

**REGULAR MEETING
DESTIN CITY COUNCIL
MARCH 1, 2021
ANNEX COUNCIL CHAMBERS
6:00 PM**

****Core Value of the Month - Respect****

CALL TO ORDER

INVOCATION

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 January 19, 2021 Regular City Council Meeting

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

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. FY 2020 Annual Audit and Financial Statements
- B. EFPR Group Engagement Letter for FY2021 Audit
- C. Debt Financing Update
- D. Multi-Modal Transportation District (MMTD)
- E. Beach Cleaning - Status Update
- F. Announcements

5. PUBLIC HEARINGS

A. First reading of Ordinance 21-01-LC - Amending Article 7, zoning and regulatory controls of the Land Development Code, permitting residential uses in the South Harbor Mixed Use zoning district in structures pre-dating incorporation of the City of Destin (1984)

6. *CONSENT AGENDA (No public comments)

- A. Passport Contract Amendment
- B. Proposed Bert Harris Settlement Agreement for 627 Gulf Shore Drive
- C. Draft Minutes of Standing Committee/Board Meetings

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

A. Councilmember Braden

B. Councilmember Ramswell

1. Face coverings on maritime vessels

2. Spring break preparations

3. Direct staff to amend the code to allow additional time for ATVs to drive on the beach for trash removal

C. Councilmember Destin

D. Councilmember Overdier

E. Councilmember Hebert

F. Councilmember King

G. Councilmember Schmidt

H. Mayor Gary Jarvis

I. Land Use Attorney

1. Request to call executive session on March 15, 2021, at 5:30 p.m., pursuant to section 286.011(8), Florida Statutes, in the case of *Destin Fishing Fleet, Inc., v. City of Destin*, Okaloosa County Court Case No. 2019-CA-000425-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
REGULAR MEETING
DESTIN CITY COUNCIL
JANUARY 19, 2021
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 Skip Overdier
Councilmember Terésa Hebert
Councilmember Johnny King (Virtual)

Councilmember Rodney Braden
Councilmember Prebble Ramswell
Councilmember Kevin Schmidt
Councilmember Dewey Destin

Destin City Staff

City Manager Lance Johnson
Deputy City Manager Webb Warren
Finance Director Krystal Strickland
Grants/Project Manager Jeffrey Cozadd
Community Dev. Director Louis Zunguze
Code Compliance Manager Joey Forgione
Parks/Recreation Director Lisa Firth
IT Manager Matthew Pace
City Land Use Attorney Kimberly Kopp

City Clerk Rey Bailey
Public Services Director Michael Burgess
Public Information Manager Catherine Card
City Planner Traci Goodhart
HR Manager Karen Jankowski
City Engineer Donald Smith
IT Technician James Lauria
Code Compliance Officer David Bazylak
City Attorney Kyle Bauman

CALL TO ORDER, INVOCATION AND PLEDGE OF ALLEGIANCE

The Mayor called the meeting to order at 6:00 p.m.; which was then followed by the recitation of the Pledge of Allegiance.

AGENDA APPROVAL

Motion by Councilmember Hebert, seconded by Councilmember Overdier, to approve the agenda passed 7-0 (Council members Schmidt, King, Hebert, Overdier, Destin, Ramswell, and Braden voted “yes”).

1. APPROVAL OF MINUTES

A. Approval of minutes of January 4, 2021 Council Executive Session

Councilmember Schmidt move to approve minutes of January 4, 2021 Council Executive Session; seconded by Councilmember Overdier. Motion passed 7-0 (Council members Schmidt, King, Hebert, Overdier, Destin, Ramswell, and Braden voted “yes”).

B. Approval of minutes of December 21, 2020 Regular City Council meeting

Motion by Councilmember Overdier, seconded by Councilmember Hebert, to approve minutes of December 21, 2020 Regular City Council meeting passed 7-0 (Council members Schmidt, King, Hebert, Overdier, Destin, Ramswell, and Braden voted “yes”).

2. PROCLAMATIONS / RECOGNITIONS / SPECIAL PRESENTATIONS / ANNOUNCEMENTS

A. Proclamation Destin School Choice Week

The Mayor read the Proclamation recognizing January 24-30, 2021 as *Destin School Choice Week*.

B. Gulf Power Update: Mr. Bernard Johnson, Regional Manager, Central District, Gulf Power, Inc.

Mr. Bernard Johnson, Regional Manager, Central District, Gulf Power, Inc., provided the following information:

- Gulf Power was acquired by NextEra Energy in 2018
- Gulf Power to merged with Florida Power and Light in January 2021. Will still be called “Gulf Power” through 2021
- Gulf Power’s name will change in 2022 (name still to be determined)
- Rate reviews currently being conducted and will be submitted to the Public Service Commission in March 2021. The new rate plan is scheduled to begin in 2022 and continue through 2025
- Gulf Power/Florida Power and Light will be advancing solar power. Solar energy sites currently being created. The plan is to have 30,000,000 solar panels in Florida by 2030
- Modernization – Gulf Power is out of the coal business. Incorporating natural gas. The goal is to have clean energy
- The number to do undergrounding is a lot more favorable now than it was a few years ago. They have been meeting with the City Manager and other City representatives to get things underway

Councilmember Destin noted that Mr. Johnson and his associates have been discussing the streetlight issues with the City. He asked if there has been any progress.

Mr. Johnson stated he has been in communication with the City’s Public Works Director about this issue. They are very much aware of locations where some streetlights are still out; and that they are at a very small number.

Councilmember Ramswell noted there have been some discussions about fees being placed on power bills to help Gulf Power recoup some of the money they spent during Hurricane Michael.

Mr. Johnson explained that Gulf Power was granted approval by the Florida Public Service Commission to add storm related fees on residential customers' monthly bills to recoup costs for its Hurricane Michael response. The storm cost a lot of money and as the host utility, they pay all the costs to restore power.

Councilmember Ramswell asked if Gulf Power is doing a similar assessment on power bills for people who have gotten behind on payments due to the pandemic.

Mr. Johnson responded they will not perform a similar assessment on COVID-19 related cases.

Councilmember Ramswell stated they have previously discussed asking Gulf Power to let the City place such things as Christmas decorations on their power poles. She asked if Gulf Power would allow it; and if so, whom should the City approach to make this request.

Mr. Johnson stated that Gulf Power has previously allowed other cities to use their power poles; but it is on a case-by-case basis as there are strict requirements that need to be imposed. It would also depend upon the size of the materials. Nothing too big that could cause power outage if it gets loose is allowed on the pole. He added that the City can contact a division in Pensacola that handles pole attachment requests.

Councilmember Hebert asked Mr. Johnson to provide an overview of the undergrounding and how long it could take to complete the project.

Mr. Johnson stated that an undergrounding project takes years to complete. There are a lot of elements involved including power, phone, cables, and other materials that are already in the ground. He noted that Panama City is undergrounding their utilities one mile at a time. They determine the location of that mile, set the revenues aside that would pay for the one-mile installation, and then make plans for the next mile once that portion of the project is completed. He added it could take 5 to 7 years to complete an entire undergrounding project.

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

Mr. John Stephens, a Destin resident and livery operator, stated they have chase vessels and rotate their chase vessels. They should be allowed to use any boat as chase vessel and should be allowed to swap boats when one is not fully operational as long as they notify the City in writing in that regard. He recommends amending the Acknowledgement section of the application document to allow the use of chase vessels provided they send an email to Code Compliance advising them of the situation.

Mr. Stephens also asked whether the video staff plans to show tonight is a navigational video or a safety video; and whether it covers all State requirements, and they would be required to show it, as well as other videos they already have, to their customers. He continued that customers usually have very short attention span and showing them multiple videos may be asking too much.

Councilmember Schmidt asked if livery operators would be allowed to replace a broken-down vessel if they notify Code Compliance Division in advance that they are doing so, and they provide the Florida registration number for the vessel.

According to Code Compliance Manager Joey Forgione, when a vessel has broken down permanently, the livery operator usually notifies them, and they sometimes bring in proofs the vessel has broken down such as rip pieces of the boat. They then remove that vessel from their fleet and provide a new sticker for the replacement vessel once they receive the Florida registration number for the vessel. He continued that if the vessel is only down temporarily, the livery operator contacts them and advises them which vessel they want to use, and that vessel is recorded. He added each livery operator has certain number of registered chase vessels for their property, which they cannot increase due to the moratorium.

Mr. Stephens noted that this procedure is not in writing which is why he asked that it be memorialized in the Acknowledgement section of the application document to avoid any future problems in case there is a new City staff member who may not be aware of the process.

Ms. Peggy Matthews spoke next. She stated she is a Florida representative for American Watercraft Association, which represents and advocates for recreational vessels and livery vessels. She reported that there have been 27 total accidents in Okaloosa County to date, and only one-third of those accidents involved a personal watercraft; adding that statistically, personal watercraft does not have a high number of accidents in the County. Boating congestion is currently a huge issue all over the State. Florida Fish and Wildlife Commission (FWC) is responding by proposing legislation this year to take off the cap of the age requirement for boating education. This bill will enhance safety all over the State. She then handed out some documents from the County Attorney's Office, which is the result of a research the County Attorney conducted on personal watercraft, and livery ordinances throughout the State, at the request of the County Commission. She stated that it is a very thorough legal research. The County Attorney concluded there is not one ordinance on the books in Florida that pertains strictly to personal watercraft. Discriminating against personal watercraft is illegal and it is not backed by Florida Statutes.

Councilmember Ramswell asked what the other 18 accident, out of the 27 accidents Ms. Matthews reported earlier, were about.

Ms. Matthews noted that the other 18 reported accidents involved other traditional vessels. She stated that FWC releases a full statewide accident report, by class of vessel, annually, and that the 2020 report will be released in the March/April timeframe.

Mr. Ed Rogers, a Destin resident and livery operator, discussed the importance of being able to clean and maintain their boats in their parking lot during the off season. He stated this is necessary so they could get their boats prepared for the following season. He reported that some livery operators received a letter from the City last year informing them they are illegally parking their boats in their lot. Those letters were subsequently put on hold while the City further investigates this matter. He stated there is nothing on the books and there had not been any conversation among the Council about this being an illegal use and so no law has been created regarding it. He also stated that livery operators are being targeted. The City does not fully

understand their business and had not taken the time to discuss it with them to be able to understand it; adding that City staff does not seem to want their input on this matter.

Councilmember Hebert opined that if a livery operator is also the owner of the property, they should be able to park and clean their boats on the property as long as it is not negatively impacting other businesses on that property. With regards to aesthetics, they could probably put up some temporary fencing to hide the boats while they are being maintained.

Councilmember Ramswell requested that a copy of the notice of code violation letter several livery vessel operators received last year for illegally parking their pontoon boats on their property be provided to the Council.

Mr. Mike Abadie, a Destin resident and livery operator, stated that if the Council passes an ordinance eliminating boats from his upland property, it could put him out of business because it is a critical part of his business, which has been in operation since 1990. He stated that he has been maintaining his boats on his upland property since that period. He also stated he is not aware of any code prohibiting this use and he did not know until now that he has been using his property illegally. He noted that a letter of violation was sent to several livery operators last year. He then drove around and took pictures of about 11 properties doing the same thing and the only people that received a notice of violation were the livery operators. The others were not cited at all, which is a clear example of targeting. Staff subsequently rescinded those letters until they come up with some new information. He asked to be allowed to maintain his boats on his property during the off season as long as it does not interfere with parking.

Councilmember Schmidt stated that City staff should have been informed of the other businesses violating the same code but did not receive a notice of violation. Sometimes the City relies on inputs from citizens on these kinds of activities for staff to be able to take action.

