gate would still have to be approved and permitted by the city.

Agency member Schmidt asked if the city could go down and make any adjustments to the wall that is built

According to the LUA, it would have to be researched to find out how, why and by whom it was permitted. But at another time since it has nothing to do with the application before them tonight.

The City Attorney informed the members that their duty is to base their ruling on the evidence that has been presented to them tonight and not theoretical issues about what could be going on with the wall that's been mentioned.

According to Agency member Schmidt, his reason for bringing it up was strictly for the concern of safety.

The LUA spoke of how staff is preparing information to take to Council, if the vacation is approved, for improvements to the "park" such as street lighting and other improvements to help the community, as a whole. Adding that if they wanted to make those recommendations a part of the motion, it's in their purview to do so.

Agency member Schmidt asked if they had considered the southwest portion of the current proposal to the east as well as the rectangle portion in the east corner as another option. According to Mr. Ketchersid that was what was previously proposed however it would interfere with the neighbor's access so it cannot be done. Also, that plan would impact the large oak tree that several folks expressed concerns and does not want it impacted. Agency member Schmidt then spoke of how he understands the concerns voiced but, the request has met all the requirements set forth by the Codes, so it's hard not to support it.

Agency member Ledbetter asked, when it was first presented to them a couple of years ago, did the request not go forward to City Council. According to Mr. Ketchersid, that is correct. Because of the public outcry and no support from this board, the applicant opted to work with Mrs. Trammell and the community to come up with what they had hoped would be a supported smaller petition for a vacation.

With no further comments or questions, the Chairman called for the vote and the motion passed with a 4-2 vote with Agency members Shelton and Klosterman dissenting.

4. DIRECTOR'S REPORT:

None

5. NEXT MEETING: February 27, 2020

6. ADJOURNMENT:

DRAFT

Having no further discussion at this time, the meeting adjourned at 8:00 p.m.

Adopted and approved this _____ day of _____ 2020.

James Wood, Jr. Chairman

Kim Montgomery, Destin City Clerk

**MINUTES OF THE
HARBOR AND WATERWAYS BOARD MEETING
DESTIN CITY HALL, JANUARY 27, 2020 - 5:00 P.M.**

1. CALL TO ORDER:

Chairman Trammell called the Destin Harbor and Waterways Board meeting to order at approximately 5:00 p.m. on Monday, January 27, 2020 at Destin City Hall.

2. ROLL CALL:

<u>Member Present:</u>	<u>Members Absent</u>	<u>Staff:</u>
Matt Trammell	Quinten Selby	Kim Montgomery, Deputy City Clerk
Richard Hoey	Casey Jones	Traci Goodheart , Planner
Guy Tadlock	Jim Green	Lauren Witt, Planning Manager
Bill McKissick		Steven Bauman, City Attorney

3. APPROVAL OF MINUTES: November 25, 2019

Board member Tadlock moved to approve of the November 25, 2019 minutes as written with Board member Hoey providing the second; the motion passes with a 4-0 vote.

4. PUBLIC COMMENT: None

5. NEW BUSINESS:

A) 3813 Indian Trail - AFTER-THE-FACT permit for a ±70 LF of dock, with two (2) catwalks - one (1) 28' x 3' and one (1) 16' x 4' and a 28'x 13' covered boatlift with a 32'x 17' roof.

Mrs. Goodhart explained that this project did meet all the requirements of the Land Development Code, even though it's an after-the-fact permit, and staff recommends approval.

Chairman Trammell spoke of how the drawings for this request should be used as a model for the type of drawings they would like to receive for all project requests. And everything looks to be cited correctly except for being an after-the-fact request.

Committee member Tadlock questioned how this project came to staff's attention. According to Mrs. Goodhart, staff was out in the field and noticed construction of the dock and after some investigation, it was determined the address did not have a permit and a stop work was issued. And although most of the work was already done; a permit was pulled, and staff was able to review the project.

There was a question about the fees associated for this project. According to Mrs. Witt only when there is a stop work issued, the marine construction permit fees are doubled, such as this case. But currently, there are no penalties written in the code.

Board member McKissick mentioned he has spoke with several different people who've said they were under the impression that a dock permit is under their building permit and a separate marine construction permits wasn't necessary.

Motion by Board member Hoey, seconded by Board member McKissick; the members voted 4-0 to recommend that City Council approve the request located at 3813 Indian Trail for the after-the-fact permit for a ±70 LF of dock, with two (2) catwalks - one (1) 28' x 3' and one (1) 16' x 4' and a 28'x 13' covered boatlift with a 32'x 17' roof. Subject to the applicant meeting all the applicable city permit requirements.

B) 437 Calhoun Avenue - Marine Construction Permit application for one (1) 18' x 28' Boathouse over an existing boatlift, with two (2) catwalks; one (1) 8' x 24' catwalk and one (1) 4' x 15'.

According to Mrs. Goodhart, the project request meets all the requirements of the Land Development Code and staff recommends the Board approval of the request subject to the applicant meeting all the permit requirements.

Chairman Trammel recognized the public in attendance.

Mr. Keaton Thiem of 441 Calhoun Avenue explained that he and his wife moved to Destin from Tacoma and spoke of how they purchased their home specifically for the view from their back porch. He stated he has not seen the plans for the project but is aware of where the boat lift is located. And if it is enclosed, it would eliminate their view and he is concerned that would affect the value of their home.

Chairman Trammell asked Mr. Thiem if he has tried to reach out to his neighbor to express their concerns. According to Mr. Thiem, the neighbor lives most of their time in Australia and it is hard it is to get in touch with the owners, especially since they are also not living full time at the house because of the renovations.

Board member Tadlock asked Mr. Thiem if the applicant put the boatlift and boathouse on the opposite side of the dock did he think that would help any. According to Mr. Thiem, he thinks it would.

The Chairman spoke of understanding their concerns but pointed out that at this time, the request meets code. Adding that it's up to the board, and the two options they have is to approve the request as proposed or table the request to allow Mr. Thiem a chance to get a hold of the property owner to try to work out an agreement.

Board member Tadlock asked if they approved the request conditionally would the applicant then be required to resubmit the request all over again. According to Mrs. Goodhart, if there are any modification to the permit, the applicant would have to resubmit with both the city and the State.

Motion by Board member McKissick to table the request with Board member Tadlock providing the second.

Board member Hoey pointed out that this is essentially about a riparian view conflict and is something he needs to get with his neighbor about. Chairman Trammell also pointed out to Mr. Thiem that if his neighbor agrees to make the change there is an additional expense to his neighbor that he should take into consideration.

The Chairman called for the vote on the motion to table the request. A roll call vote of 4-0 was taken and the motion passed unanimously.

C) Board for Board & After-The-Fact Marine Construction Memorandum

According to Mrs. Goodhart, staff brought this discussion before them a few months ago at their last meeting and they requested staff to research what the city's position is on a board-for-board definition. She read the Building Division's definition is, ***"A project that proposes to replace like materials from previously approved permit application where no significant structural changes are proposed. In addition to meeting all applicable Building and Land Development Code requirements."*** Additionally, Mrs. Goodhart explained that she also went to the State and asked the Department of Environmental Protection how they defined and handled board-to-board permits. And their response was, they define board-for-board replacement, ***"As a project that replaces like materials within the same footprint or proposes a slight change from the original footprint and where no significant structural changes are proposed. In addition to meeting all applicable State permitting requirements."*** Additionally, staff requests the Boards consideration to define board-for-board for the city's Land Development Code.

According to Chairman Trammell, he does not like the word ***"slight"*** that the State has in their definition as it seems to subjective. However, he does like what staff outlined as board-for-board to be within the exact same footprint. However, he suggested changing or adding to ***"like materials or those with a reduced environmental footprint."*** Such as, replacing the following wording, ***"a treated timber piling and replace it with a concrete piling or a wood bulkhead and replace it with a fiberglass or something more environmentally friendly."***

Mr. Tadlock agreed with the verbiage of replacing the materials with composite materials that are more environmentally friendly and last longer. But to make sure that it's understood to be within the same footprint. He also asked for confirmation that a board-for-board replacement permit request would not come before them.

According to the Chairman, that is correct, as long as there is a strong enough definition in the Code, staff could make those determinations.

Mrs. Goodhart explained that after the permit request leaves the Building Department, it goes to Planning for their review and then on to Code Compliance for review prior to the issuance.

Chairman Trammell added that he wants to make sure it states in the definition that the project has to be within the same footprint. made the motion to adopt staff's verbiage, ***"A project that proposes to replace like materials"*** with the addition of ***"expanding like materials to also***

include other environmentally friendly or materials from previously approved permit application where no significant structural changes are proposed. In addition to meeting all applicable Building and Land Development Code requirements.” With Board member Tadlock providing the second. The motion passes with a 4-0 vote.

According to Mrs. Goodhart, there is not any language in the code that doubles or triples the fees for after-the-fact permits and asked the Board for a recommendation for some kind of substantial deterrent in order to send a message that these after-the-fact permit requests are not acceptable practice.

The Chairman asked the City Attorney if they have an latitude or limitations that they need to be made aware of. According to Mr. Steve Bauman, they need to make sure that they don’t go too high to where there could be an argument that the fee is more in the lines of a fine. And punitive versus a remediation. And a rationale to a perceived wrong that has been committed.

According to the Chairman, he feels that \$500.00 to \$1,000.00 is not asking too much. Mr. Bauman suggested having his firm do some research first and present their findings at their next before they make a decision. He then asked the Board members for their input.

Board member McKissick questioned why all of sudden is there so many after-the-fact permits. According to the Chairman, he is not going to single any one individual out however some of the contractors have been doing business in the city for a long time and they know.

The Board members discussed how Long Shoreman’s Insurance requirements comes into play with the contractors and possibly they are hiring subcontractors to do the work since they are only required to have Workman’s Comp Insurance.

Board member Hoey spoke of how the Army Corp of Engineers and the Florida Dept of Environmental Protections websites for self-certifications was for a time last year very convoluted. He spoke of how it’s been remedied that they should start seeing more people following the rules.

Chairman Trammell made a motion to recommend staff research an increase in after-the-fact permit fees, preferably on the higher side, for justification of all the reasons they previously discussed. And look into other ways staff can provide a checklist to provide education to the homeowner and contractors. And to review if there are any other insurance requirements for subcontractors. With Board member Hoey providing the second. The motion passed with a vote of 4-0.

6. OLD BUSINESS: None

**7. MEMBER REPORTS:
None**

**8. DIRECTOR’S REPORT:
A) Harbor Capacity Study Update**

Mrs. Witt informed the members that Council directed staff to create a Harbor Steering Committee with stakeholders from the community for members. A notice will be published to get applications from interested parties and Council will make their selections at their February 18th meeting.

B) Marina Siting Ordinance Update

Mrs. Witt explained to the Board that their recommendation they made at their last meeting will be going to the Local Planning Agency on the February 27, 2020 meeting.