Ms. Sherry Andrews, a Destin resident and livery operator, stated that she rents her place of business. Last year she was told to get her boats off her property, and so she was forced to purchase another property on Mountain Drive to store her boats there for 3 months out of a year. She also stated that her renewal application which contains 79 pages has been returned to her twice already. She has already gone through her landlord several times for information to be able to complete the application. She is concerned she could lose the use of that property if she goes to them again. She asks the City to thoroughly review the application, provide her a complete list of discrepancies or items that are lacking in her application, so that she only has to go back to her landlord one final time.

Mr. Scott Johnson, a Destin resident, stated that he read an article in the newspaper regarding homelessness assistance in the City of Destin, to include providing shelter for the homeless. He stated that he retired from law enforcement after 20 years of service. He has had an extensive experience dealing with homelessness while living at Portland, Oregon. He watched the city turned into probably one of the most unlivable cities in the United States, which prompted him to move out of that City. He stated that he has dealt with various issues surrounding homelessness, and to consider bringing homelessness to Destin was quite disturbing to him having just moved here 3 ½ years ago. He does not want what happened in Portland to

happen in Destin, and so he is willing to offer himself as an advisor providing opinion that may be contrary to attracting more homelessness to this area.

Mr. Jason Schilder, a Fort Walton Beach resident and livery operator in Destin, stated they have recently attempted to schedule a meeting with City staff to discuss the lack of ability to exchange equipment or lack of a clear message as to how back up equipment could be substituted for damaged equipment. The rules as written specifically forbid the use of equipment between locations as well as utilize one of their chase vessels or a backup equipment as replacement. The livery application includes a statement that *“Livery vendor agrees not to rent for service a registered chase vessel or a none-registered vessel. Livery vendor agrees to only use vessels with registration sticker on file from the property of record. Livery vendor understands that the violation of the rules and regulations could result in fines or suspension of livery vendor privileges”* He also stated this is a subject many livery operators have addressed multiple times but there are still no written clarifications. They have two locations in Destin and one at Fort Walton Beach. If a vessel needs maintenance, it is necessary for them to move equipment between locations or utilize a back-up equipment. Their signature on the Acknowledgement page of the application implies a potential loss of the ability to operate if any rules are broken. They have had some discussions with the Code Compliance Manager who has assured them the City will work with them throughout this season. However, they need a written guarantee that livery operators would not be penalized for running their business efficiently.

Mr. Greg Fisher, a Fort Walton Beach resident, stated that he recently attended a Board of County Commission meeting during which the County Attorney discussed her findings on personal watercraft regulations. She specifically acknowledged Florida Statutes 37-62(d) pertaining to personal watercraft discrimination. She stated that if the County put these regulations in place, a challenge could incur which have never been defined in court. Mr. Fisher also stated they need better clarifications regarding the transferability of permits. Verbal agreements are not sufficient. Everything needs to be in writing to avoid any confusion later on; and that it needs to be done soon as the start of spring break is only two months away.

Ms. Marcie Bell, a Destin resident, noted that 5 years ago tonight, the late Ms. Diana Monson stood before this Council and spoke about Parcel B on Holiday Isle and how the zoning of that parcel suddenly changed from Conservation to High Density Residential (HDR). She has spoken about this issue several times since then. A representative from the Army Corps of Engineers (ACOE) stood before this Council and informed them that particular parcel cannot be developed as it is under a perpetual spoil easement. It is a public land and it is time for that parcel to revert back to Conservation. She urged the Council to direct staff to start working on making that change.

Ms. Bell also noted that the City has serious problems with its Waste Management contract. They have a situation on Holiday Isle where 75 percent of the properties on her street alone does not pay for garbage service, which is a violation of City code. Their cans are still being picked up twice a week. She also pointed out there are properties in the City that are not keeping their cans on their own property. It needs to be addressed in the ordinance that those cans have to be kept on the property.

Councilmember Ramswell asked if the City issues citations to people who do not abide by the code by not maintaining waste service, and whether it is being enforced.

According to Mr. Forgione, once the violation is confirmed, they issue a warning citation. If compliance is not obtained, then a \$50 ticket is issued.

Ms. Carrie Harbarger, a Destin resident, stated that the City should no longer be collecting Waste Management bills; but it seems they are still doing so.

The City Manager confirmed that the City is no longer collecting bills for Waste Management.

Councilmember Ramswell would like to discuss the Waste Management issue further at a future Council meeting.

4. CITY MANAGER REPORTS

A. Capital Project Status

Finance Director Krystal Strickland provided a summary of the current capital improvement projects, showing status and year-to-date expenditures and encumbrances.

B. Operations Financial Report

Ms. Strickland briefly discussed the year-to-date budget versus actuals for the General Fund and the two community redevelopment areas.

C. Complaint Process and Procedures

The City Manager noted that the City Attorney, Labor Attorney and City staff have been working collaboratively to update the City's policy and procedures regarding external complaints received and investigative procedures. They have been working together to document a whistleblower procedure and to document the City's complaint process. These whistleblower procedures and complaint processes work in conjunction with the City's adopted personnel policy. He briefly explained the following documents:

- Municipal Complaint Procedure – Establishes overall procedures for investigating and resolving claims of unlawful harassment, discrimination, or retaliation and to ensure a standard complaint process
- Harassment Discrimination Retaliation Claims – Establishes principles and protocols for claims of unlawful harassment, discrimination, or retaliation and to ensure a standard process in accordance with Florida Statutes
- Municipal Programs and Service Delivery Complaint Process – This process is intended to enable the City of Destin to promptly and effectively address program and service delivery concerns raised by members of the public. The process will assist the municipality in providing excellent service to the public and contribute to continuous improvement of operations. This process applies to all employees

and volunteers of the City of Destin and is intended only to establish uniform guidelines and aid employees and volunteers to ensure satisfactory resolution of a complaint concerning a City program or service delivery

- Complaint Process Flowchart – This is a summarized visual reference for how complaints are handled
- Whistle Blower Procedures – Pursuant to Florida Statutes, it is the procedure of the City of Destin, that its employees and members of the public have the opportunity to confidentially report allegations of wrongdoing, inappropriate conduct, and actions that may create specific danger that jeopardize the health, welfare and safety of its employees as well as the general public. It is also the intent of these procedures to protect individuals from advertise actions, i.e., retaliation for disclosing and reporting information alleging improper uses of office, waste of funds, or nay other abuse or neglect of duty on the part of a department, employee or management

D. COMPASS System/Energov Update

IT Manager Matthew Pace provided a brief update on the status of the COMPASS System/Energov Process. He announced that COMPASS testing and training is still currently ongoing. Community Development and Code Compliance staff continue validation and testing in advance of the Go Live date adhering to the original timeline. Due to circumstances outside the control of the City, the timeline for the completion of COMPASS had to be adjusted to April 2021. The recent cyber incident Tyler Technology faces nationally, and the pandemic have contributed to the altered timeline. The Tyler conversion team has been adjusting schedules to the best of their ability to accommodate all their customers since this cyber-attack has affected operations nationwide. However, these setbacks have created the opportunity for the City to work with their community and businesses to help test the system with them in the interim. This will help foster better relationships within the City and emphasize the efforts towards improving application and permit processes. The City will remain vigilant in completing client responsibilities on time and will work closely with EnerGov to compete this implementation.

E. Livery Update

Community Development Director Louis Zunguze noted that as a result of the City Council workshop held in December 2020 to discuss the livery registration process with business owners, property owners, and City staff, City staff has prepared an update for Council's consideration to include process improvements with the implementation of EnerGov, a proposed safety video, and two policy related issues on which staff is requesting direction.

At this time, the IT Manager provided a live demonstration of the application of the new COMPASS/Energov Software System to livery application process.

Following the demonstration, Councilmember Braden asked how staff would be able to track the number of parking spaces that have been allocated to each of the businesses on a particular property.

According to Mr. Zunguze, as part of the review process they would require a good site plan to be able to track parking spaces. The City's Planning Division will let the Code Compliance Department know when parking that has been allocated is sufficient and when every business on the property has adequate parking.

Councilmember Braden opined this portion of the process is still opened for human error.

Mr. Zunguze explained there would always be a human factor involved in the quality control process; however, the new system would allow everyone involved to review documents at the same time instead of the previous process when files are passed from one office to another and it took each office several days to review the documents.

Mr. Pace added that the Energov system will tie everything to a parcel number regardless of the business owner, and everything will be shown on one screen. Staff will be able to see all the information associated with a particular parcel and quickly determine if any discrepancies exist.

Councilmember Overdier asked what happens the following year during the renewal application process when all applicant information remains the same.

Mr. Pace explained that the way the system is built, the applicant will receive a message that they need to renew their application. The applicant will be able to review all the information they previously provided and resubmit everything just as it is if nothing has changed.

Councilmember Hebert asked if the other businesses in Destin follow a similar scheme during their application process.

According to Mr. Pace, every business permit application in Destin has a process in the EnerGov system that follows the same protocol and goes through a similar setup.

Next, a new proposed safety video for the livery industry was shown to the public.

Councilmember Schmidt asked if the video is a requirement to be shown in some regard or simply informational being offered for livery operators to use.

Mr. Forgione stated it is an offering for livery operators to show their customers because some of them have indicated they needed an updated educational video for the local area and this video serves that purpose.

Councilmember Hebert stated that it is a very informative video. She recommends combining the instructional feature and safety education feature into one video.

Capt. Howell of the Sheriff's Office stated they would be glad to create another video if necessary.

Mr. Mike Abadie commented they are required to show their customers a video created by the Florida Wildlife and Fisheries with educational items the marine patrol requires before

they go out into the water. There are some local issues that need to be covered, such as the no wake zones; however, the concentration span of some of their customers is limited that they lose interest if they try to show them something that lasts longer than 5 minutes. It would help if they could condense everything into one 5-6-minute video instead of showing them more than one videos. He also recommends posting the video online for prospective customers to view in advance. He added they are required to show the video or provide the information verbally to their customers.

Mr. Charles Duplantis, a Destin resident and livery operator, stated they have been showing the video to their customers for over 20 years. Prior to that, the marine patrol would sometimes pay them a visit and threaten to issue them a ticket for not providing their customers the required information before letting them out into the water. The video proves adequate information is being provided to customers.

Councilmember Ramswell recommends asking the local hotel to include this video in their local informational channel that provides their customers some of the information they need to know during their stay in the area.

Next, Mr. Zunguze stated there are two policy related issues – boat parking and tandem parking – that staff needs direction from Council prior to the 2021 livery vessel season. He informed the Council that Mr. Mike Buckingham, Chairman of the Harbor CRA Advisory Committee, would like to share the committee's view on these subjects.

Mr. Buckingham stated that one of the committee's main goals is to clean up the harbor and make it nicer and a better place to live and conduct business. Parking on the harbor has gotten worse and the aesthetic appeal of the harbor has diminished over the years partly due to the increasing number of livery vessels being pulled out of the water and cleaned in the parking lot. A lot of business owners, condominium owners, and residential property owners have expressed their displeasure in seeing this during the winter months. Livery operators are given 365 days a year to run their business. They still have to maintain their parking even if they decide to close their business 3 months out of a year. He also stated that the committee has been asking City staff to bring their recommendations regarding this issue before the City Council since 2017 but the previous staff never presented it to the Council. The committee asked him to address this issue tonight and bring forward at least two of the committee's recommendations. The committee recommends that if livery operators want to place their boats in the parking lot, to put them on a trailer so they can be moved quickly and easily. Also, they should not be allowed to continue to clean the bottom of their boats in a parking lot that is not approved by DEP, County, or State for that purpose as everything that comes off the harbor goes into the waterways. He added that all they hear are complaints that the livery industry is being targeted. They have always been welcomed to go before the Harbor CRA Advisory Committee and provide their suggestions on how to make things better for everyone and inform the committee of what they intend to do to help create a cleaner and nicer harbor. So far no one from the livery industry has come forward and provide suggestions.

Councilmember Schmidt asked if this issue ought to be brought before the Harbor Capacity Steering Committee as they discuss the Harbor Capacity Study since some of the things the study was supposed to address are the economic and environmental issues on the harbor.

Mr. Zunguze noted that the economic, environmental, and aesthetic issues on the harbor will be addressed in the study.

Councilmember Hebert stated that property owners should be allowed to do what they need to do on their property, to include cleaning their boats, as long as they take the necessary precautions. If the problem deals with aesthetics, they could require property owners to place temporary fencing while they are working on their property so that nothing is visible to the public.

Councilmember Ramswell asked what the requirement is for cleaning any type of vessels, not just pontoon boats, in the parking lot.

Mr. Zunguze noted this is the part staff wanted to share with and obtain policy direction from the Council.

Councilmember Destin stated that they need to know whether a permit is required to clean and maintain boats on upland property, and if so, whether livery operators, either together or as a group, be able to meet a certain standard.

Councilmember Destin moved to allow the Harbor CRA Advisory Committee to meet with representatives of pontoon rental business to discuss how to make things better on the harbor, and bring recommendations back to Council; and to direct the City Manager to direct staff to determine the requirements for boat cleaning and maintenance on the property. Councilmember Ramswell provided a second on the motion, which passes 7-0 (Council members Schmidt, King, Hebert, Overdier, Destin, Ramswell, and Braden voted “yes”).

Councilmember Destin asked City staff to investigate and address the following questions:

- How to work back-up vessels into the system to be used in the event of an equipment breakdown
- Issuing stickers for back-up vessels

Councilmember Ramswell asked staff to find out the parameters and addressed the following issues with regards to boat storage:

- Definition of storage
- Time frame for storage
- Temporary storage for cleaning and maintenance of vessels

City Planner Traci Goodhart noted that the staff report includes some information on tandem parking. She stated that several livery operators have indicated that it would be helpful to permit “party parking” on their sites. This would allow tandem parking for those vehicles who are in one party, who are renting a boat together. Currently, tandem parking for non-residential uses is only permitted for those with valet parking. This would potentially benefit the parking

situation on the harbor properties with multiple mixed use as it could potentially increase available parking on the site. Staff recommends the code be amended to allow tandem parking for livery businesses with a City approved site plan.

Councilmember Schmidt moved to amend the LDC allowing tandem parking for livery businesses with a City approved site plan; seconded by Councilmember Hebert.

According to Councilmember Overdier, he understood tandem parking as a way of putting two or more vehicles in one parking space. It seems this would only make parking lots more crowded rather than increase available parking for the business.

Councilmember Destin noted that with tandem parking, they still must have the required travel lane for vehicles in the parking lot. It would theoretically loosen up parking for the business because with tandem parking, two cars can occupy one parking spot rather than two as long as they belong in the same party.

Motion passed 6-1 (Council members Schmidt, King, Hebert, Overdier, Destin, and Ramswell voted “yes”; Councilmember Braden voted “no”).

Mr. Zunguze noted that this matter will come before the Harbor CRA Advisory Committee and to the Local Planning Agency, and subsequently to the City Council.

F. Traffic Safety Measures on Calhoun Avenue

City Engineer Donald Smith provided the following presentation to Council:

Zerbe Street – Calhoun Avenue Pedestrian Improvements

- Traffic Safety Measures – Calhoun Avenue
 - ❖ City Council directed staff to evaluate the possibility of speed humps as a permanent solution to traffic safety on Calhoun Avenue (Clement Taylor Park area)
 - ❖ Current Status and Recommendations
 - Zerbe Street – Calhoun Avenue Pedestrian Improvements Project will begin in February 2021
 - This project extends the 10-foot shared use path along Zerbe Street and the western side of Calhoun Avenue, from the corner of Zerbe Street at Sibert Avenue, north to Clement Taylor Park
 - Two new crosswalks will be added
 - One crossing Calhoun Avenue at the intersection of Zerbe Street
 - One crossing Calhoun Avenue near the entrance to Clement Taylor Park. This will connect the existing sidewalk to the proposed shared use path, at the park’s entrance

- Three existing crosswalks will be repainted to conform with FDOT specifications, and to increase visibility and safety
- Rectangular Rapid Flashing Beacons (RRFB) will be utilized at both new crosswalks along Calhoun Avenue, as well as the existing crosswalk at Sibert Avenue, to increase pedestrian and bicyclist visibility and safety
- Project improvements should be evaluated before any additional improvements are recommended
- ❖ Conclusion:
 - Zerbe Street – Calhoun Avenue Pedestrian Improvements Project will begin in February 2021
 - Project is anticipated to be completed by May 2021
 - Project will increase pedestrian visibility and help with overall corridor safety
 - City Engineer does not recommend additional improvements at this time
 - When the project is complete, staff will monitor the area and address concerns

Councilmember Destin asked whether a speed study was conducted in this area.

Mr. Smith replied that he has done a preliminary speed study at these locations using a small hand radar. The speed limit is 30 mph, and the speed percentile on average was 37 mph.

Councilmember Destin stated they are spending \$700,000 to encourage pedestrians to walk from the City parking lot along Calhoun Avenue, cross two intersection, and into the park area. Pedestrian traffic would dramatically increase, and this could be a very dangerous place for pedestrians. There have been two previous fatalities in this area – one on Calhoun Avenue area and another on Sibert Avenue area. He continued that they need to be proactive, which is something they did not do over at Kelly Street and Main Street intersection, where a more recent fatality took place.

Councilmember Destin moved to direct the City Manager to instruct City staff to look at the engineering criteria for putting in speed bumps or 4-way stop sign at the Zerbe/Calhoun intersection and for installing a 3-way stop sign on Sibert/Forrest intersection; and to bring back a recommendation on whether a speed bump or 4-way stop sign is more feasible for Zerbe/Calhoun intersection; and to be ready to implement it quickly, if necessary; seconded by Councilmember Ramswell. Motion passed 7-0 (Council members Schmidt, King, Hebert, Overdier, Destin, Ramswell, and Braden voted “yes”).

G. Announcements

5. PUBLIC HEARINGS

6. CONSENT AGENDA

- A. FY21 Renewal and Replacement Vehicles, granting City Manager purchase authorization.
- B. Milling & Resurfacing of City Hall Annex Parking Lot.
- C. Harbor Boardwalk Repairs.
- D. Human Resources/Risk Manager Confirmation.
- E. Request for release of code compliance lien by third party purchaser. (4767 Bonaire Cay).
- F. Proposed Bert Harris Settlement Agreement for 3473 Scenic Highway 98.
- G. Proposed Bert Harris Settlement Agreement for 58 Sunfish.
- H. Proposed Bert Harris Settlement Agreement for 87 Cobia.
- I. Proposed Bert Harris Settlement Agreement for 93 Cobia.
- J. Proposed Bert Harris Settlement Agreement for 4430 Ocean View Drive.
- K. Proposed Bert Harris Settlement Agreement for 4742 Ocean Blvd.
- L. Proposed Bert Harris Settlement Agreement for 4653 Destiny Way.
- M. Single-family Residential Marine Construction Proposed 823 Cross Street.
- N. Single-family Residential Marine Construction Proposed 944 Bambi Street.
- O. Single-family Residential Marine Construction Proposed 952 Bambi Street.

Councilmember Destin requested that Consent Agenda item 6D be pulled for further discussion.

The Land Use Attorney asked that Consent Agenda item 6E be removed from the agenda as the request for release of lien has been withdrawn by the property owner.

Motion by Councilmember Hebert, seconded by Councilmember Overdier, to approve Consent Agenda item 6A-6C, and 6F-6O, passed 7-0 (Council members Schmidt, King, Hebert, Overdier, Destin, Ramswell, and Braden voted “yes”).

Councilmember Destin noted that he asked Consent Agenda item 6D – *Human Resources/Risk Manager Confirmation* to be pulled as the City Charter requires Council confirmation on the hiring of department heads; and so this item should be voted upon separately and should not have been placed under Consent Agenda. He continued that he has reviewed Ms. Nichole DeVito’s resume and finds her to be a fine candidate for the position.

Councilmember Destin moved to confirm Nicole DeVito as the Human Resource / Risk Manager; seconded by Councilmember Overdier.

Councilmember Braden asked who are normally involved in the interview process for a department head position.

The City Manager noted that for this position, the initial team tasked with narrowing down the number of applicants from over 30 applicants to the 5 finalists were the HR Manager, Deputy City Manager, Grants/Program Manager, and Finance Director. The City Manager, Deputy City Manager, Finance Director, and HR Manager interviewed the finalists.

Councilmember Braden stated that since the HR Manager normally has frequent interactions with department heads, all the department heads should have been involved in the interview process.

The Mayor called for a vote on the motion, which passes 7-0 (Council members Schmidt, King, Hebert, Overdier, Destin, Ramswell, and Braden voted “yes”).

The City Manager expressed his gratitude to the outgoing HR Manager, Karen Jankowski, for 20 years of exemplary service to the City of Destin.

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

A. Councilmember Braden

- 1) Project coordinator for the City of Destin for the US Hwy 98 Undergrounding and Redesign Projects

Councilmember Braden requested an update on the above item.

The City Manager reported that the Grants and Project Manager has contacted the firm that will manage the electric utility undergrounding project for the City of Destin to find out if they would be coordinating with FDOT on the upcoming road improvement project, from Airport Road to the Marler Bridge, and whether there would be an additional costs for doing so. The firm responded that they plan to coordinate not only with FDOT but any other utilities that may be involved with the undergrounding project to help eliminate any conflicts and for no additional charge to the City.

Councilmember Destin noted that with regards to the undergrounding project, they are still in the preliminary stages because of financing questions. A lot will depend on the City's franchise agreement with Gulf Power. The City would also need to come up with creative ideas on how to finance the bond necessary to go forward with the undergrounding project.

Next, Councilmember Braden wants to know the difference between a chase vessel and a backup vessel.

According to the Code Compliance Manager, Joey Forgione, chase vessels and backup vessels are the same. They are used to recover vessels that have broken down in the waterways. Chase vessels cannot be rented, and the City has to be notified when chase vessels are to be used; otherwise, it would be a code violation and a citation is issued. Fines are on a staggered basis ranging from \$100 to \$300 for the first and subsequent violations for each vessel.

Councilmember Braden noted that Galati Yacht is required to have certain FDEP- certified locations for where to clean up their vessels. He asked why certain livery operators feel they do not have to abide by the same rules.

According to Mr. Abadie, they were not aware of Galati Yacht having special permits from FDEP. Livery operators have never been approached or cited by FDEP. It may well be an issue where livery operators may need to get compliant with FDEP or Marine Patrol. In which case, it may not be affordable for some individual businesses. They may need to group together and try to find a location to clean their vessels. The question is whether they will be allowed to store their boats at their upland property after they are cleaned.

Councilmember Braden also noted that written notice of violations had supposedly been issued to certain livery operators and that the Council was not aware of it. He continued this would be a quasi-judicial matter with which the Council cannot get involved.

Next, Councilmember Braden asked for an update on the \$25,000 Council previously approved for the beautification of the Harbor Lane right-of-way.