9. MEETING DATES: February 24, 2020

ADJOURNMENT:

With there being no further discussion, the meeting adjourned at 6:50 p.m.

Adopted and approved this _____ day of _____ 2020.

Matt Trammell, Chairman

Kim Montgomery, Deputy City Clerk

**MINUTES
HARBOR COMMUNITY REDEVELOPMENT AGENCY
ADVISORY COMMITTEE MEETING
FEBRUARY 12, 2020 - 5:30 PM
DESTIN CITY HALL BOARDROOM**

1. CALL TO ORDER:

Chairman Buckingham called the meeting to order at 5:30 p.m. on Wednesday, February 12, 2020 in the Destin City Hall Board Room.

2. ROLL CALL:

HCRA-AC Members:

Present

Mike Buckingham
Sandy Trammell
Casey Jones
Barbara Mizell
Jan Best

Absent

James Green
Mike Raim

Staff Present

Kim Montgomery, Deputy City Clerk
Traci Goodhart, Planner
Lauren Witt, Principle Planner
Louis Zunguze CD Director

3. MINUTES FOR APPROVAL: January 8, 2020

Motion by Committee member Trammell, seconded by Committee member Jones, the members approved the January 8, 2020 minutes as written with a 6-0 vote.

4. OLD BUSINESS:

• **2020 Work Plans:**

Mrs. Goodhart explained at their last meeting they discussed and motioned to choose their own work plan items of interest to link to their Strategic Goals and Objectives. Staff will compile them into the work plan sheets and bring back to their next meeting for any additional discussions.

Chairman Buckingham briefly explained of how they should each come up with at least two items to prioritize and get accomplished. Asking if they cannot come up with something at this meeting, to give it some thought and email staff before their next meeting in March. He spoke of his item, being the landscaping improvements to the medians in the Harbor District.

Committee member Best stated that she would like to continue working on the Livery Vessel issues in the harbor adding that she doesn't see this problem being solved anytime soon, as well as the Harbor Master Plan, which still needs to be addressed as a work plan item. Adding that they were working on egress/ingresses of private properties before it got dropped, prior to last year.

Mr. Zunguze informed the members that staff will bring the Harbor Master Plan for their input at their upcoming meetings. He also informed the members that staff will be presenting Chapter 8, Transportation of the Land Development Code to Council at their February 18th meeting.

Committee member Trammell stated that she would like to continue working on the environmental work plan for:

- Xeriscaping
- Vegetation plan
- Monitoring maintenance and cleanliness of the ROWs
- Mountain Drive landscaping
- Clean Marina Designation
- ROW Signage – Are they allowed or not
- Stormwater runoff into the Harbor and what is being done about this
- Homelessness in the area and Cold Shelters and spoke of blight issues in the district restrictions that can be put in place in the district

Mr. Zunguze informed the member that the Master Plan for Wayfinding signage will be going to City Council for their consideration at their March 16th meeting and he will bring back to them at their meeting after that presentation what was the outcome of the discussions.

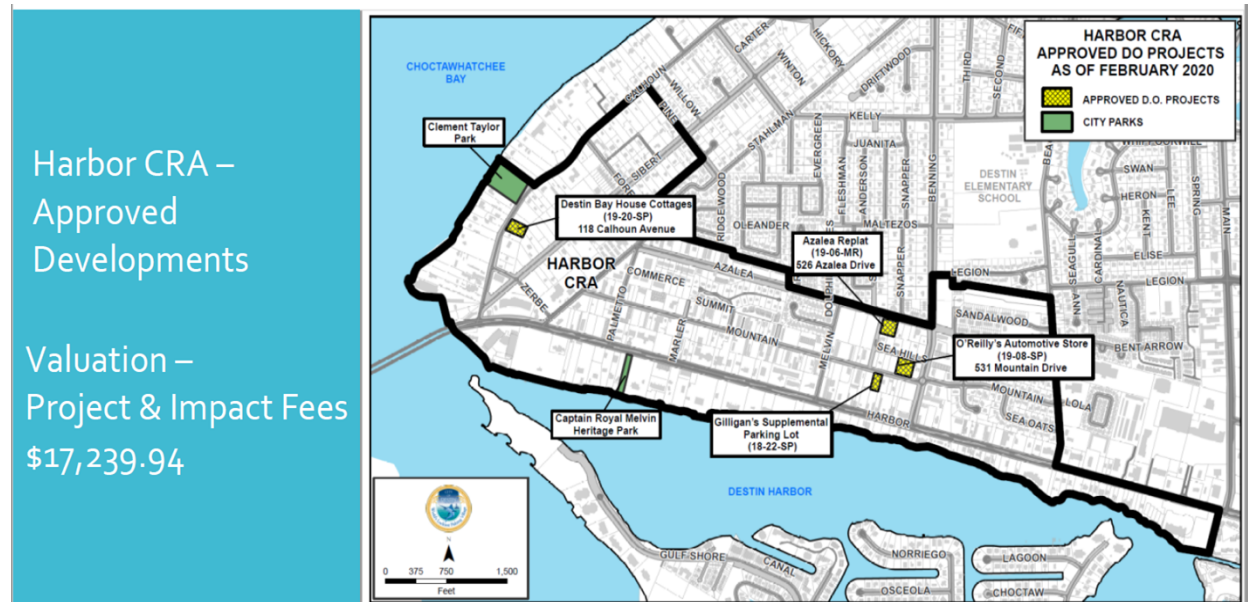
Committee member Mizell expressed the following items:

- The number of pedestrians crossing the highway and not at the crosswalks.
- Information on the projects that are being approved in the district. Mr. Zunguze explained that Mrs. Goodhart would be covering that under the New Business section of their agenda.
- Feral cat population and who is taking care of them, catching them and having them fixed.

Committee member Jones asked what the status is of the parks in their district and if there is anything he can do to help. According to the Chairman, he just spoke to the City Manager today about the status of Clement Taylor Park. He explained that city staff is still working with the County on the language in the bid documents, and the Royal Melvin Heritage Park and Plaza is currently out for bid.

5. NEW BUSINESS:

- **Harbor CRA Overview:**



Mrs. Goodhart provided the members the information on the locations of new development projects that have been approved for construction in the Harbor CRA District and their projected impact fees of \$17,239.00 for the following:

- Gilligan's Parking Lot D.O. – No permits have ever been issued
- Azealia Replat – Single Family Lot divided into two lots

- O'Reilly's ROW permit for the ingress/egress on Mountain Drive only
- Destin Bay House Cottages – Expansion for a small short term rental

Mrs. Goodhart explained the status of the parks.

- Clement Taylor Park Seawall will be replaced. The firm has been hired and the City is waiting on the results of the Environmental Study before it can be started.
- Royal Melvin Park is out for bid and is due on February 27th.

Committee member Trammell made the motion to forward the request for the formal groundbreaking ceremony for the Capt. Royal Melvin Park. With Committee member Best providing the second. The motion passed 5-0.

6. COMMITTEE MEMBER COMMENTS:

- **Committee member Trammell** mentioned that whoever oversaw clearing out all the old trailers at the Ming property at Destin Marina did a great job. The Chairman stated it was the owner's son that talked his father into clearing them out.
- **Committee member Mizell** asked what the status is regarding the entrance into Harbor Walk. According to Mr. Zunguze, they have come to the City with a proposed revision to the design of the entrance and currently, the city is still in discussions with them at this time. He added that when staff gets a formal application, he will bring the information to them. Adding that currently there is no further information that he can provide.

7. DIRECTORS REPORT:

Mr. Zunguze provided the members with the following information:

- Harbor Capacity Study
 - Staff is working on an onsite survey and approved by the Washington, D.C.
- Establishment of a Steering Committee
 - Taking applications to be submitted to Council for their appointments at their March meeting. Which was extended to get enough applicants to appoint seven members.
 - Another stakeholder meeting scheduled for Feb 28th to receive additional input from the industry.

8. PUBLIC COMMENT:

Mr. Claude Perry, 732 Harbor Boulevard spoke of his concern for the health of the harbor. He spoke of how stormwater runoff is a big problem and worst cause of pollution to the water in the harbor. He added that he understands that it is a big project but urged them to take it on, adding that there is still BP funding out there to obtain and encourages the city to take advantage of them for this issue.

He agrees with the ingress and egress of driveways that was brought up earlier as they impact all the property owners on the harbor and urged them to encourage stakeholders who all are impacted by any decisions made which could potentially be detrimental to businesses in regards to redirecting or closing any ingress/egresses.

He also spoke of his concern for too many regulations being put in place for the Livery Vessel business and feels that they are targeting the local businesses. He spoke of the rogue vessel rentals that come into the city and how the regulations are not going to stop those types of businesses and thinks that the Steering Committee appointments is putting “the cart before the horse” and should wait until after the Harbor Capacity study is conducted.

Mr. Zunguze informed him that what they will be charged to do is to address the day-to-day issues that are happening right now on the harbor.

9. ADJOURNMENT:

Having no further business at this time, the meeting was adjourned at 6:15 PM.

Adopted and approved this _____ day of _____ 2020.

Mike Buckingham, Chairman

Kim Montgomery, Deputy City Clerk

DRAFT

MINUTES TOWN CENTER COMMUNITY REDEVELOPMENT AGENCY ADVISORY COMMITTEE MEETING FEBRUARY 19, 2020 - 5:30 PM DESTIN CITY HALL BOARDROOM

1. CALL TO ORDER:

Chairman Wernet called the meeting to order at 5:30 PM on Wednesday, February 19, 2020 at the Destin City Hall Boardroom. The Chairman welcomed Delores Morrell back to the meetings and introduced her to the new members. The Pledge of Allegiance followed.

2. ROLL CALL:

Members Present

Lockwood Wernet
Michele Sandstead
Justin Woodard
Matthew Sweetser
Frank McDonough
Delores Morrell

Members Absent

Staff Present

Kim Montgomery Deputy City Clerk
Samantha Brisolara, Planner
Lauren Witt, Planner
Joe Bodi, Engineering Asst. II.
Louis Zunguze, CD Director
Kyle Bauman, City Attorney

3. APPROVAL OF MINUTES: January 15, 2020

Motion by Committee member Morrell, seconded by Committee member Sandstead to approve the January 15, 2020 meeting minutes as written passed 6-0.

4. OLD BUSINESS:

- **2020 Work Plans**

The Chairman informed the members that at their January meeting they moved their 2019 work plans forward to the 2020 year and asked the members if they agree to work on the Linear Park Work Plan as their main priority. Adding that they can discuss and address other items at their March meeting.

Motion by Committee member Sandstead to make the Gulf Power Easement Linear Park as their number one priority on the list, with Committee member Morrell providing the second. The motion passed 6-0.