Mr. Zunguze noted that City staff is currently reviewing some options which they plan to bring to Council in February.

B. Councilmember Ramswell

- 1) Retain the current City Land Use Attorney in a remote capacity

Councilmember Ramswell noted that Council received an email from the Land Use Attorney discussing a potential resignation. It was then brought to her attention she would be willing to stay on if Council would consider allowing her to provide her services virtually and commute occasionally. She is bringing this up to get the individual Council member's opinion on the matter.

Councilmember Hebert moved to retain the current City Land Use Attorney allowing her to provide her services in a remote capacity; seconded by Councilmember Ramswell.

Councilmember Destin stated that he fully supports the motion and considers it as a perfect solution. The Land Use Attorney is very much engaged in multiple cases and other legal matters involving the City and finding a replacement and getting them up to date quickly on all matters could be quite problematic for the City.

The Mayor stated that the Land Use Attorney's institutional knowledge is quite valuable to the City.

The Mayor called for a vote on the motion, which passes 7-0 (Council members Schmidt, King, Hebert, Overdier, Destin, Ramswell, and Braden voted "yes").

- 2) Update on status of the submerged land lease application for Norriego Point

Councilmember Ramswell inquired as to the status of the submerged land lease application for Norriego Point.

The City Attorney stated they plan on presenting recommendations from City staff and attorneys to the City Council at their first meeting in February

- 3) Harbor Lane improvements and proposed improvements of other city-wide rights-of-ways with waterfront access

Councilmember Ramswell asked whether staff have come up with proposed improvements of City-wide rights-of-ways with waterfront access.

According to Mr. Zunguze, staff will bring proposed Harbor Lane improvement back to Council on February 16th. This will determine the type of improvements for the other right-of-way accesses.

- 4) Items to present to Okaloosa legislative delegation on January 20, 2021

Councilmember Ramswell stated this is their opportunity to inform their legislative delegation of their needs and what they would like them to focus on in terms of legislation. She asked for the other Council members' thoughts on the matter. She will present these items at the Okaloosa legislative delegation meeting on Wednesday, January 20th.

Following a brief discussion, Councilmember Ramswell was asked to present the following topics to the legislative delegation:

- Co-sponsor Florida League of City (FLC) bill to counter House Bill 219 and Senate Bill 522 on short-term rentals
- "Internet sales tax fairness" - state being able to require that online retailers, even those without a physical presence within their borders, to collect and remit sales tax on purchases by residents
- Annexation – incorporation of enclaves

- 5) Potential partnership/building on idea of public transport trolley with Walton County

Councilmember Ramswell stated that they need to establish some sort of public transportation trolley service along US Hwy 98. There is a lot of advantages to this including reducing the number of cars on the highway. Walton County is planning to move forward with establishing one. They will have two separate trolleys operating in two different paths. The City should consider the idea of partnering with Walton County.

It was the consensus of the Council to add this item to the Visioning Session agenda for discussion.

C. Councilmember Destin

Councilmember Destin recommends the City Manager contact Dr. Chapman of Okaloosa County and informed her the City stands ready to facilitate vaccination in Destin whether by

providing the facilities, such as the Community Center and Morgan Sports Center, and/or putting some money into trying to get its citizens vaccinated.

- D. Councilmember Overdier
- E. Councilmember Hebert
- F. Councilmember King
- G. Councilmember Schmidt

According to Councilmember Schmidt, he has had some conversations with Parks and Recreation Director Lisa Firth, and he has also received phone calls from citizens about upgrading the playing fields at Morgan Sports Complex to allow more tournaments in the area. He is bringing this information to the rest of Council to see if there is consensus to allowing the City staff to move forward with this initiative.

It was the consensus of the Council to allow City staff to move forward with the upgrade of the playing field at Morgan's Sports Center.

Next, Councilmember Schmidt discussed the current hours of operations at the City Hall Annex facility. Currently, the facility is opened 4 days a week, and it is closed on Fridays.

The City Manager clarified that the facility is closed on Fridays, but it is still a workday for staff members. They close their doors on Fridays to allow staff time to make the necessary preparations for the installation of the new Energov system.

Councilmember Schmidt moved to have staff go back to normal business hours of 5 days a week; seconded by Councilmember Hebert.

Councilmember Overdier asked whether staff still provides service to the public even though their doors are closed on Fridays.

According to Councilmember Herbert, she has received complaints from citizens that they have been unable to contact staff and unable to enter the building on Fridays.

Mr. Zunguze noted that the policy is not to turn anybody away if they show up at the door on Fridays. The go live day for the system is April 2021, and staff just need some down time to prepare for it. They would go back to normal hours if that is the wish of the Council, but it could have detrimental effect on their preparations.

Councilmember Destin expressed that he does not want to delay the implementation of the EnerGov system and hamper staff's ability to prepare for it.

Councilmember Schmidt asked if it would be feasible to close the facility just one or two Fridays each month or designate certain staff members to continue to assist the public on Fridays.

Councilmember King recommends installing a doorbell at the facility to alarm staff that somebody is at the door.

Councilmember Destin offered a substitute motion to allow the City Manager time to confer with staff and bring some recommendations back at the next Council meeting on when staff could go back to full-scale 5-day service; seconded by Councilmember Braden. Motion passed 6-1 (Council members King, Hebert, Overdier, Destin, Ramswell, and Braden voted “yes”: Councilmember Schmidt voted “no”).

H. Mayor Gary Jarvis

1) FEMA projects and procurement process

The Mayor stated that the City relies on assistance from FEMA in certain cases following a storm event when they sustain damage to their facilities; and that there are certain processes they must follow before they can obtain funding. Processes are good because they provide guidelines on how to accomplish certain tasks, they are supposed to enhance and not paralyze their ability to serve the community. He stated they have some fabulous waterfront parks, boat ramps and other amenities which are susceptible to damages. They are widely used by the citizens. Instead of having to wait on FEMA or some other grant programs, to provide the funding, they need to find ways to better equip staff and enable them to facilitate timely repair of these facilities. For instance, the limit of what the City Manager can spend without prior approval from Council is \$15,000. Perhaps they could increase that amount. He recommends asking staff to review their procurement process, try to come up with some recommendations and how they could improve the process to better serve the community. He also recommends discussing this item at future meetings as well as at their upcoming visioning session.

Following a brief discussion, it was the consensus of the Council to instruct staff to bring back some ideas for changes to the City’s procurement process to help facilitate timely repair of City facilities.

I. Land Use Attorney

J. City Attorney

ADJOURNMENT

Having no further business at this time, the meeting was adjourned at 11:05 PM.

Gary Jarvis, Mayor

ATTEST:

Rey Bailey, City Clerk

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 1, 2021

TYPE OF AGENDA ITEM: Special Presentation

TO: City Council

THRU: Webb Warren, Deputy City Manager
Kyle Bauman, City Attorney
Lance Johnson, City Manager

FROM: Krystal Strickland, Finance Director

DATE: February 23, 2021

SUBJECT: FY 2020 Annual Audit and Financial Statements

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 within the City's debt instruments.

II. DISCUSSION: Mr. Thomas Smith, CPA, Director, will present the independent auditor's report on behalf of EFPR Group, LLP, for the fiscal year ending September 30, 2020.

In addition to the regular audit, EFPR Group also audited the receipts and expenditures of funds related to the Deepwater Horizon Oil Spill (our National Fish & Wildlife Foundation Grant), completed a Federal Single-Audit, and examined the City's two Community Redevelopment Agencies (CRAs) in accordance with Florida Statute Section 163.387(6) and (7).

EFPR Group, LLP is in the fifth year of a five-year contract to provide the City with an independent audit of the City's financial operations. Due to staff turnover during fiscal year 2020, finance staff are requesting a one-year extension of this contract, and plan to do a request for qualifications (RFQ) next year for a new five-year contract. (See Agenda Item #4.B)

- A. Link to Strategic Goals / Objectives:** Goal #1: Financially sound city providing service excellence.
- B. Effect on Budget (EOB):** The presentation has no effect on the budget.
- C. Level of Service (LOS):**

III. CONCLUSION: The annual independent audit provides for legal compliance and

confirms the sound financial condition of the City. The auditor's unmodified opinion confirms that the financial statements are fairly presented in all material respects.

IV. RECOMMENDED MOTION: I move to accept the 2020 Annual Audit and Financial Statements.

Attachments:

1. City Council Summary report
2. City of Destin Final RTB 2020
3. City of Destin Final FS 2020

**City of Destin
Board Summary
September 30, 2020**

- 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 there were no audit adjustments.
- At the City-wide (full-accrual) level, revenues exceeded expenses by \$7.4 million. Revenues increased \$5.1 million due to \$2.1 million donation for of the Captain Leonard park, \$1.4 million for CARES Act funding and taxes due to an increase in assessed value. Expenses increased \$1.0 million due to CARES Act related expenses. Net position at September 30, 2020 is \$120.3 million, including \$91.2 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 \$5.1 million. Revenues increased \$2.9 million due to \$1.4 million for CARES Act funding as well as taxes due to an increase in assessed value. Expenditures increased by \$1.4 million, primarily due CARES Act related expenditures.
- The following summarizes the changes in general fund balances:

	2020	2019	Variance
Nonspendable fund balance:			
Advance to other fund	2,448,824	2,448,824	-
Prepaid expenditures	2,513	-	2,513
	2,451,337	2,448,824	2,513
Restricted fund balance:			
Park	406,260	311,697	94,563
Traffic	1,949,352	1,472,424	476,928
Police	8,522	3,727	4,795
Library	159,994	125,765	34,229
NPEB	270,710	262,953	7,757
Multimodel transportation	344,780	407,690	(62,910)
Stormwater	108,041	-	108,041
	3,247,659	2,584,256	663,403
Committed fund balance	8,411,205	10,129,498	(1,718,293)
Assigned fund balance	2,964,171	1,213,592	1,750,579
Unassigned fund balance	14,449,613	10,040,295	4,409,318
Total fund balance	31,523,985	26,416,465	5,107,520

REPORT TO THE BOARD

March 1, 2021

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, 2020. 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. No new accounting policies were adopted and the application of existing policies was not changed during 2020. 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.

For the year ended September 30, 2020, 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

The financial statement disclosures are neutral, consistent and clear.

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. There were no material misstatements detected as a result of our audit procedures.

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



CITY OF DESTIN, FL
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2020



City of Destin, Florida

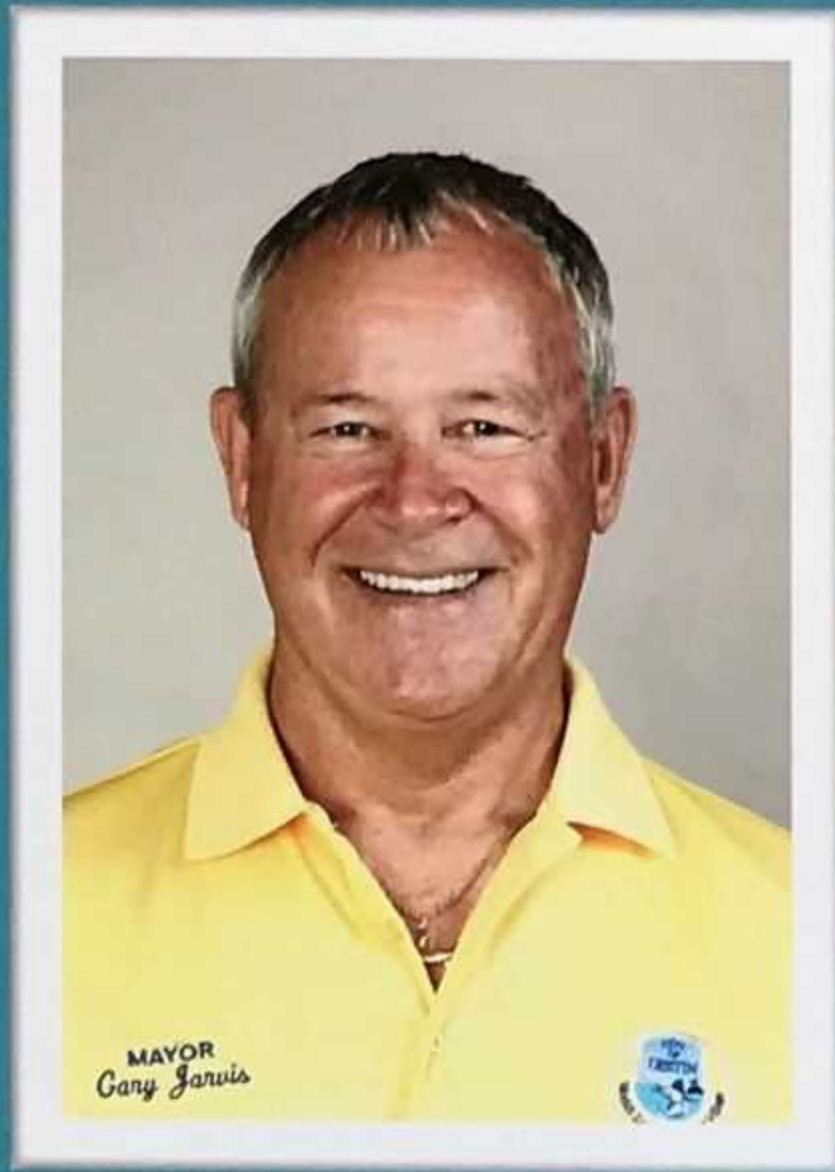
Comprehensive Annual Financial Report

For the Fiscal Year Ended
September 30, 2020

*City of Destin, Florida
Finance Department
Krystal Strickland, Finance Director
4200 Indian Bayou Trail
Destin, Florida 32541
(850) 837-4242
CityofDestin.com*



DESTIN CITY COUNCIL



GARY JARVIS
MAYOR



PREBBLE RAMSWELL
MAYOR PRO TEM/COUNCILMEMBER



RODNEY BRADEN
COUNCILMEMBER



PARKER DESTIN
COUNCILMEMBER



STEVEN MENCHEL
COUNCILMEMBER



CYRON MARLER
COUNCILMEMBER



CHATHAM MORGAN
COUNCILMEMBER



SKIP OVERDIER
COUNCILMEMBER

CITY OF DESTIN, FLORIDA

Introductory Section

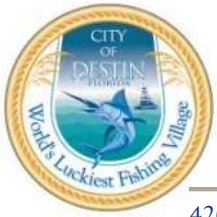
- Table of Contents
- Letter of Transmittal
- Executive Directory
- Organizational Chart
- Government Finance Officers Certificate of Achievement for Excellence in Financial Reporting

INTRODUCTORY SECTION	<u>Page</u>
Table of Contents	i - iv
Letter of Transmittal	v - xiii
Executive Directory	xiv
Organizational Chart	xv
Certificate of Achievement for Excellence in Financial Reporting - Fiscal Year Ended September 30, 2019	xvi
FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS (required supplementary information)	4 - 15
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position	16
Statement of Activities	17
FUND FINANCIAL STATEMENTS	
Governmental Fund Financial Statements	
Balance Sheet - Governmental Funds	18
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	19
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	21
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	22

	<u>Page</u>
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - Community Redevelopment Agency - Town Center Special Revenue Fund	23
Fiduciary Fund Financial Statements	
Statement of Plan Net Position - Pension Trust Fund	24
Statement of Changes in Plan Net Position - Pension Trust Fund	25
NOTES TO FINANCIAL STATEMENTS	26 - 55
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	56
COMBINING AND INDIVIDUAL NONMAJOR FUND FINANCIAL STATEMENTS	
Nonmajor Governmental Funds	
Combining Balance Sheet	57
Combining Statement of Revenue, Expenditures and Changes in Fund Balance	58
SCHEDULES OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL	
Community Redevelopment Agency - Harbor Special Revenue Fund	59
2009 Revenue Note Series Debt Service Fund	60
2013 Revenue Refunding Note Series Debt Service Fund	61
2014 Revenue Refunding Note Series Debt Service Fund	62
Capital Projects Fund	63

STATISTICAL SECTION	<u>Page</u>
Net Position by Component - Last Ten Years	64
Changes in Net Position - Last Ten Years	65 - 66
Fund Balances Governmental Funds - Last Ten Years	67 - 68
Changes in Fund Balances Governmental Funds - Last Ten Years	69 - 70
Revenue Base - Last Ten Years	71
Property Tax Rates Per \$1,000 of Taxable Value - All Direct and Overlapping Governments - Last Ten Years	72
Principal Tax Payers - Current Year and Ten Years Ago	73
Property Tax Levies and Collections - Last Ten Years	74
Ratios of Outstanding Debt (Bonds and Notes) - Last Ten Years	75 - 76
Demographics	77
Principal Employers - Current Year and Ten Years Ago	78
City Employees - Last Five Years	79 - 82
COMPLIANCE SECTION	
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 <i>Government Auditing Standards</i>	83 - 84
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	85 - 86
Schedule of Expenditures of Federal Awards	87
Notes to Schedule of Expenditures of Federal Awards	88
Schedule of Findings and Questioned Costs	89

	<u>Page</u>
Status of Prior Year Findings	90
Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill	91
Independent Auditors Report on the Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill	92
Examination Report on Compliance with Section 163.387(6) and 163.387(7) Florida Statutes	93
Attestation Report on Compliance with Section 218.415 Florida Statutes	94
Management Letter	95 - 96
Appendix A - Prior Year Observations, Recommendations and Management Responses	97



City of Destin

4200 Indian Bayou Trail | Destin, FL 32541 | Phone: 850-837-4242 | Fax: 850-269-9890 | www.cityofdestin.com

March 1, 2021

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” or “Destin”) for the fiscal year ended September 30, 2020. Chapter 218.39, Florida Statutes require that a complete set of financial statements be published within nine months 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. 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 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’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City’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 for the fiscal year ended September 30, 2020, 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’s financial statements for the fiscal year ended September 30, 2020, 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 was part of a broader, state mandated “Single Audit” designed to meet the special needs of state and federal 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 required for fiscal year ended (FY) 2020 and these reports are 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 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, elected in November of even years by the City at-large, can serve up to two consecutive four-year terms. 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 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. The City also provides community planning and building code compliance services. Law enforcement is provided through a contractual arrangement with the Okaloosa County Sheriff's Office. Fire protection, as well as utilities, including water, are provided by other governmental agencies working in close cooperation with City management. Tourism is the major field of employment within the City. The City includes a planning area of 7.53 square miles and is located in Okaloosa County approximately 52 miles east of Pensacola, Florida, and 38 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 green water and warm, sunny days. Destin is home to approximately 14,200 full-time residents with an estimated peak seasonal population of approximately 75,000. 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's financial planning and control. The City Manager starts each new calendar year with a Visioning Session where department directors, city council members, and the citizens of Destin discuss their long-term vision for the City and prioritize issues and projects. All departments of the City are required to submit requests for appropriation to the City Manager in the spring of each year. The City Manager evaluates these requests against the visioning session priorities and develops 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 operates.

Local economy: In FY2020, the City continued to experience an increase in tourist-related business and hotel and short-term rental 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. In an abundance of caution, the City and its neighbors temporarily closed access to beaches in the spring of 2020, to slow the spread of the coronavirus. Beaches and businesses were allowed to re-open after implementing Center for Disease Control (CDC) precautions. Tourism picked up substantially in July 2020, and many local businesses reported little overall effect on their regular seasonal income.

The City is centrally located in the panhandle of Florida. Destin is home to one of the largest and most elaborately equipped charter fishing fleets in the State of Florida. Known as the "World's Luckiest Fishing Village," 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. In addition to fishing, recreational opportunities include golf, tennis, and water sports, including diving and snorkeling.

Besides tourism, Destin’s economic base was dependent on the real estate and construction industries in the past. Nowadays, the City is nearly “built-out” with very few vacant parcels still available for development, and therefore residential and commercial construction is minimal compared to the tourist-related economy. During FY2020, 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 FY2020 was set at 1.615 mills for the fourth consecutive year.

Major Initiatives – Current and Future

Beach Acquisition: Council’s top priority objective is to purchase beachfront property in order to preserve public access to Destin’s waterways and beaches. During the summer months, the City’s two small beach parks are regularly well beyond capacity with beachgoers. The highest percentage of complaints from citizens and visitors are concerns about the lack of access to the

Gulf waters and disputes with property owners and vendors. This initiative will restore developed areas of the beach to original natural beach and will provide additional public space for residents and visitors. The City has saved \$2 million to use as matching funds towards beach acquisition. In addition, City Council motioned to use 75% of the 10-year Okaloosa Half-Penny Local Discretionary surtax for beach acquisition. With administrative and financial assistance from the Trust for Public Lands (TPL) and the Okaloosa County Tourism Development Department (TDD), the City expects to close on three beach-front properties in early FY2021 (\$10.6 million) and has raised an additional \$11.4 million in grant funding to purchase more properties as they become available in future years.

Undergrounding Utilities: The second of City Council's top priorities for the City is to underground utility lines. Undergrounding utilities is essential to hardening Destin's infrastructure to improve business continuity and to decrease recovery time in post-disaster scenarios. This is also a beautification initiative expected to increase property values and to enhance economic development opportunities. In late FY2020, the City began negotiations with a Project Management company to manage our ambitious utility undergrounding project. The Project Management company will first be tasked with defining cost estimates and optimal timing so that Finance can secure the right funding. The City is working to finalize a franchise and undergrounding agreement with Gulf Power (a subsidiary of Nextera Energy) and is researching additional financing options.

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. The City's plan is aimed at enhancing an efficient and high-quality multi-modal transportation system that balances community circulation needs with regional travel demand.

The adopted five-year capital improvement plan for FY2020-2024 includes several pathway projects that will connect the Harbor Boardwalk with additional parking and will connect the library, community center, fishing museum, and three city parks.

Cross-Town Connector: The Cross-town Connector project continues to be one of Council's top three priority projects. For many years, the City has worked towards establishing a secondary main road for residents to get from the East side of town to the West side of town that would avoid the congestion of Highway 98. Florida Department of Transportation (FDOT) has awarded the City a grant to complete the purchase of property to construct the roadway. Okaloosa County has awarded the City a grant to complete the roadway construction. The City has purchased some properties for right-of-way and has relocated some of the residents affected by the project. An engineering firm is currently adjusting the design, and construction is anticipated to begin by the Spring of 2022.

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, into one easily accessible system for our customers. In 2019, the City purchased Tyler Technology's Energov product and branded it with the name COMPASS (COMmunity Permit And Support System). City and Energov staff have been working diligently on this monumental City project and have an estimated "go-live" date of April 2021. This new software will streamline communication



amongst City staff and customers, and productivity should increase at both the office and field levels.

Airport Road Safety Improvements: In FY2019, FDOT has agreed to take on the responsibility of designing and constructing safety improvements on the curve on Airport Road. These improvements will improve safety of both lane-sets to help vehicles negotiate the curve. FDOT anticipates construction to begin in Spring 2021.