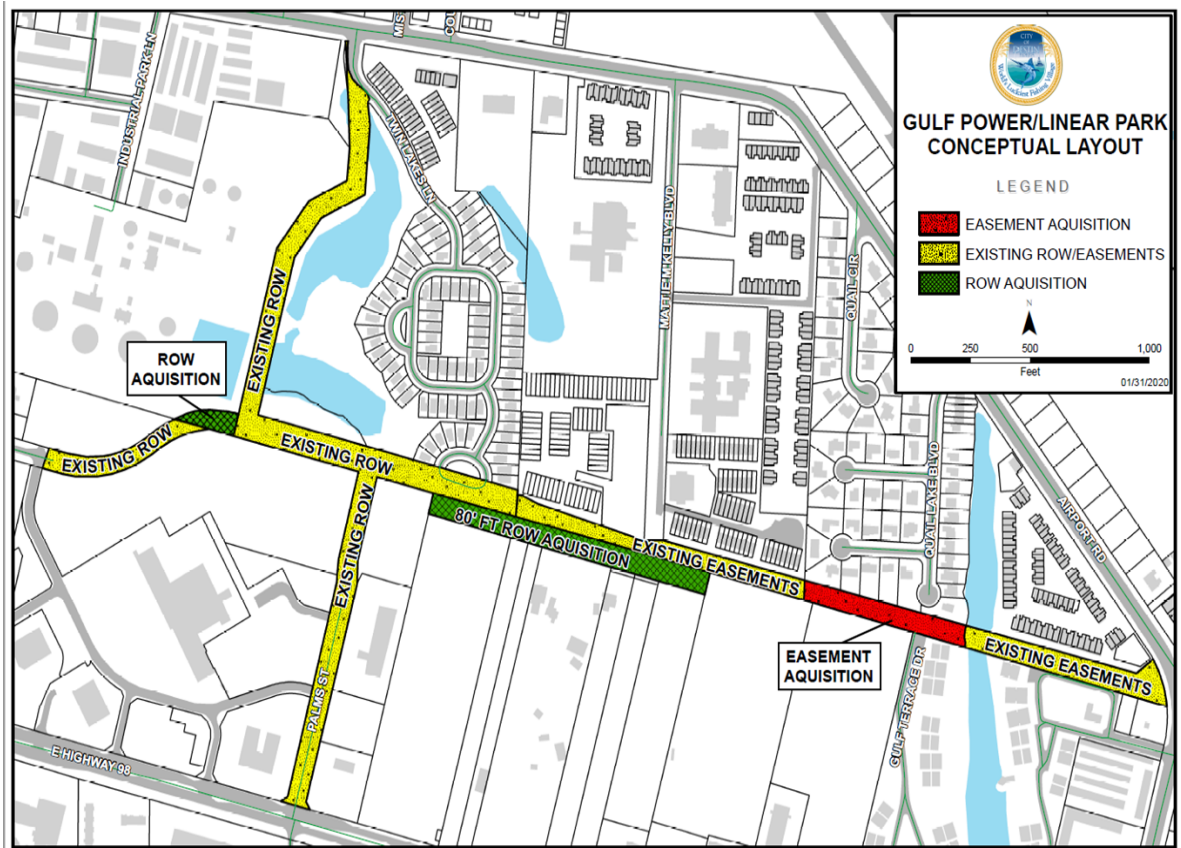
5. NEW BUSINESS:

- **Gulf Power Easement Linear Park**

Mrs. Goodhart informed the members that the proposed Linear Park is an extension of 98 Palms Boulevard to the east, will connect portions of the Gulf Power easement; providing an opportunity to create a “linear park/multi-use trail” connecting Main Street to Airport Road. Providing a safe area for walking, jogging, biking and exercise, with rest areas and vegetation, to provide an alternate means of transportation from the residential areas off Airport Road to shops, restaurants and other amenities in the Town Center CRA.

DRAFT

Gulf Power Linear Park Conceptual Layout:



She explained the areas in red are easements that still need to be acquired, the yellow areas are existing right-of-way/easements and the green areas existing right of way that needs to be in acquisition.

Required Design Elements:

- Infrastructure that supports emergency vehicles and traffic
- Lighting along the trails
- Raised Boardwalk from Airport Road to Destin Water Users ROW at the wetlands
 - Educational Kiosks for the environmental benefits of wetlands
- Bridge and boardwalks necessary for pedestrians to pass through the areas where water and wetlands need to be crossed

Mrs. Goodhart informed the members that the purpose of this diagram is to show them what the city currently has and what is still needed to be acquired. Adding that what staff is looking for is a recommendation from the board members to Council to direct staff to go forward with a design in order to

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include a conceptual budget and plan to hopefully be adopted into the 5-year Capital Improvements Program (CIP).

Motion by Committee member Woodard, second by Committee member Morrell to recommend to City Council direct staff to develop a Scope of Work for the Gulf Power/Linear Park to include:

- **Conceptual Design Plan**
- **Conceptual Budget**
- **Adopt the proposed project in the 5-year CIP**

In discussion, Committee member Woodard asked staff what the requirements would be to acquire the red areas that are still needed. According to Mrs. Goodhart, the property to the immediate south is a developable parcel in the Town Center CRA and potentially there could be an easement acquired by city through that development process. Adding that first off, all of this would have to be brought before Council to see if they would be interested in going forward with the potential project.

The Chairman added that there could potentially be some state grants that could be applied for with the environmental and educational kiosks in the north/south boardwalk areas in addition to budget funds and CRA TIFF funds.

Mr. Bodi also spoke of how this plan may also be eligible to go forward to the MPO for prioritization and potential funding that may be available for this type of project.

The Chairman asked to Mr. Bodi to elaborate on that comment.

According to Mr. Bodi, the MPO is the Metropolitan Planning Organization which is a regional entity that looks at projects such as roadway capacity projects or in this case, a significant pedestrian multimodal project. And if included in the 5-year CIP, it could be prioritized for State and Federal funding.

Committee member Sandstead asked how wide the path would be. According to Mr. Bodi there are some areas where the right-of-way could be anywhere between 80-100 feet, with 30-foot easements throughout. Adding that the project itself would be ten foot wide path; like the sidewalks on Airport Road and Main Street.

The Chairman asked Mr. Bodi to explain why that wide. Mr. Bodi explained Multimodal Pathways and the City's Code requires that they be at least 10-foot wide, as a minimum, to allow for back and forth passage of pedestrians whether they are walking, riding a bike, on skateboards, etc. As well as being designed to handle the heavier weight of emergency vehicles.

Committee member Sandstead asked if this committee would be presented with the plans to provide input. According to Mr. Zunguze, once staff get the approval from Council, they will include the members in the process of developing the conceptual plans prior to City Council's approval.

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The Chairman asked Mr. Zunguze if it would make any sense to focus on a particular section of the pathway.

According to Mr. Zunguze, once they have a full concept to bring forward to them, staff can then provide their best technical advice as how to proceed.

The Chairman called for the vote of the motion. A roll call vote of 6-0 was taken and the motion passed.

6. COMMITTEE COMMENTS:

None

7. VISITOR COMMENTS:

None

8. DIRECTOR'S REPORT:

Mr. Zunguze spoke of the process that staff has been working on since this time last year to align the Land Development Code to match up the Future Land Use Map and the task is now complete. He spoke of how staff's next big task is to bring the Land Development Code up-to-date and the Town Center area is one task that needs to be addressed, with prime areas of potential investments. Adding that he made presentation at Council's meeting last night on the 18th and he will bring that same presentation before them at their March meeting.

He also mentioned how he spoke at a convention in San Francisco regarding how and where developments matter in all communities. And is guided by community's Land Development Codes and Comprehensive Plans and is how he and his staff will approach their tasks. He explained further that the City's current codes in the Land Development Code are not consistent with the policies in the Comprehensive Plan and they will be working on updating it in its entirety explaining the four criteria that he uses to judge just where the code is and they are:

- Simplicity – the code has to be simple enough for people to be able to grasp and understand what it is asking them to do
- It should be easy to navigate from start to finish
- The uniqueness of the Town Center, Harbor and Crystal Beach Districts are showcased and how they enhance the quality of life
- Special areas of the city have policies, and are enhanced and protected by the Code

Mr. Zunguze explained that they have 22 chapters to update and are starting with Chapter 8, Transportation because transportation is what drives everything and affects the quality of life. Also, in 2014 Council revamped the Transportation Element, however, the Land Development Code was never addressed with their policies. And staff will be addressing three things:

- Environment Applicability of the Policies & Objections
- Reorganize the following:
 - Corridor Facilities and Transportation

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- Facility Design
- Access Design Management
- Onsite Transpiration Issues & Parking
- Update Provisions to be consistent with the Comprehensive Plan

He explained that once finished, the Code will be more user friendly to the public and the business community which will enhance the quality of life for everyone in the city. And will give both City Council and staff a handle on guiding current and future development going forward.

Chairman Wernet asked if there is any work they need to do beforehand regarding amendments to the CRA Plan. According to Mr. Zunguze, he strongly encouraged the members to look at their policies for the Town Center CRA Plan. Mrs. Goodhart spoke up and informed the members that she would distribute their CRA Plan and links to the necessary documents so they can begin reading them prior to their next meeting.

ADJOURNMENT:

Having no further discussions, the meeting was adjourned at 6:25 PM.

Adopted and approved _____ day of _____ 2020.

Lockwood Wernet, Chairman

Kim Montgomery, Deputy City Clerk

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**MINUTES OF THE
HARBOR AND WATERWAYS BOARD MEETING
DESTIN CITY HALL, FEBRUARY 24, 2020 - 5:00 P.M.**

1. CALL TO ORDER:

Chairman Trammell called the Destin Harbor and Waterways Board meeting to order at approximately 5:00 p.m. on Monday, February 24, 2020 at Destin City Hall.

2. ROLL CALL:

Member Present:

Matt Trammell
Richard Hoey
Guy Tadlock
Bill McKissick
Casey Jones
Quinten Selby in at 5:15 p.m.

Members Absent

Jim Green

Staff:

Kim Montgomery, Deputy City Clerk
Traci Goodheart, Planner
Lauren Witt, Planning Manager
Steven Bauman, City Attorney

3. APPROVAL OF MINUTES: January 27, 2020

Board member Tadlock moved to approve of the January 27, 2020 minutes as written with Board member Jones providing the second; the motion passes with a 5-0 vote with Board member Selby not being present for the vote.

4. PUBLIC COMMENT:

Mr. Davis stated he would provide comment when the item is discussed, he is representing the property owner.

5. NEW BUSINESS:

A) Michelle Millikan, Property Owner

437 Calhoun Avenue - Marine Construction Permit application for one (1) 18' x 28' Boathouse over an existing boatlift, with two (2) catwalks; one (1) 8' x 24' catwalk and one (1) 4' x 15'.

Mrs. Goodhart explained this is being brought back before the Board from being tabled at their last meeting because of the adjacent property owner having concerns about their view being blocked. Adding that there have been no changes made to the proposed project.

The Chairman spoke how the project is relatively straight forward request for a modification to an existing dock by adding a boat house. And how the adjacent neighbor attended their last meeting and requested for the Board to table the motion so they could have more time to reach out to the neighboring property owner. And the board unanimously agreed, by a motion, to table the request to their next meeting. The Chairman spoke of how he informed the applicant's

neighbors what all would have to take place in regard to a new permitting application process and the additional cost associated for the property owner to get approved for a new permit as well as the additional time it would take.

He then opened the public to provide comment.

Mr. Donald Davis of Pensacola, Florida who is the General Manager for What's Up Docks added that the proposed project is not any larger than the footprint of the existing dock with the addition of a boathouse over an existing lift which will only a few feet higher.

It was noted that the adjacent neighbors that expressed concerns are not present at this meeting. The Chairman asked if the notifications were sent for this meeting. Mrs. Goodhart stated that she did mail them out.

Motion by Board member Jones to bring the item, 437 Calhoun Avenue Marine Construction request off the table, with Board member Hoey providing the second. Board member McKissick pointed out a typo of the address on the agenda and confirmed that the address is 437 and not 457. Mrs. Goodhart replied that is correct, it is 437 Calhoun Ave. A roll call vote of 5-0 was taken with Board member Selby not being present for the vote.

Board member Jones made the motion to recommend City Council approve the request from Michelle Millikan, Property Owner of 437 Calhoun Avenue for the Marine Construction Permit application for one (1) 18' x 28' Boathouse over an existing boatlift, with two (2) catwalks; one (1) 8' x 24' catwalk and one (1) 4' x 15' subject to the applicant meeting all applicable required permits. Board member McKissick provided the second.

Mr. Hoey brought to everyone's attention that there is a disparity in the location of the property lines on the submittal and the drawings compared to the FDEP drawings and questioned if, in fact the project falls within the 25-foot setback rule.

The Chairman asked staff if there is a requirement for a 25-foot setback for the city. According to Mrs. Goodhart, there is not. Adding that it is suggested for riparian rights but not required. Board member Hoey suggested they should look at the Code.

According to the applicant's representative, Mr. Davis stated that the owners are permitted a complete tear out and rebuild into the configuration of the supplied drawing. However, in lieu of saving money; they chose to build the boathouse over the existing lift. And doing so, opens the riparian line view. The Chairman asked for clarification that they are requesting to build the cover over the existing boat lift? Mr. Davis responded affirmatively that is what will be built and the sides will be left open.

Board member Tadlock asked if the plan is to put the cover over the existing boat lift would the rest of the existing dock that goes out into the water be removed or remain? According to Mr. Davis, it will remain.

Mrs. Goodhart pointed out it's included in the drawings in relation to that piece.

Board member Hoey suggested everyone read 11.05.01 (C)-A

The Chairman read from the Code, *"No dock or vessel shall be placed within the 25-foot setback of a property line without providing prior written notification to the adjacent landowners and requesting their response. Any objections received from the adjacent owners will be considered by the Harbor Board and their recommendation to City Council."* Adding that he does not feel that they are violating the code since the adjacent property owners have been properly notified.

According to Mr. Hoey, the riparian line must be appropriately drawn and based upon what he is seeing, it could be a contention. Adding he would still like to see some kind of feedback from the adjacent property owner that this is an acceptable riparian line as depicted.

According to Mr. Bauman, this meeting was their opportunity to show up and they are not present.

The Chairman spoke of how he appreciated their concern, but they were in attendance at the last meeting, this was publicly noticed, and they have been given ample opportunity to come to the city if they had any additional issue with the project. And at this point, the owner has been has already been held up a month.

Board member Tadlock pointed out that as Mr. Hoey said, there is a discrepancy in the drawings for the angle of the property lines relative to the County Property Appraiser mapping system. Also being that the boat covering is going to be on the existing slip, which to him, looks to be longer than the drawings. And asked what the exact square footage is. Adding that the drawings are somewhat different than what is planned to be built. He asked Mr. Davis if that is correct.

The Applicant's representative, Mr. Davis stated for the record, that they are. Board member then asked Mr. Davis if the total square footage will be less than 1,000 square feet, for which Mr. Davis replied that, "Yes, it would." Board member Tadlock asked if the terminal end of the dock would be increasing at all. According to Mr. Davis it would not.

The Chairman agreed that its frustrating that staff did not receive accurate drawings of what is being built. And although the last thing he would want to do is to hold them up for their permit.

He agrees, it's a very straightforward request and should have accurate drawings showing exactly what is going to be built.

Board member Tadlock stated that he would be satisfied with field corrected drawings on file with the city.

The Chairman pointed out that normally, he would too. However, Mr. Hoey brought up a good point and this is now no longer consistent with the permit.

The Chairman called for the vote and it failed with a 4-2 vote. With Chairman Trammell, Board members Hoey, Tadlock and Selby voting no and Board members McKissick and Jones voting yet.

The Chairman asked if there are any additional motions on the request.

Mr. Hoey asked haven't they based their approval in the past if corrected drawings are submitted the project could go forward without having to come before them again. Mrs. Goodhart agreed that is a correct statement.

The Chairman made the motion to recommend approval of the project to City Council contingent upon:

- 1. Revised drawings being submitted to staff. And staff concurring that they are consistent to the Land Development Code.***
- 2. Either an updated permit or correspondence from the State allowing the contractor to operate under the existing permit. Board member Hoey providing the second.***

According to Mr. Davis, they are under the 1,000 square foot exempt rule and moving the boat house a few feet inland. So, if scaled out, the riparian lines from the northeast corner of the building on the drawings, it's 25-feet. He will have them redrawn and contact the State to provide staff a letter.

The Chairman called for the vote and the motion passed.

Chairman Trammell informed the applicant's representative, Mr. Davis that if he provides an updated drawing and a letter from FDEP saying he can continue under the current permit and provide it to staff, he should be able to go before Council for approval relatively quickly.

6. OLD BUSINESS:
None

7. MEMBER REPORTS:

Chairman Trammell informed the members that the East Pass Dredging should commence later this week, weather dependent and should take anywhere between 30-40 days. And asked the members to get the word out for everyone to stay safely away from the construction.

Board member Tadlock spoke of how he would like to avoid any similar situations such as what took place with the drawings for the request, not being exactly what is being proposed, before they are brought before the board.

Board member Hoey stated that he goes to the FDEP website for every project that is on the agenda prior to the meetings to check and make sure what they are requesting is exactly what the State has permitted. Adding that he has found where some of the paperwork that was submitted to the FDEP is not the same that's submit to the city.

The Chairman asked what steps they should take if they happen to notice that someone is not building their project to the specifications that they were approved for.

According to Mrs. Witt, they should contact the Code Compliance Department to report anything they feel is not permitted, who will work with the planning staff.

8. DIRECTOR'S REPORT:

A. Marina Siting Ordinance - LPA February 27, 2020

Mrs. Witt explained that this has been continued to a later Local Planning Agency meeting. Adding that staff realized there is currently not a requirement in the Land Development Code that requires docking facilities for Commercial Marine Businesses and staff would like to get their feedback and incorporate it into the ordinance. Staff will bring it to them at their next meeting in March to review and provide comments.

B. Requirements for Commercial Marine Businesses to have dedicated docking facilities

The Chairman asked what the general definition for a Commercial Marine Business is.

Mrs. Witt provided them with an example of a Livery Vessel Operation with an address on the bay, there is nothing in the Code that says they also should have dedicated docking facilities for their business and Staff is trying to close that loophole in the Code.

The Chairman spoke of how he is aware that there are quite a few business owners who own private property in residential areas of the city that tend to have a conflict with the other residential uses.

Board member Tadlock asked for clarification, if a business is operating in the harbor they need to show proof they have dock space available or a lease of boat slips?

According to Mrs. Witt staff hasn't gone that far into the details at this point. Staff is looking into larger commercial marine businesses but will be adding multiple definitions with specificity.

Mrs. Goodhart added that they are looking at all commercial vessels that provide a service to the public and are required to provide docking facilities regardless if they are owner occupied or a tenant leasing the facilities. Adding that it's important to have them clearly outlined in the Land Development Code.

Board member McKissick asked if someone is operating a business out of their home and it's on the water and they have a dock, are they able to do so? According to Mrs. Witt, it has to fall under the home occupation criteria. However specifically with water related businesses; they cannot have customers coming to their home in a residential area.

Mrs. Witt explained that applications for the Harbor Steering Committee are being reviewed by staff before selections are made. Also, staff is finalizing the survey with the ACOE and their representative will be coming in 2-weeks.

Chairman Trammell asked they provide the Board with an update at their March meeting.

9. MEETING DATES: March 23, 2020

ADJOURNMENT:

With there being no further discussion, the meeting adjourned at 6:00 p.m.

Adopted and approved this _____ day of _____ 2020.

Matt Trammell, Chairman

Kim Montgomery, Deputy City Clerk

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**MINUTES OF THE
PARKS & RECREATION COMMITTEE
MEETING DESTIN CITY HALL BOARDROOM
FEBRUARY 25, 2020 - 4:00 PM**

1. CALL TO ORDER:

Chairwoman Hebert called the meeting to order at 4:00 p.m. on Tuesday, February 25, 2020 in the Destin City Hall Boardroom with the Pledge of Allegiance immediately following.

*The Chairman welcomed new member Barbara Telford to the committee.

2. ROLL CALL:

Members Present

Teresa Hebert
Myra Williams
Matthew Sweetser
Nikki Johnson
Barbara Telford

Staff Present

Kim Montgomery, Deputy City Clerk
Lisa Firth, Recreation Director
Scott Berish, Deputy Recreation Director

3. MINUTES: January 28, 2020

Motion by Committee member Johnson, seconded by Committee member Sweetser the members voted 5-0 to approve the minutes of the January 28, 2020 meeting as written. Committee member Williams was not present for the vote.

4. OLD BUSINESS:

➤ **Welcome to Destin Sign Improvements**

Mrs. Firth informed the members the approval is still pending the Commander's signature.

Concern was voiced in regard to affecting the planting schedule by Committee member Johnson. Mrs. Firth stated that it should be fine and might be a good location for the Arbor Day tree planting to consider. The Chairwoman provided an update of the plan to Committee member Telford.

➤ **West Beach on EAFB Property**

Mrs. Firth explained that the Mayor and County Commissioner Windes are in talks about this subject, but nothing has been decided at this time.

The Chairwoman explained the details of the subject to refresh everyone and new member Telford.

➤ **Beach Advisory Partners Meeting**

Mrs. Firth said the first beach partnering meeting took place at 10:00 this morning. She explained the meeting is very low-key and includes a representative from the County, Sheriff's Dept., the DFCD-Lifeguard, a Beach Vendor, and Code Compliance, Catherine, the PIO for the City and Council member Ramswell. She spoke of how the meetings are to keep everyone informed of what each one's roles are for the spring/summer season.