Norriego Point Stabilization and Recreational Amenities: This has been a high priority 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 the Florida Department of Environmental Protection (FDEP) was awarded a National Resource Damage Assessment (NRDA) grant 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. FDEP continues to manage the design and construction of improvements to Norriego Point. We anticipate the construction of recreation amenities to begin in 2021. The hardening efforts on Norriego Point will provide storm protection for the Destin Harbor and help preserve the point for the future.

Stormwater Drainage and Water Quality Improvements: In FY2015 the City was fortunate to receive a \$3.6 million grant from the National Fish and Wildlife Foundation's Gulf Environmental Benefit Fund to complete its six remaining storm water projects identified in Destin's FY2002 Stormwater Master Plan. The City's matching requirement was \$50,000. All six projects were designed in FY2016. Construction of all six projects were completed in 2017. Additional projects were added which will be completed in FY2021.

Joe's Bayou Renovation: A waterfront parcel became available for sale in late 2013 that has long been desired by the City to complete its plans for the Joe's Bayou Recreation Area which will combine four properties into one recreational park. Staff 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 in perpetuity. FDEP is managing the funding, design and construction of a bayfront park. Construction is anticipated to start in FY2022.

Captain Leonard Destin Park: 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 constructed a new park with a splash pad and playground. The park also received an operating grant from FDEP for maintenance and operations for a ten-year period beginning at conveyance of the park to the City. The fully constructed park was conveyed to the City at the end of FY2020.

Community Redevelopment Agencies. The Community Redevelopment Agency is responsible for developing and implementing the Community Redevelopment Plan that addresses the unique needs of the targeted area. The plan includes the overall goals for redevelopment in the area, as well as identifying the types of projects planned for the area. The City of Destin continues to focus on redevelopment opportunities. The establishment of two Community Redevelopment Agency (CRA) districts help focus planning efforts for major capital improvements in the heart of the City

to maintain the vitality and heritage of our harbor district and to facilitate mobility across town and through our downtown area.

The first three major projects of the Harbor District CRA 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 FDOT to conduct a Pedestrian Safety Assessment analysis of Hwy 98 from 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.

Captain Royal Melvin Heritage Park and Plaza: The City acquired a 0.77 acre harbor-front property for a park with support from the Trust for Public Land and additional funding provided by the Florida Community Trust. Located in the center of the Harbor District 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, and a plaza with picnic tables, playground equipment and restrooms. The construction of the park is expected to begin in early FY2021 and to be completed by the Summer of 2021. This construction is primarily funded by a Restore Act grant from the US Treasury, being administered by Okaloosa County.

Gulf Power Easement/Linear Park: One key project aimed at redeveloping the Town Center District CRA is the proposed Linear Park. An objective outlined in the Town Center CRA plan is to improve non-vehicular pathways between Main Street and Airport Road. This linear park and multi-use pathway will connect portions of the Gulf Power easement. The project will provide a safe area for walking, jogging, biking and exercise. In addition, it will provide alternate access for residential areas off Airport Road to shops, restaurants and other amenities in the Town Center.

Additional Financial Policies that Affect the Financial Position

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.

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 FY 2020. 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. The City continues to prioritize debt service and operations first in budgeting. Most projects are funded by grant revenues and impact fees.

Statement of Philosophy. In 2018, 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 strategic and service delivery priorities: enhanced quality of life, preservation of heritage and environment, and service excellence.

Plans articulated in the FY 2021 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. The Finance Department's management role is to maintain and enhance financial plan elements and ensure continued financial stability for the City.

Budget Planning: The City 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, 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 Tax Increment Financing (TIF) revenues are calculated using the growth of property values above the base year property values within each CRA district.

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 post-employment benefits and pension arrangements can be found in Notes 11 and 12 in the financial statements.

Financial Information

MD&A (starting on page 4) summarizes the Statement of Net Position 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).

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, 2019. 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-fifth 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

Krystal Strickland

Lance Johnson
City Manager

Krystal Strickland, CPA, CGFO
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

Finance/Budget Director

Krystal Strickland

Deputy City Manager

Webb Warren

City Attorney

Kyle Bauman
Anchors, Smith,
Grimsley, PLC

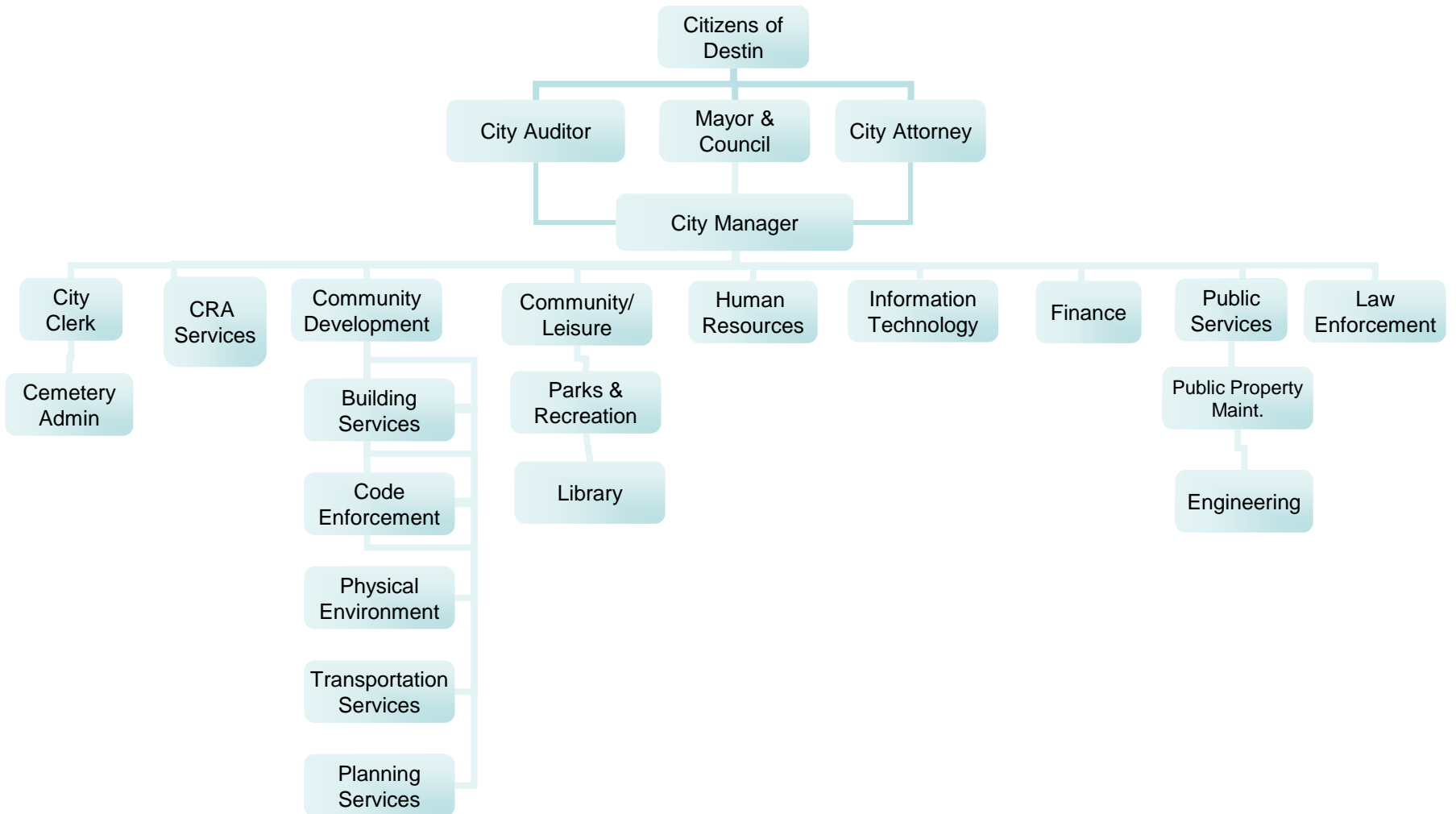
City Clerk

Rey Bailey

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, 2019

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, 2020, 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.

Auditors' 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, Florida, as of September 30, 2020, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance), and is also 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, and the schedule of expenditures of federal awards 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, the schedules of revenue, expenditures and changes in fund balance - budget to actual and the schedule of expenditures of federal awards, 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 March 1, 2021, 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
March 1, 2021

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, 2020.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the City exceeded liabilities and deferred inflows by \$120,323,279 (net position) and represent an increase of \$7,442,269 or 6.6%, from prior year. Of this amount, \$91,184,514 represents the net investment in capital assets (e.g. land, infrastructure, building, machinery, and equipment), \$3,891,401 is restricted for future obligations, and \$25,247,364 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

Governmental net position increased by \$7,442,269 compared to the prior year's increase of \$3,350,478. Fiscal year 2020 was the first full year to receive the Okaloosa Half-Penny Infrastructure Surtax. In addition, the City earned significantly more grant revenues, and also benefited from an increase in tax revenues, as property values increased from 2019.

The City's governmental funds reported a combined ending fund balance of \$29,821,539, an increase of \$5,228,594. 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 \$14,449,613, or 103% 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 has only 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 City does not have any business-type activities. The governmental activities of the City include general government (city clerk, city council, city manager, human resources, finance, fleet maintenance, city planning, facility maintenance and non-departmental expenses), public safety (code compliance and building department services), physical environment (cemetery and stormwater), transportation (public works, streets, sidewalks, streetlights, engineering, traffic signage, median and right-of-way maintenance), economic development (community redevelopment agencies), human services (animal control 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 seven 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 and CRA Town Center Special Revenue Fund, which are considered to be major funds. Data from the other five 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, 2020, total assets were stated at \$6,080,096, an increase of \$495,477 compared to the September 30, 2019, stated value of \$5,584,619. Allocations of investments were represented as 96.2% mutual funds and 3.8% 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 57 - 58 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 \$120,323,279 (net position) for the fiscal year ended September 30, 2020, as reported in Table 1.

The largest portion of the City's net position, \$91,184,514 (75.8%), 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, \$3,891,401 (3.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$25,247,364 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		
	2020	2019	Change
Current and other assets	\$ 30,994,154	\$ 25,562,083	\$ 5,432,071
Capital assets	113,690,820	112,969,019	721,801
Total assets	144,684,974	138,531,102	6,153,872
Deferred outflows	73,147	79,770	(6,623)
Current liabilities	919,586	774,413	145,173
Long-term liabilities outstanding	23,053,574	24,551,824	(1,498,250)
Total liabilities	23,973,160	25,326,237	(1,353,077)
Deferred inflows	461,682	403,625	58,057
Net position:			
Net investment in capital assets	91,184,514	88,840,831	2,343,683
Restricted	3,891,401	2,661,941	1,229,460
Unrestricted	25,247,364	21,378,238	3,869,126
Total net position	\$ 120,323,279	\$ 112,881,010	\$ 7,442,269

The overall increase in the City's net position was \$7,442,269 (6.6%) during fiscal year 2020. 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		
	2020	2019	Change
Revenue:			
Program revenues:			
Charges for services:			
General government	\$ 601	\$ 2,457,688	\$ (2,457,087)
Public safety	1,555,942	614,412	941,530
Physical environment	23,443	20,800	2,643
Transportation	178,174	140,017	38,157
Culture and recreation	331,925	401,939	(70,014)
Operating grants and contributions	2,082,880	734,898	1,347,982
Capital grants and contributions	197,999	43,520	154,479
Property taxes	9,374,391	8,764,290	610,101
Other taxes	2,895,623	1,636,565	1,259,058
Other revenue	6,660,928	3,417,096	3,243,832
Total revenue	23,301,906	18,231,225	5,070,681
Expenses:			
General government	4,028,182	3,695,191	332,991
Public safety	3,623,935	3,292,103	331,832
Physical environment	670,079	319,713	350,366
Transportation	2,866,166	3,252,517	(386,351)
Economic environment	1,152,796	1,146,463	6,333
Human services	63,494	62,808	686
Culture and recreation	2,702,912	2,323,177	379,735
Debt service-interest	752,073	788,775	(36,702)
Total expenses	15,859,637	14,880,747	978,890
Change in net position	7,442,269	3,350,478	4,091,791
Beginning net position	112,881,010	109,530,532	3,350,478
Ending net position	\$ 120,323,279	\$ 112,881,010	\$ 7,442,269

The City reclassified revenues during the year ended September 30, 2020.