Committee member Williams entered the meeting at 4:15 p.m.

➤ **Arbor Day Tree Planting**

The member briefly discussed the possible locations for the tree planting. Mrs. Firth reminded them they have the meeting in March to make their final decision on where to plant the trees.

➤ **Annual Park Inspections**

The members all agreed that they generally would like to stay with the same parks that they reviewed last year.

Mrs. Firth informed the members that the beach accesses are now called beach trails since most are not really a beach access, which tends to confuse tourist when they realize there is not a wide portion of the beach to set their chairs and umbrellas.

✱ **Committee member Johnson –**

- Destin Dog Park
- 1st Avenue ROW
- 4th Avenue ROW
- Mattie Kelly Pier & Nature Walk
- Joe's Bayou Boat Ramp
- Kelly Street Duck Pond

✱ **Committee member Sweetser –**

- O'Steen
- Norriego Point Park
- Dalton Threadgill Park
- Clement Taylor Park
- Jewel Melvin Park
- Destin Memorial Cemetery Phase I & II
- Harbor Lane ROW

✱ **Committee member Williams –**

- All Beach Trails in Crystal Beach
- Shore at Crystal Beach
- Sterling Shores
- June White Decker Park

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- ✱ **Committee member Telford –**
 - Buck Destin
 - Royal Melvin Heritage Park
 - Community Center
 - Harborview Park
 - Kell-Aire North & Kell-Aire South Parks
- ✱ **Chairman Hebert –**
 - Destin Sports Complex @ DES
 - Morgan Sports Center
 - Main Street Park

Mrs. Firth also asked everyone while out inspecting to make note of any trees they come across that have name plate dedications too. So that she can update her inventory list.

The Chairman informed Committee member Telford the general responsibilities to look out for while inspecting their park assignments. And Mrs. Firth informed her that she will email out to everyone the list that they will take with them to each park inspection. And as soon as they get theirs finished, send it to her so she can start sending out the work orders to get whatever needs repaired on the schedule.

- **Annual Easter Egg Hunt – Morgan Sports Center 4/11/20**
 - If anyone want to volunteer there is always something that can be done.
- **Pooch Palooza**
 - The members agreed that they would like to revive this event and discussed how and what needs to be done to get this going again
 - Everyone agreed to work on the legwork this year and plan to have it start up again in March 2021

The Sponsorship program was briefly discussed and if it should be continued or not for Friends of the Dog Park. The Chairman suggested taking the signs down to find out if any interest come from that and if so, she said that she would be glad go out in the city and try to solicit donations. Committee Johnson stated that she would help as well.

5. COMMITTEE MEMBER/STAFF COMMENTS:

- **Committee member Williams –** Spoke of the tree planting and dedication that will be took place at Main Street Park. Trees on the Coast donated the two large Oaks to Mr. Keith Howard's honor for being such a good steward to the city. She praised the Recreation Staff for their help and asked for staff to include bubblers to the new trees so they will bet plenty of water for settling the root system. Additionally, the two large ones that were planted a couple years ago have some branches that need to be pruned. And a couple of other Trees still have the strappings still on them that need to be removed. She said she would have Trees on the Coasts arborist to contact her and coordinate with city staff to meet them at the location.

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~ She asked about the status of the inventory of the canopy of the trees in the city. Mr. Berish explained that when he first was hired he and the GIS Manager using the remote sensing GIS did an inventory of the tree canopy at all the city properties. But they can not undertake the entire city with the current staffing levels.

~ She asked who she could speak to about planting trees in the ROW's throughout the City and was informed to speak with the Public Services Director, Michael Burgess.

~ She also asked about Airport Road and was informed that she would also need to speak to the Public Services Director as well.

STAFF REPORTS:

- **Clement Taylor Park Seawall Replacement** – the contractor has been awarded by Council and the city is waiting to be told what to do about the results of the Environmental Study, because of the Indian artifact shards that were found on site.
- **Clement Taylor Park Renovations** – The County still has control of the funds and the City is waiting for the release in order to get the bid out and then start the project.
- **Capt. Leonard Destin Park** – the park is still on schedule to be finished by mid-April and the ribbon cutting is tentatively scheduled for April 22nd.
- **Concrete Plant Property** – Lines for parking still needs to get put down for organized parking before the season starts.
- **Capt Royal Melvin Park & Plaza** – The bid opening has been pushed to early March.
- **Norriego Park** – The State thinks they may be able to start sometime in July.
- **Public Comment** – None

ADJOURNMENT:

Having no further discussions, the meeting adjourned at 5:30 PM.

Adopted and approved _____ day of _____ 2020.

Teresa Hebert, Chairwoman

Kim Montgomery, Deputy City Clerk

**SPECIAL LOCAL PLANNING AGENCY
MEETING MINUTES
FEBRUARY 27, 2020 - 5:30 P.M.
DESTIN CITY HALL BOARDROOM**

1. CALL TO ORDER:

Chairman Wood called the Special Local Planning Agency Meeting to order on Thursday, February 27, 2020 at 5:30 p.m., in the Destin City Hall Boardroom; with the Pledge of Allegiance immediately following.

2. ROLL CALL:

Members Present

James T. Wood, Jr.
Darryl Shelton
Don David
Corey Ledbetter
Kevin Schmidt
Jason Klosterman
James Geveden

Staff Members Present

Kim Montgomery, Deputy City Clerk
Lauren Witt, Planning Manager
Samantha Brisolara, Planner
Kimberly Kopp, Land Use Attorney
Kyle Bauman, City Attorney

****Chairman Wood welcomed new member James Geveden****

3. APPROVAL OF MINUTES:

January 16, 2020

Motion by Agency member Klosterman seconded by Agency member Shelton to approve the January 16, 2020 minutes as written, passed with a vote of 6-0.

4. NEW BUSINESS:

A. A public hearing regarding Ordinance No. 20-15-LC relating to parking requirements for outdoor dining parking requirements. The proposed Ordinance title is as follows:

The City Attorney read the ordinance by title into the record.

ORDINANCE NO. 20-15-LC

AN ORDINANCE OF THE CITY OF DESTIN, FLORID AMENDING THE LAND DEVELOPMENT CODE TO ESTABLISH MINIMUM PARKING REQUIREMENTS FOR ALL OUTDOOR DINING AND SEATING AREAS IN THE CITY OF DESTIN; PROVIDING FOR AMENDMENTS TO ARTICLE 8 OF THE LAND DEVELOPMENT CODE; PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR

INCORPORATION INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

Mrs. Brisolara explained that Council directed staff to prepare an ordinance to address parking requirements for outdoor seating. And this ordinance provides for one parking space for every 100-square feet of outdoor space. She added that a definition of outdoor seating will be added to the criteria of the Land Development Code (LDC) to ensure health, safety and welfare of patrons utilizing outdoor seating areas.

The Chairman opened the public hearing portion of the meeting for comment. With no one coming forward, he closed the public and turned the comments over to the Agency members.

Agency member Schmidt asked about the businesses that currently don't have enough parking for their outdoor seating. According to the LUA, they are considered legal non-conforming uses and will stay that way unless they make changes to their business. Then they would have to come into compliance.

Motion by Agency member Shelton, seconded by Agency member Ledbetter; the members voted 6-0 to recommend the adoption of Ordinance 20-15-LC by City Council.

B. A public hearing regarding Ordinance No. 20-06-LC relating Marina Siting. The proposed Ordinance title is as follows:

ORDINANCE NO. 20-06-LC

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA AMENDING ARTICLE 3 "DEFINITIONS"; AMENDING SECTION 11.05.00 OF THE LAND DEVELOPMENT CODE; AMENDING REGULATIONS FOR MARINA SITING; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR INCORPORATION INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

-CONTINUED TO A LATER DATE-

Motion by Agency member Shelton seconded by Agency member Ledbetter, the members voted 6-0 to continue Ordinance 20-06-LC.

The City Attorney informed the members that he would be reading items 4C through 4G altogether.

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C. A public hearing regarding Ordinance No. 20-09-PC relating to an update to the Future Land Use Map. The proposed Ordinance title is as follows:

ORDINANCE NO. 20-09-PC

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING THE FUTURE LAND USE MAP AS REFERENCED IN CHAPTER 1 OF THE COMPREHENSIVE PLAN TO INCLUDE A CHANGE IN THE FUTURE LAND USE DESIGNATIONS OF THE PARCEL DESCRIBED AND GENERALLY DEPICTED IN THE ATTACHED EXHIBIT A FROM RESIDENTIAL, OFFICE, INSTITUTIONAL (ROI), RECREATION (REC), AND INSTITUTIONAL (INST) TO INSTITUTIONAL (INST); PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR JURISDICTION; PROVIDING FOR FUTURE LAND USE MAP AMENDMENT; PROVIDING FOR INCORPORATION INTO THE COMPREHENSIVE PLAN; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

D. A public hearing regarding Ordinance No. 20-10-PC relating to an update to the Future Land Use Map. The proposed Ordinance title is as follows:

ORDINANCE NO. 20-10-PC

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING THE FUTURE LAND USE MAP AS REFERENCED IN CHAPTER 1 OF THE COMPREHENSIVE PLAN TO INCLUDE A CHANGE IN THE FUTURE LAND USE DESIGNATIONS OF THE PARCELS DESCRIBED AND GENERALLY DEPICTED IN THE ATTACHED EXHIBIT A FROM NORTH HARBOR MIXED USE (NHMU) AND RESIDENTIAL, OFFICE, INSTITUTIONAL (ROI) TO INSTITUTIONAL (INST); PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR JURISDICTION; PROVIDING FOR FUTURE LAND USE MAP AMENDMENT; PROVIDING FOR INCORPORATION INTO THE COMPREHENSIVE PLAN; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

E. A public hearing regarding Ordinance No. 20-11-PC relating to an update to the Future Land Use Map. The proposed Ordinance title is as follows:

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ORDINANCE NO. 20-11-PC

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING THE FUTURE LAND USE MAP AS REFERENCED IN CHAPTER 1 OF THE COMPREHENSIVE PLAN TO INCLUDE A CHANGE IN THE FUTURE LAND USE DESIGNATIONS OF THE PARCEL DESCRIBED AND GENERALLY DEPICTED IN THE ATTACHED EXHIBIT A FROM MEDIUM DENSITY RESIDENTIAL (MDR) AND RESIDENTIAL, OFFICE, INSTITUTIONAL (ROI) TO RESIDENTIAL, OFFICE, INSTITUTIONAL (ROI); PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR JURISDICTION; PROVIDING FOR FUTURE LAND USE MAP AMENDMENT; PROVIDING FOR INCORPORATION INTO THE COMPREHENSIVE PLAN; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

F. A public hearing regarding Ordinance No. 20-12-PC relating to an update to the Future Land Use Map. The proposed Ordinance title is as follows:

ORDINANCE NO. 20-12-PC

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING THE FUTURE LAND USE MAP AS REFERENCED IN CHAPTER 1 OF THE COMPREHENSIVE PLAN TO INCLUDE A CHANGE IN THE FUTURE LAND USE DESIGNATIONS OF THE PARCEL DESCRIBED AND GENERALLY DEPICTED IN THE ATTACHED EXHIBIT A FROM BAY ESTATES (BE) TO RECREATION (REC); PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR JURISDICTION; PROVIDING FOR FUTURE LAND USE MAP AMENDMENT; PROVIDING FOR INCORPORATION INTO THE COMPREHENSIVE PLAN; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

G. A public hearing regarding Ordinance No. 20-13-PC relating to an update to the Future Land Use Map. The proposed Ordinance title is as follows:

ORDINANCE NO. 20-13-PC

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING THE FUTURE LAND USE MAP AS REFERENCED IN CHAPTER 1 OF THE COMPREHENSIVE PLAN TO INCLUDE A CHANGE IN THE FUTURE

LAND USE DESIGNATIONS OF THE PARCEL DESCRIBED AND GENERALLY DEPICTED IN THE ATTACHED EXHIBIT A FROM INSTITUTIONAL (INST) AND TOWN CENTER MIXED USE (TCMU) TO INSTITUTIONAL (INST); PROVIDING FOR AUTHORITY; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR JURISDICTION; PROVIDING FOR FUTURE LAND USE MAP AMENDMENT; PROVIDING FOR INCORPORATION INTO THE COMPREHENSIVE PLAN; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

Mrs. Brisolara explained the members that over the past year, staff has worked to eliminate the inconsistencies with the Zoning Map and the Future Land Use Map. Adding that with these changes, they both will be in line with one another.

The Chairman opened the public hearing portion of the meeting for comment. With no one coming forward, he closed the public and turned the comments over to the Agency members.

Agency member Shelton made the motion for City Council to approve Ordinances 20-09-PC, 20-10-PC, 20-12-PC, 20-13-PC and approve the adoption and codification of the Zoning Map and the Future Land Use Map, with Agency member Schmidt providing the second. The motion passed with a roll call vote of 6-0.

H. A public hearing regarding Ordinance No. 20-16-LC relating to mobile vendor operations. The proposed Ordinance title is as follows:

The City Attorney read the ordinance by title into the record.

ORDINANCE NO. 20-16-LC

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, RELATING TO MOBILE VENDING; AMENDING ARTICLE 3, "DEFINITIONS"; AMENDING ARTICLE 7, "LAND USE, TYPE, DENSITY, INTENSITY, ZONING AND REGULATORY CONTROLS" RELATING TO MOBILE VENDING REGULATIONS; REGULATING "LONG TERM SEASONAL OPERATIONS"; REGULATING "SPECIAL EVENT OPERATIONS"; PROVIDING FOR INCORPORATION INTO THE LAND DEVELOPMENT CODE, CONFLICTING PROVISIONS, SEVERABILITY, AND AN EFFECTIVE DATE.

According to Mrs. Brisolara, the purpose of the ordinance is to provide clarification of the Mobile Vending definition in the Land Development Code as well as for short term, long

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term and Special Events. She explained that Short Term would be less than 72-hours, Long Term would be 72-hours or more and Special Events Operations would be 72-hours or less with a temporary Change of Use Application.

The Chairman opened the hearing to the public.

Mr. Casey Jones owner of the Big Red Truck, 3830 Indian Trail explained that he was involved with the original ordinance, being on the committee that worked to get them created. And if they had any questions he should be able to answer them. Adding that the reason they put in 72-hours for short term was to cover the Seafood Festival, which is 3-days.

The Chairman closed the public portion and asked the LPA members for comment or a motion.

Agency member Klosterman made the motion to recommend City Council approve the proposed Ordinance 20-16-LC with Agency member Ledbetter providing the second. A roll call vote of 6-0 was taken and the motion passed.

I. A public hearing regarding Ordinance No. 20-17-CC relating to the mobile vendor definition. The proposed Ordinance title is as follows:

The City Attorney read the ordinance by title into the record.

ORDINANCE NO. 20-17-CC

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, RELATING TO MOBILE VENDING; PROVIDING FOR AMENDMENTS TO CHAPTER 13, ARTICLE IX, MOBILE VENDING PERMITS; AMENDING AND CREATING DEFINITIONS; PROVIDING FOR INCORPORATION INTO THE CODE OF ORDINANCES, CONFLICTING PROVISIONS, SEVERABILITY, AND AN EFFECTIVE DATE.

The Chairman opened the public portion of the hearing, with no one coming forward, he closed the public portion and asked the LPA members for comment or a motion.

Agency member Shelton made the motion to recommend City Council adopt Ordinance 20-17-CC. With Agency member Klosterman proving the second.

Agency member Schmidt asked if the short term is for special events or when someone would want to have a food truck to come to their home for a party. According to Mr. Jones, Food Trucks are not allowed at residential neighborhoods, it would have to be catered event only, as outlined in the zoning districts.

The LUA explained that there is a Mobile Business Permit that they must obtain for operating as well as a Business Tax Receipt.

With no further questions or comments, the Chairman called for the vote and the motion passed 6-0.

J. A public hearing regarding Ordinance No. 20-18-LC relating to the prohibition of e-scooter rentals in the City Limits. The proposed Ordinance title is as follows:

The City Attorney read the ordinance by title into the record.

ORDINANCE NO. 20-18-LC

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING ARTICLE 3 “DEFINITIONS” OF THE LAND DEVELOPMENT CODE; AMENDING ARTICLE 7 OF THE LAND DEVELOPMENT CODE TO PROHIBIT MOTORIZED SCOOTER RENTAL BUSINESSES, OFFICES, AND OTHER RELATED LAND USES WITHIN THE CITY OF DESTIN; AMENDING TABLE 7-2 “TABLE OF ALLOWABLE USES” TO PROHIBIT MOTORIZED SCOOTER BUSINESSES FROM LOCATING WITHIN THE CITY OF DESTIN FOR THE PURPOSE OF PROTECTING THE PUBLIC SAFETY AND WELFARE; PROVIDING FOR FINDINGS OF FACT; PROVIDING FOR INCORPORATION INTO THE LAND DEVELOPMENT CODE; PROVIDING FOR CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

-CONTINUED TO A LATER DATE-

The LUA explained that there is a case pending in the Florida Supreme Court that they need to wait on. There was a brief discussion regarding these types of businesses that operate in Walton County and how those rentals cannot be regulated to not come into the city.

Motion by Agency member Shelton seconded by Agency member Ledbetter, the members voted 6-0 to continue Ordinance 20-06-LC.

4. DIRECTOR’S REPORT:

Mr. Zunguze explained to the members that there is a list of dates for training on ethics which is free and both he and the City Attorney highly encouraged the members to attend.

He also informed the members staff is about to undertake the process of updating the Land Development Code which should take the rest of the year and starting in April, they should start having two scheduled meeting per month.

The City Attorney explained to the members that they should be getting their City of Destin email addresses soon and he would have more information for them at their meeting in April. Mrs. Witt explained that once they get their email addresses they should also be able to access their packets a lot easier as well.

5. NEXT MEETING: March 19, 2020

6. ADJOURNMENT:

Having no further discussion at this time, the meeting adjourned at 6:00 p.m.

Adopted and approved this _____ day of _____ 2020.

James Wood, Jr. Chairman

Kim Montgomery, Destin City Clerk

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PUBLIC WORKS/PUBLIC SAFETY COMMITTEE MEETING MINUTES TUESDAY, MARCH 10, 2020 - 5:30 PM DESTIN CITY HALL BOARDROOM

1. CALL TO ORDER & PLEDGE OF ALLEGIANCE:

Chairman Ramswell called the Public Works/Public Safety Committee to order on Tuesday, March 10, 2020 at 5:30 p.m. Which was followed by Pledge of Allegiance.

2. ROLL CALL:

Members Present

Anthony Ramswell
Kevin Schmidt
Jim Wood, Jr.
Sam Perman
Richard Hickey
Tom Weidenhamer

Members Absent

Mike Parker

Staff

Kim Montgomery, Deputy City Clerk
Michael Burgess, PW Director

3. APPROVAL OF MINUTES: January 14, 2012

Motion by Committee member Wood seconded by Committee member Hickey; the members voted 6-0 to approve the January 14, 2020 minutes as written

4. NEW BUSINESS:

A) Road Striping

Mr. Burgess provided the members with the road stripping plan. He also informed the committee some of the funds from 2020 budget had to be used for the FY-2019 Gulfshore Drive project that was carried over. Adding that when that road was milled, they had to put down temporary paint so there wouldn't be so many road barrels and that is what the funds were used for so there is about \$53k available for street striping. He informed the members that Tarpon Street west towards Matthew Blvd. will be restriped. He also informed the members that the city does not have a contract with a provider for road paint like they have to thermoplastic. So, he has requested the thermoplastic provider to add that into the current contract.

Committee member Schmidt asked what the percentage of the dollar amount has been assigned. According to Mr. Burgess, the amount is 10%, which equates to about \$120-\$130k per yr. And part of that has already been spoken for from some projects in 2019. Mr. Schmidt then asked if they still had to make the recommendation to Council or are they able to choose the projects. According to Mr. Burgess, they make recommendations to Council and in accordance to the purchasing policy. Which is any expenditures over \$15k have to go before Council for approval.

Committee member Wood asked what's the status of the crosswalks for Main Street/Airport Road intersection. According to Mr. Burgess, if they have specific requests, he can schedule the manpower which consists of three staff members to accomplish the task. Since they have the equipment and now the

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thermoplastic supplies to install them. According to Committee member Wood, he will only agree to restriping plan if those crosswalks are included

The members discussed the cost of striping roads and Mr. Burgess provided an example of the cost for striping the entire roadway for Benning Drive which would cost approximately \$42k. Committee member Hickey spoke of how Sibert Avenue is in need of being striped. According to Mr. Burgess, he has gotten a quote and it should be around \$31k. He also explained \$60k paid out of General Fund Balance for Street Striping for which \$7,500 has been spent to cover the additional expenses from an FY-19 project. And the operating Material budget is paid out of the General Fund

Motion by Committee member Schmidt to request City Council approve the allocation of \$23k from the Surtax Fund towards Emerald Coast Striping from the Surtax Fund Budget. Committee member Weidenhamer provided the second for sake of discussion.

Mr. Burgess explained there is about \$700k for road resurfacing and staff is going to Council at their next meeting to get the approval to mill, resurface and restripe Beach Drive from Highway 98 to Kelly Street for about \$180k.

Committee member Weidenhamer made the substitute motion to request City Council allocate the \$23k from the Surtax Fund as presented in the proposal to include the crosswalks at Main Street and Airport Road Intersection. Committee member Wood provided the second.

Committee member Perman asked what the cost would be for the crosswalks. According to Mr. Burgess, they will be done inhouse so there is no additional cost.