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 authority to impose and periodically adjust rates (franchise fees, 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 \$610,101 (7%), which was caused by the increase of property values within the City.
- Millage rate maintained at 1.615 for each of the last four fiscal years.

- Grants and contributions increased \$1,502,461 (193%), which was primarily attributable to the CARES Act which funded the City’s law enforcement (first responders) work to enforce State and Local regulations related to corona virus response.
- Other taxes increased by \$1,259,058 (77%), primarily attributed to receiving our first full year of Okaloosa Half Penny local discretionary infrastructure surtax.
- Total City expenses increased \$978,890 (7%), which was attributable to the CARES Act grant-related expenditures.

Chart 1: Expenses and Program Revenue – Governmental Activities

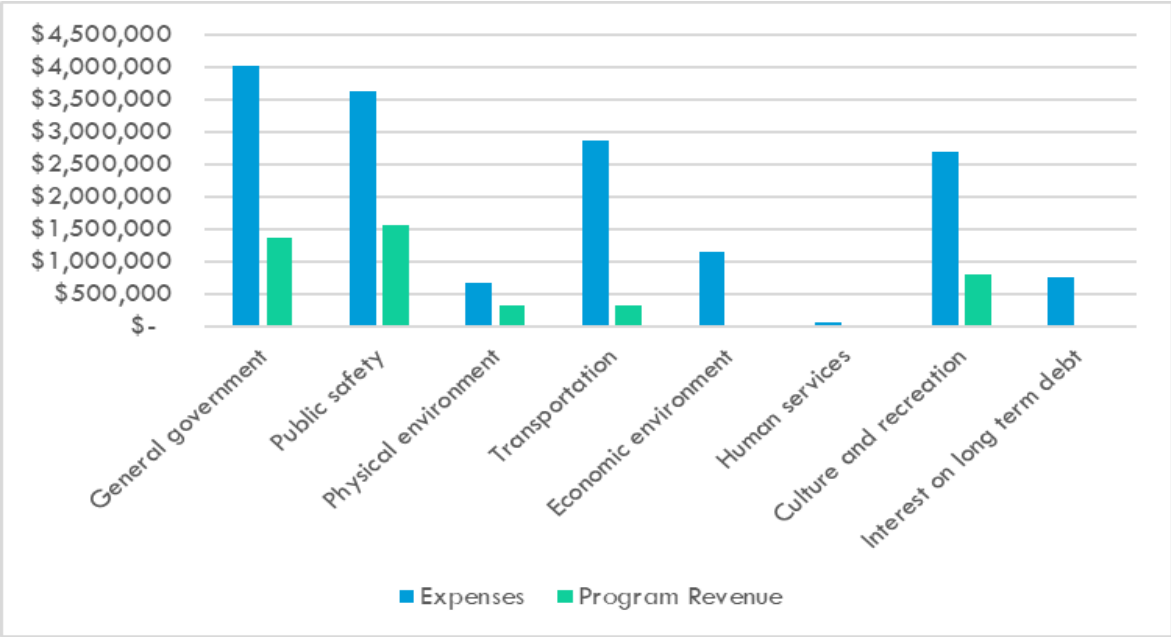
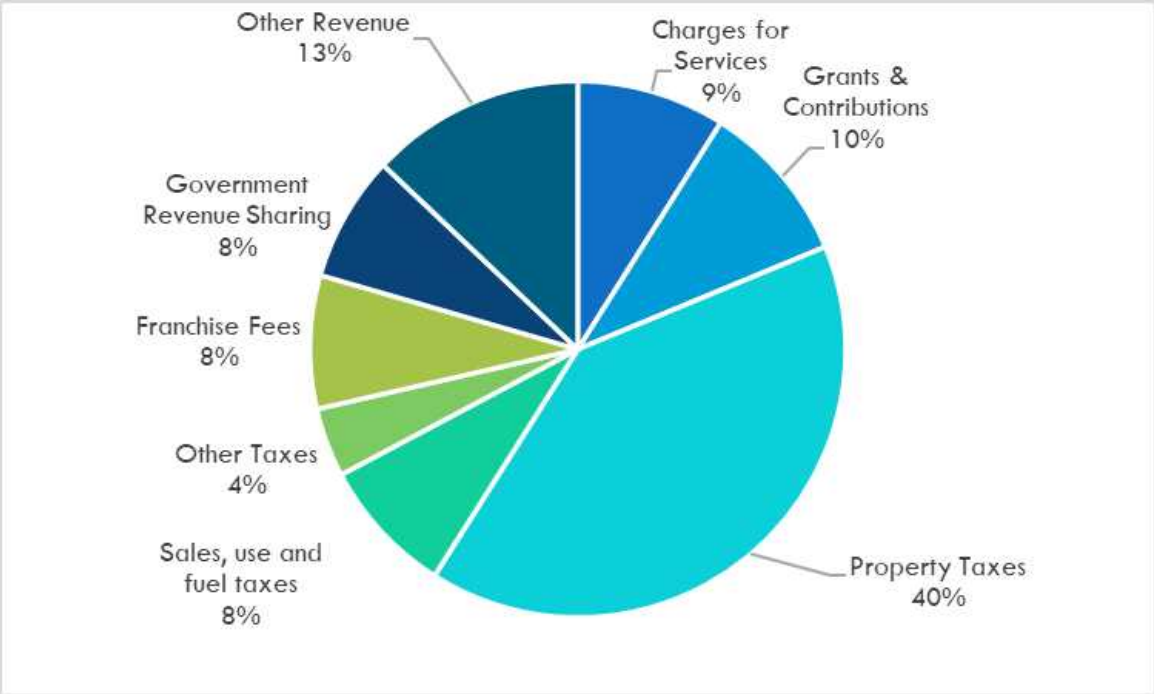


Chart 2: Revenue by Source – Governmental Activities



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, 2020, the City’s governmental funds reported combined ending fund balance of \$29,821,539, an increase of \$5,228,594 compared to prior year.

The general fund is the chief operating fund of the City. At September 30, 2020, unassigned fund balance was \$14,449,613, while total fund balance increased to \$31,523,985. 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 103% of total general fund expenditures (\$14,084,293), while total fund balance represents 224% of that same amount.

The fund balance of the City’s general fund increased \$5,107,520 during the current fiscal year. The increase is primarily due to increases in revenue. See previous section on “Current Year Impact - Governmental Activities” for details regarding the increase.

The CRA Town Center Special Revenue fund balance decreased \$159,367 due to \$242,061 in additional transfers to the CRA Town Center’s debt service fund to set proper balances in accordance with the debt covenants.

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, 2020 of \$6,080,096. The total increase in net position was \$495,477.

GENERAL FUND BUDGETARY HIGHLIGHTS

During fiscal 2020, the original expenditure budget was increased \$3,387,210 when capital grant agreements were signed, in anticipation of successfully procuring contractors and encumbering the funds for certain capital projects. Contract executions were delayed by coronavirus and hurricane activity in the area, leaving actual expenditures lower than budgeted. Revenue actual results were far higher than original budgeted primarily due to CARES Act operational grant funds, generously shared by Okaloosa County in the amount of \$1,369,794.

The following expenditures are of interest in the fiscal year 2020 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 2020 budget that reflects the immediate needs 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 fifteenth year, the Council approved funding (\$100,000 in 2020) 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, 2020, was \$113,690,820 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, roads, and bridges. The total increase in the City's investment in capital assets for the current fiscal year was \$721,801 or 0.6% overall, and is summarized as follows:

Table 3
Capital Assets
(net of accumulated depreciation)

	Governmental Activities		
	2020	2019	Change
Land	\$ 27,619,563	\$ 25,542,171	\$ 2,077,392
Buildings	7,000,676	7,304,104	(303,428)
Improvements other than buildings	16,811,905	16,531,554	280,351
Infrastructure	57,433,865	59,112,043	(1,678,178)
Machinery and equipment	1,819,659	1,152,125	667,534
Equipment under capital lease	282,020	463,018	(180,998)
Library, media and art	93,892	118,940	(25,048)
Construction in progress	2,629,240	2,745,064	(115,824)
Total	\$ 113,690,820	\$ 112,969,019	\$ 721,801

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

- Culture and Recreation: During fiscal year 2020, the Captain Leonard Destin Park was donated to the City of Destin, valued over \$2 million.
- Transportation: During fiscal year 2020, the City’s road milling, resurfacing, and restriping program continued, and over \$700 thousand dollars of improvements started in previous years were completed and added to the fixed asset ledger. These renewals and improvements were funded by local gas taxes.
- Investments in replacement equipment came to over \$700 thousand, to replace aged city work trucks, park field maintenance tractors and accessories.

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

LONG TERM DEBT

At September 30, 2020, the City had total revenue notes payable of \$22,456,819. 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		
	2020	2019	Change
Revenue notes	\$ 22,456,819	\$ 24,032,798	\$ (1,575,979)
Capital leases	166,965	175,160	(8,195)
Total	\$ 22,623,784	\$ 24,207,958	\$ (1,584,174)

The City is repaying its outstanding obligations. During 2020, the City’s repayments totaled \$1,622,596 offset by issuance of a new capital lease of \$38,422.

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 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) and fees (franchise, business license, permits) 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 certain governmental activities (permitting, recreational programs) the user pays a related fee or charge associated with the service.

The City revenue forecast can be categorized into three major categories. The first category is recurring tax revenues, such as ad valorem and sales and use taxes. While the City's ad valorem revenues have been increasing this past three years at 5-7% a year, the sales and use taxes have been slightly declining the past few years. The net effect is an estimated increase of 1% (\$108,431).

The second category is grants (recurring and non-recurring). The City has a strong base of approximately \$3 million/year in recurring operating grants for parks, the library, and transportation (median and streetlight maintenance). For fiscal year 2021, the City will be investing an additional \$8 million in non-recurring grants from Federal, State, and County sources. These additional one-time grants are responsible for 99% of the increase to the FY2021 Revenue forecast.

The third category includes mostly non-recurring miscellaneous revenues, such as impact fees, permits, charges for services and investment income. Some of these non-recurring miscellaneous revenues tend to be fairly stable year over year, such as charges for services and license and permit fees. Some of these non-recurring miscellaneous revenues are very unpredictable as they depend upon development and national interest rates. The level of 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.

On the expenditure forecast side, the primary driver for increased expenditures is the grant-funded capital outlays. Capital outlays are expected to increase to \$19.8 million, which is \$17.9 million more than the \$1.9 million expended in FY2020. Over \$10.6 million will be spent on beach property acquisitions, which is our City Council's number one priority. Just over \$2.9 million is budgeted for traffic and transportation issues, such as intersection safety and relieving traffic congestion by creating alternate pathways. There are two parks that will be renovated with grant funds of over \$2 million. Last, \$2.5 million has been allocated to a Renewal and Replacement program, to renew and replace major components of City infrastructure and facilities.