The motion passed with a 6-0 vote.

B) Annual Report & Work Plan

The need to get the 2019 Annual Report and 2020 Work Plans finalized in order to schedule it for presentation to City Council was briefly discussed. The Chairman agreed to meet with Mr. Burgess to work on it prior to their next meeting.

5. OLD BUSINESS:

➤ Annual Report & Work Plans

Mr. Burgess informed the members that prior to this meeting, he sent them an email with the past Annual Reports from 2017 and 2018 and last year's workplans. He mentioned how the 2019 Annual Report somehow got misplaced during the timeframe when Mr. Menchel was going from being the Chairman to being elected Councilmember. Adding that they are behind on making presentation to Council for their current Work Plans and the Annual Report.

6. BICYCLE SUBCOMMITTEE:

The Chairman spoke of wanting to get a booth set up for the Annual Bike Parade for the 4th of July.

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7. STAFF UPDATE ON EMERGENCY MANAGEMENT ACTIVITIES:

- **Monthly Report**

- Transitioned from a weekly report to a Monthly Report
 - Scorecard created to track various items
- 3-recent vacancies have been filled
 - New Deputy Public Services Director, James Hart starts on April 6th
- Recent storm turned out to be a collaborative effort with his staff to get out in the field and get everything quickly cleaned and picked up
 - Created a new contact chain to be able to get ahold of everyone if necessary
- New Generator was installed with bad parts, but they've all been replaced and its now up and running
- Wayfinding Signs for Crystal Beach are up for the season
- Harbor Pump is up and running as of March 2nd
- Office Renovations at City Hall are in process
- Adopt-A-Street Program – Two new groups
 - Compass Resorts – Beach Drive from Legion to Highway 98
 - 790 on the Gulf – Crystal Beach Drive
- Policy Updates
 - Emergency Management Policy
 - Vehicle Usage
 - Emergency Dispersal Plan for Hurricanes

- **Staff Comments:**

- Paid to Park will start on May 1st and will go to Council for their approval on Monday
- Tow Away Zone/No Parking signs with the Sheriff's contact number and the shingle signs that go under them with the fine amounts will be going to Council in a couple of weeks for approval.
- Continuing Services Contractor is putting in new sidewalks behind Maguire's on Zerbe Street parking area along with No Parking signs to be placed along them to keep the big dump truck from parking on them
- Welcome to Destin Sign was tagged and has already been replaced.

8. COMMITTEE REPORT: Nothing

9. COMMITTEE MEMBER COMMENTS:

- **Committee member Wood** – Reminded staff to not forget about the neighborhood streets that don't have any stripping.
- **Committee member Perman** – Thanked staff for putting the bollard poles at the intersections on Scenic 98 at the multimodal pathway sidewalks to slow down the runners and the bikers that normally blow through the intersections. And announced that Spring Break is in full gear.
- **Committee member Schmidt** – Asked for the cost breakdown for road striping.

Mr. Burgess provided the following:

- Thermo is \$.65 a foot per line
- Glass beads \$.20 = \$.85 per foot but adding all the ancillary items its about \$5.00 a foot. Or more if the roads are two lanes with a turn lane, four lane roadways =/+ 10%.

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- Asked for their next meeting to have how much from 2019 could PWPS potentially have allocated and is there some sort of tracking mechanism for their allotted amounts.
- Asked the members to prepare and come back with ideas for projects to discuss at their next meeting to request to allocate those left over funds towards.
- **Committee member Hickey** – Asked if the city has a plan in place for how the city would handle an outbreak of Corvid-19 and how would the staff be affected regarding getting paid. Mr. Burgess explained that staff has met and is working on a Plan of Action for staff that has children as well as identifying key functions and essential personnel to continue operations. Extra laptop computers have been ordered for staff to work from home, if a required quarantine goes into effect.
- **Public Comment:**

Terry Dan 662 Harbor Blvd. Unit 940 spoke of his concerns regarding how dark certain areas of Highway 98 is and questioned the city requirements for developments to be responsible to install street lighting. He spoke of how there are areas where there is as much as 1,000 feet distance between another light. He also spoke of a number of lights from Airport Road to the Marler Bridge that are not functioning. He reported that currently there are 11 not functioning on the southside of Highway 98, 4 on the north side and 1 in the median at a crosswalk. Adding that this is a life safety issue that needs attention immediately.

Mr. Burgess informed the members that now that the time has changed and it's dark in the mornings, he will have his staff, who comes in at 6 a.m., to drive through the city and conduct an inventory of all the lights that are out so they can all be properly reported to Gulf Power.

Committee member Wood asked about the status of the lighting plan that, from what he understood, was going to take place after the resurfacing project is finished. According to Mr. Burgess, he knows of a preliminary project because he found a set of plans marked "Not for construction." Adding that he will contact Mike Lewis who is the Safety Engineer for District Three and in charge of the Airport Road Project with FDOT and report back what he finds out.

Committee member Wood also reminded the members that as part of their area reviews, this is one of the items that they are responsible to oversee and report to staff any lights they see that are not working properly or are not working at all.

Mr. Burgess also mentioned that the black small cell towers that have been put up throughout the city are owned by AT&T and will also get streetlights put on them. And AT&T will be responsible for paying the electric bill for them.

Having no further business at this time, the meeting adjourned at 7:00 p.m.

Adopted and approved this _____ day of _____ 2020

Anthony Ramswell, Chairman

Kim Montgomery, Deputy City Clerk

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MINUTES HARBOR COMMUNITY REDEVELOPMENT AGENCY ADVISORY COMMITTEE MEETING MARCH 11, 2020 - 5:30 PM DESTIN CITY HALL BOARDROOM

1. CALL TO ORDER:

Chairman Buckingham called the meeting to order at 5:30 p.m. on Wednesday, March 11, 2020 in the Destin City Hall Board Room.

2. ROLL CALL:

HCRA-AC Members:

Present

Mike Buckingham
James Green
Sandy Trammell
Casey Jones
Mike Raim
Barbara Mizell

Absent

Jan Best

Staff Present

Kim Montgomery, Deputy City Clerk
Traci Goodhart, Planner
Lauren Witt, Principle Planner
Louis Zunguze CD Director

3. MINUTES FOR APPROVAL: February 12, 2020

Motion by Committee member Raim, seconded by Committee member Trammell, the members approved the February 12, 2020 minutes as written with a 5-0 vote. Committee member Mizell not present for the vote.

4. OLD BUSINESS:

• 2020 Work Plans:

Mrs. Goodhart informed the members that so far, she has received two workplan items and asked them to think about projects they want to sponsor. Committee member Raim informed staff he would still like to champion roadway safety on Highway 98 and harbor area parking.

5. NEW BUSINESS:

• Master Plan Update

Mrs. Goodhart informed the members that they need to start working on the Mater Plan for the Harbor CRA-AC District, which was last updated in 2003. In order to align the plan with the Harbor CRA objectives and compare it to the current Comprehensive Plan policies and the vision for the Harbor CRA. As well as align it with where they want the CRA to be in the next 20-years.

She explained further that within the Comprehensive Plan, Policy 1-1.3.4 focuses on the CRA Redevelopment, Infrastructure Goals and Design Enhancements such as:

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- Treescapes,
- Streetscapes
- Amenities
- Enhanced signage
- Intersection improvements
- Development of Capt. Royal Melvin Heritage Park and Plaza
 - This will be removed when the plan is updated
- Land Acquisitions for offsite parking facilities
- Bayside Boardwalk Continuance
- Continuance of Pedestrian Environment Improvements

With that, staff is recommending the members to ask Council to direct staff to update the Harbor Master Plan.

Committee member Green made the motion for the Harbor CRA-AC to recommend City Council direct staff to update the Harbor Master Plan per the components outlined in Policy 1-1.3.4 of the Comprehensive Plan. And further, to prioritize an offsite parking garage or a solution to the parking needs of the city.

There was a lengthy discussion regarding the deficit of parking in the district and the rift that it is causing with the property owners that needs to be remedied. Especially in terms of the outdoor dining which has largely increased the problems.

The Chairman asked Committee member Green how he sees a solution to the current parking problems.

According to Committee member Green, the synergy of the Festive Market Place is to get the people down to the harbor area. And once charging for parking started other businesses started charging as well and to him, it goes against the idea of the Festive Market Place. Adding that it's more of a regressive ideal instead of a progressive one.

Committee member Trammell spoke of how this needs to be a work plan item with the discussed issues included as bullet points to be addressed.

The Chairman asked Mr. Zunguze to provide some insight with his extensive background on ways to bring in stakeholders from the community to provide input.

Committee member Trammell added that bringing in the stakeholders should be included as one of the elements of the work plan. And an action to get where they need to be.

According to Mr. Zunguze first off its imperative to get the Master Plan updated first and then work towards the goals of their work plans, which would be Governed by their Master Plan. And in that, they can identify the high profile projects that they need to address.

The Chairman called for the vote and the motion passed with a 6-0 vote.

6. DIRECTORS REPORT:

- **Harbor Capacity Study**

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Mr. Zunguze informed the member that only one more person is needed to have a full committee appointed, with the last person being nominated at the upcoming Council meeting. He told them he will share the entire committee's makeup at their next meeting. Adding that they are finalizing the survey and staff has had several conversations with the ACOE to ensure they are all on the same page as far as the focus of the study and what will be covered.

- **Land Development Code Overhaul**

Mr. Zunguze informed the members that staff will start working on Chapter 8, Transportation, which includes parking.

7. **ADJOURNMENT:**

Having no further business at this time, the meeting was adjourned at 6:00 PM.

Adopted and approved this ____ day of _____ 2020.

Mike Buckingham, Chairman

Kim Montgomery, Deputy City Clerk

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: April 6, 2020

TYPE OF AGENDA ITEM: Consent Agenda

TO: City Council

THRU:

FROM:

DATE:

SUBJECT: Extensions 3 and 4 to the COVID-19 Declaration of State of Emergency

I. BACKGROUND:

II. DISCUSSION: We are required to extend the COVID-19 Declaration of State of Emergency every seven days until the declaration is no longer required.

A. Link to Strategic Goals / Objectives:

B. Effect on Budget (EOB):

C. Level of Service (LOS):

III. CONCLUSION:

IV. RECOMMENDED MOTION:

I move to authorize and direct the City Manager to execute Extensions 3 and 4 to the COVID-19 Declaration of State of Emergency if the City Manager determines that an emergency still exists on April 8, and 15, respectively.

Attachments:

1. COVID-19 Declaration of SOE - Extension No 3
2. COVID Declaration of SOE - Extension No 4

**EXTENSION NO. 3 – COVID-19
DECLARATION OF STATE OF EMERGENCY
CITY OF DESTIN, FLORIDA**

WHEREAS, on March 1, 2020, Governor Ron DeSantis issued Executive Order No. 20-51 directing the Florida Department of Health to issue a Public Health Emergency, which direction was followed by the appropriate agencies; and

WHEREAS, on March 9, 2020, Governor Ron DeSantis issued Executive Order No. 20-52 declaring a State of Emergency for every county in Florida for COVID-19; and

WHEREAS, on March 18, 2020, the Mayor and City Manager of the City of Destin, Florida (the “City”) jointly issued a Declaration of a State of Emergency (the “COVID-19 Declaration”) in response to COVID-19; and

WHEREAS, there is law potentially limiting the COVID-19 Declaration’s effect to a period of only seven (7) days; and

WHEREAS, the conditions continue to exist requiring the extension of the COVID-19 Declaration; and

WHEREAS, on March 25, 2020, the Mayor and City Manager jointly issued Extension Number 1 to the COVID-19 Declaration;

WHEREAS, on April 1, 2020, the COVID-19 Declaration and Extension Number 1 thereto were duly ratified and approved by the Destin City Council; and

WHEREAS, on April 1, 2020, the Destin City Council authorized and directed the City Manager to issue Extension Number 2 to the COVID-19 Declaration; and

WHEREAS, on April 6, 2020, the Destin City Council authorized and directed the City Manager to issue Extension Number 3 to the COVID-19 Declaration if the City Manager determines that the emergency continues to exist on April 8, 2020.

NOW THEREFORE, in consideration of the recitals above, all of which are incorporated herein below by reference, the City Manager hereby extends the COVID-19 Declaration, and further states:

Section 1. COVID-19 Declaration Extended.

1. The COVID-19 Declaration is hereby extended for the maximum amount of time allowed by law or until the City Council determines that a state of emergency no longer exists. However, this the state of emergency shall not exceed any Executive Order from the Governor revoking or withdrawing Executive Order 20-51 and if Executive Order 20-51 is revoked or withdrawn, then this State of Emergency shall terminate automatically and without further action by the City Manager or City Council.
2. This Extension shall be subject to ratification by the City Council.

DULY EXECUTED this 8th day of April, 2020.

Lance Johnson, City Manager

Date: _____

Attest:

Approved as to form and legal
sufficiency:

Rey Bailey, City Clerk

Date: _____

Kyle Bauman, City Attorney

Date: _____

**EXTENSION NO. 4 – COVID-19
DECLARATION OF STATE OF EMERGENCY
CITY OF DESTIN, FLORIDA**

WHEREAS, on March 1, 2020, Governor Ron DeSantis issued Executive Order No. 20-51 directing the Florida Department of Health to issue a Public Health Emergency, which direction was followed by the appropriate agencies; and

WHEREAS, on March 9, 2020, Governor Ron DeSantis issued Executive Order No. 20-52 declaring a State of Emergency for every county in Florida for COVID-19; and

WHEREAS, on March 18, 2020, the Mayor and City Manager of the City of Destin, Florida (the “City”) jointly issued a Declaration of a State of Emergency (the “COVID-19 Declaration”) in response to COVID-19; and

WHEREAS, there is law potentially limiting the COVID-19 Declaration’s effect to a period of only seven (7) days; and

WHEREAS, the conditions continue to exist requiring the extension of the COVID-19 Declaration; and

WHEREAS, on March 25, 2020, the Mayor and City Manager jointly issued Extension Number 1 to the COVID-19 Declaration;

WHEREAS, on April 1, 2020, the COVID-19 Declaration and Extension Number 1 thereto were duly ratified and approved by the Destin City Council; and

WHEREAS, on April 1, 2020, the Destin City Council authorized and directed the City Manager to issue Extension Number 2 to the COVID-19 Declaration; and

WHEREAS, on April 6, 2020, the Destin City Council authorized and directed the City Manager to issue Extension Number 3 to the COVID-19 Declaration if the City Manager determines that the emergency continues to exist on April 8, 2020; and

WHEREAS, on April 6, 2020 the Destin City Council authorized and directed the City Manager to issue Extension Number 4 to the COVID-19 Declaration if the City Manager determines that the emergency continues to exist on April 15, 2020; and

NOW THEREFORE, in consideration of the recitals above, all of which are incorporated herein below by reference, the City Manager hereby extends the COVID-19 Declaration, and further states:

Section 1. COVID-19 Declaration Extended.

1. The COVID-19 Declaration is hereby extended for the maximum amount of time allowed by law or until the City Council determines that a state of emergency no longer exists. However, this the state of emergency shall not exceed any Executive Order from the Governor revoking or withdrawing Executive Order 20-51 and if Executive Order 20-51 is revoked or withdrawn, then this State of Emergency shall terminate automatically and without further action by the City Manager or City Council.
2. This Extension shall be subject to ratification by the City Council.

DULY EXECUTED this 15th day of April, 2020.

Lance Johnson, City Manager

Date: _____

Attest:

Approved as to form and legal
sufficiency:

Rey Bailey, City Clerk

Date: _____

Kyle Bauman, City Attorney

Date: _____

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: April 6, 2020

TYPE OF AGENDA ITEM: Action Item

TO: City Council

THRU:

FROM:

DATE:

SUBJECT: 1) Development Review System Software Update (monthly)
2) Median Maintenance

I. BACKGROUND:

II. DISCUSSION:

- A. Link to Strategic Goals / Objectives:**
- B. Effect on Budget (EOB):**
- C. Level of Service (LOS):**

III. CONCLUSION:

IV. RECOMMENDED MOTION:

Attachments:
None











Rey Bailey

From: noreply@civicplus.com
Sent: Sunday, February 23, 2020 12:03 PM
To: Clerks Department
Subject: Online Form Submittal: Harbor Capacity Study Steering Committee Application

[CAUTION: This email originated from outside of the City of Destin email system. DO NOT CLICK on links or open attachments unless you are sure the content is safe.]

Harbor Capacity Study Steering Committee Application

Introduction:

The City of Destin has partnered with the United States Army Corps of Engineers to conduct a Harbor Capacity Study for the Harbor and Choctawhatchee Bay areas.

To assist in overseeing the Study effort, the City of Destin is seeking to establish a Harbor Capacity Study Steering committee.

The purpose of this committee is to provide oversight for the Study and ensure that all elements within the City of Destin's Harbor Capacity Study Scope of Work (scope attached) are effectively incorporated. The City is looking for participants from the following stakeholder entities to compose the committee:

- Marina Owners
- Marine Focused Business Owners
- Recreational Business Owners
- Harbor Businesses/Services
- Service Members from Other Boards (i.e. Harbor CRA, Harbor and Waterways Board)
- Members of the Public

(Section Break)

First Name	Eddie
Last Name	Morgan
Home Address	712 Jupiter St
City	Destin
State	FL

Zip	32541
Mailing Address (if different from above)	Field not completed.
City	Field not completed.
State	Field not completed.
Zip	Field not completed.
Phone	850-502-9733
Email	Eddiem84@gmail.com
If necessary, may we contact you during the day?	Yes
Please provide a brief description of your education and professional experience:	University of Alabama Owner Harbor Docks Restaurant and Marina
Are you currently a resident of Destin?	Yes
How long have you lived in Destin?	36 years
Are you a registered voter in Okaloosa County?	Yes
Do you work or own a business in Destin?	Yes
If yes, what is your business relationship within the jurisdictional boundaries of the City of Destin?	Restaurant/marina owner
Do you hold any type of public office?	No
Have you ever been convicted of a felony?	No
If yes, please explain, including dates of conviction:	Field not completed.
At the present time, do you serve on any City Board,	No

Commission, or
Committee?

If yes, please list
appointments:

Field not completed.

Why are you interested in
serving as a member of the
Harbor Capacity Study
Steering Committee?

To protect the economic and environmental health of our
harbor

Please explain your
understanding of the City of
Destin Comprehensive Plan,
Land Development Code
(LDC), and Environmentally
Sensitive areas:

They guide current and future development in the city. They
determine what can be built and where.

Please explain your
knowledge of governmental
procedures and processes:

Roberts rules. Familiar with city government/permitting/LDC etc

Please outline your
familiarity with the physical,
social, and economic
composition of the City of
Destin, particularly, in the
Destin Harbor and
Choctawhatchee Bay area:

I've spent my whole life on Choctawhatchee Bay, Gulf of
Mexico, and living in the city of Destin. I own Harbor Docks
restaurant and very involved with the economy of the city.

Please outline your
familiarity with major issues
impacting the Destin Harbor
and Choctawhatchee Bay
area:

Livery vessels

Water quality/storm water issues

Charter boats and commercial fishing industry

The Harbor Capacity Study
Steering Committee
requires a significant
commitment from its
appointees; if appointed,
will you be able to complete
a full term (up to 12
months) and attend
regularly scheduled
meetings?

Yes

Please share any other
information you feel is
important for consideration
of your application to the

I've made my living on the Destin Harbor and with any luck, I
will continue to. I buy, sell, cook, and catch fish for a living.

Harbor Capacity Study
Steering Committee:

My electronic signature below indicates my desire to serve as a member of the Harbor Capacity Study Steering Committee:
BY CHECKING THE ELECTRONIC SIGNATURE VERIFICATION BOX BELOW, I INDICATE MY DESIRE TO SERVE THE CITY OF DESTIN IN A VOLUNTARY CAPACITY AS A MEMBER OF ONE OF ITS BOARDS, COMMITTEES, PANELS OR COMMISSIONS. I ALSO CONFIRM MY UNDERSTANDING OF THE MEETING TIMES AND ATTENDANCE REQUIREMENTS, AND WHERE APPLICABLE, THE REQUIREMENT TO FILE AN ANNUAL FINANCIAL DISCLOSURE FORM (FORM 1). I UNDERSTAND THAT I WILL BE REQUIRED TO FILE THIS FORM ANNUALLY IF SELECTED AS A MEMBER OF THE LOCAL PLANNING AGENCY OR BOARD OF ADJUSTMENT. INITIAL FILING WILL BE REQUIRED WITHIN 30 DAYS OF APPOINTMENT; FOLLOWING THAT, I WILL BE NOTIFIED BY MAIL BY THE COMMISSION ON ETHICS OR THE SUPERVISOR OF ELECTIONS OFFICE.

Signature	Electronic Signature Verification
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Date	2/23/2020
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(Section Break)

Carrying Capacity Study Summary and Scope

A carrying capacity study is a comprehensive study that determines if an environment (i.e., land, water body) is sustainable based on existing and/or future conditions. Carrying capacity studies require the identification of a specific study area. Additionally, carrying capacity studies require scientific methods, which require the identification of measurable indicators. The City of Destin Harbor Capacity Study Scope of Work includes the following elements:

- *Aesthetics*
- *Socioeconomics*
- *Quality of life*
- *Community character issues (including population concentration)*
- *Availability of open space*
- *Habitat diversity*
- *Diversity and health of existing species*

If you have any questions, please contact Samantha Brisolara at 850-654-1119 or sbrisolara@cityofdestin.com

Email not displaying correctly? [View it in your browser.](#)