The operating expenditure forecast will experience a very slight increase over previous years. The largest operating expenditure is for personnel. The City budget includes a 2% cost of living allowance (COLA) and a 2% MERIT increase based on performance evaluations. No new full-time positions are anticipated for FY2021. Health benefit costs are increasing at only 3% for FY 2021, as opposed to 5-7% of prior years. Park management expenditures are anticipated to be \$900 thousand higher than in previous years as FY2021 will be the first year of full operations of the new Captain Leonard Destin park and splashpad. More than 90% of this cost is covered by a park operating grant through the fiscal year ending September 30, 2029.

Regional economic indicators were also considered in preparing the 2020-2021 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>	2020
	Governmental Activities
Assets	
Cash and cash equivalents	\$ 15,275,948
Investments	9,182,469
Restricted cash and cash equivalents	4,340,855
Accounts receivable	367,280
Due from other governments	1,825,089
Prepaid expenses	2,513
Capital assets, not being depreciated	30,248,803
Capital assets, net of accumulated depreciation	83,442,017
Total assets	144,684,974
Deferred outflows of resources	
Deferred charge on refunding	73,147
Total deferred outflows of resources	73,147
Liabilities	
Accounts payable	504,283
Accrued interest	208,653
Accrued payroll	206,650
Noncurrent liabilities:	
Due within one year	1,857,392
Due in more than one year	21,196,182
Total liabilities	23,973,160
Deferred inflows of resources	
Deferred revenue	461,682
Total deferred inflows of resources	461,682
Net position	
Net investment in capital assets	91,184,514
Restricted:	
Park	406,261
Traffic	1,949,352
Police	8,521
Library	159,994
NPEB	270,710
Multimodal transportation	344,780
Stormwater	108,041
Debt service	476,618
Community Redevelopment	167,124
Unrestricted	25,247,364
Total net position	\$ 120,323,279

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

City of Destin, Florida

Statement of Activities

Year ended September 30,

2020

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 4,028,182	\$ 601	\$ 1,369,794	\$ -	\$ (2,657,787)
Public safety	3,623,935	1,555,942	-	-	(2,067,993)
Physical environment	670,079	23,443	150,060	147,882	(348,694)
Transportation	2,866,166	178,174	150,842	-	(2,537,150)
Economic environment	1,152,796	-	-	-	(1,152,796)
Human services	63,494	-	-	-	(63,494)
Culture and recreation	2,702,912	331,925	412,184	50,117	(1,908,686)
Interest on long term debt	752,073	-	-	-	(752,073)
Total governmental activities	\$ 15,859,637	\$ 2,090,085	\$ 2,082,880	\$ 197,999	(11,488,673)

General revenues:

Taxes:

Property taxes	9,374,391
Sales, use, and fuel taxes	1,925,790
Communication services taxes	837,184
Other general taxes	132,649
Franchise fees	1,872,393
Government revenue sharing	1,771,657
Impact fees	456,051
Investment income	471,977
Miscellaneous income	2,088,850

Total general revenues 18,930,942

Change in net position 7,442,269

Net position, beginning of year 112,881,010

Net position, end of year \$ 120,323,279

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

City of Destin, Florida

Balance Sheet - Governmental Funds

September 30,

2020

	General Fund	CRA Town Center Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 15,275,948	\$ -	\$ -	\$ 15,275,948
Investments	9,182,469	-	-	9,182,469
Due from other funds	-	-	122	122
Due from other governments	1,825,089	-	-	1,825,089
Advance to other funds	2,448,824	-	-	2,448,824
Accounts receivable - other	367,280	-	-	367,280
Prepaid expenditures	2,513	-	-	2,513
Restricted cash and cash equivalents	3,592,582	58,677	689,596	4,340,855
Total assets	\$ 32,694,705	\$ 58,677	\$ 689,718	\$ 33,443,100
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 502,266	\$ 373	\$ 1,644	\$ 504,283
Accrued payroll	206,650	-	-	206,650
Due to other funds	122	-	-	122
Advance from other funds	-	2,448,824	-	2,448,824
Total liabilities	709,038	2,449,197	1,644	3,159,879
Deferred inflows of resources:				
Deferred revenue	461,682	-	-	461,682
Total deferred inflows of resources	461,682	-	-	461,682
Fund balances:				
Nonspendable	2,451,337	-	-	2,451,337
Restricted	3,247,659	-	643,742	3,891,401
Committed	8,411,205	-	-	8,411,205
Assigned	2,964,171	-	44,332	3,008,503
Unassigned	14,449,613	(2,390,520)	-	12,059,093
Total fund balances (deficit)	31,523,985	(2,390,520)	688,074	29,821,539
Total liabilities, deferred inflows of resources and fund balances	\$ 32,694,705	\$ 58,677	\$ 689,718	\$ 33,443,100

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

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

<u>September 30,</u>	<u>2020</u>
Total fund balance - governmental funds	\$ 29,821,539
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>	
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>	
Governmental non-depreciable assets	\$ 30,248,803
Governmental depreciable assets	141,527,477
Less accumulated depreciation	<u>(58,085,460)</u> 113,690,820
<p>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.</p>	
Deferred outflow, net of amortization	73,147
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>	
Notes payable	(22,456,819)
Capital lease payable	(166,965)
Accrued interest	(208,653)
Compensated absences	(252,746)
Total OPEB liability	<u>(177,044)</u> (23,262,227)
<u>Total net position - governmental activities</u>	<u>\$ 120,323,279</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,

2020

	General Fund	CRA Town Center Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 10,778,809	\$ 857,383	\$ 633,822	\$ 12,270,014
Licenses and permits	3,342,590	-	-	3,342,590
Impact fees	456,051	-	-	456,051
Intergovernmental	4,050,502	-	-	4,050,502
Charges for services	513,137	-	-	513,137
Fines and forfeitures	106,750	-	-	106,750
Investment income	466,696	1,359	3,922	471,977
Contributions	4,435	-	-	4,435
Miscellaneous income	9,058	-	-	9,058
Total revenues	19,728,028	858,742	637,744	21,224,514
Expenditures				
General government	3,935,334	-	-	3,935,334
Public safety	3,408,341	-	-	3,408,341
Physical environment	27,374	-	-	27,374
Transportation	1,925,723	-	-	1,925,723
Economic environment	51,209	45,108	33,856	130,173
Human services	63,494	-	-	63,494
Culture and recreation	2,237,953	-	-	2,237,953
Capital outlay	1,925,222	-	12,435	1,937,657
Debt service:				
Principal	390,617	-	1,231,979	1,622,596
Interest	119,026	-	626,671	745,697
Total expenditures	14,084,293	45,108	1,904,941	16,034,342
Excess (deficiency) of revenues over expenditures	5,643,735	813,634	(1,267,197)	5,190,172
Other financing sources (uses)				
Proceeds from issuance of capital lease	38,422	-	-	38,422
Transfers in	-	-	2,255,374	2,255,374
Transfers out	(574,637)	(973,001)	(707,736)	(2,255,374)
Total other financing sources (uses)	(536,215)	(973,001)	1,547,638	38,422
Net change in fund balances	5,107,520	(159,367)	280,441	5,228,594
Fund balances (deficit), beginning of year	26,416,465	(2,231,153)	407,633	24,592,945
Fund balances (deficit), end of year	\$ 31,523,985	\$ (2,390,520)	\$ 688,074	\$ 29,821,539

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>	2020
Net change in fund balances - total governmental funds	\$ 5,228,594
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the Statement of Net Position.	1,995,063
Donated capital assets are reported as miscellaneous revenue in the Statement of Activities.	2,077,392
The net effect of miscellaneous transactions involving capital assets (i.e. adjustments and disposals) is to decrease capital assets.	(11,067)
Depreciation expense on governmental capital assets is included in the governmental activities in the Statement of Activities.	(3,339,587)
Capital lease proceeds provide current financial resources to governmental funds, by issuing debt increases long-term liabilities in the Statement of Net Position.	(38,422)
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	\$ 1,622,596
Amortization of bond premium	(6,623)
Change in compensated absences	(65,227)
Change in total OPEB liability	(20,697)
Change in accrued interest on long-term debt	247
	1,530,296
Change in net position - governmental activities	\$ 7,442,269

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

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

Year ended September 30,

2020

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Positive (Negative)
Revenues				
Taxes	\$ 9,232,737	\$ 10,414,151	\$ 10,778,809	\$ 364,658
Licenses and permits	2,685,625	2,809,925	3,342,590	532,665
Impact fees	487,200	385,000	456,051	71,051
Intergovernmental	2,144,000	4,858,225	4,050,502	(807,723)
Charges for services	503,760	391,260	513,137	121,877
Fines and forfeitures	50,000	50,000	106,750	56,750
Investment income	-	11,500	466,696	455,196
Contributions	-	4,200	4,435	235
Miscellaneous income	290,700	265,000	9,058	(255,942)
Total revenues	15,394,022	19,189,261	19,728,028	538,767
Expenditures				
General government	4,578,972	4,396,735	3,935,334	461,401
Public safety	3,445,809	3,581,031	3,408,341	172,690
Physical environment	28,350	39,410	27,374	12,036
Transportation	2,294,624	2,273,016	1,925,723	347,293
Economic environment	-	116,500	51,209	65,291
Human services	85,520	85,520	63,494	22,026
Culture and recreation	3,346,475	2,939,112	2,237,953	701,159
Capital outlay	2,096,136	5,831,772	1,925,222	3,906,550
Debt service:				
Principal	413,788	413,788	390,617	23,171
Interest	121,790	121,790	119,026	2,764
Total expenditures	16,411,464	19,798,674	14,084,293	5,714,381
Excess (deficiency) of revenues over expenditures	(1,017,442)	(609,413)	5,643,735	6,253,148
Other financing sources (uses)				
Proceeds from issuance of capital lease	-	-	38,422	38,422
Transfers in	1,689,646	-	-	-
Transfers out	(140,000)	(2,317,170)	(574,637)	1,742,533
Net other financing sources (uses)	1,549,646	(2,317,170)	(536,215)	1,780,955
Net change in fund balance	532,204	(2,926,583)	5,107,520	8,034,103
Fund balance, beginning of year	26,416,465	26,416,465	26,416,465	-
Fund balance, end of year	\$ 26,948,669	\$ 23,489,882	\$ 31,523,985	\$ 8,034,103

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

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

	2020			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ 867,632	\$ 867,632	\$ 857,383	\$ (10,249)
Investment income	150	150	1,359	1,209
Total revenues	867,782	867,782	858,742	(9,040)
Expenditures				
Economic environment	102,583	102,583	45,108	57,475
Total expenditures	102,583	102,583	45,108	57,475
Excess of revenues over expenditures	765,199	765,199	813,634	48,435
Other financing uses				
Transfers out	-	(731,013)	(973,001)	(241,988)
Total other financing uses	-	(731,013)	(973,001)	(241,988)
Net change in fund balance	765,199	34,186	(159,367)	(193,553)
Fund balance (deficit), beginning of year	(2,231,153)	(2,231,153)	(2,231,153)	-
Fund balance (deficit), end of year	\$ (1,465,954)	\$ (2,196,967)	\$ (2,390,520)	\$ (193,553)

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

Statement of Plan Net Position - Pension Trust Fund

<i>September 30,</i>	2020
Assets	
Cash and cash equivalents	\$ 231,279
Investments, at fair value	
Mutual funds	5,848,817
<hr/>	
Total assets	\$ 6,080,096
<hr/> <hr/>	
Net position	
Restricted for pensions	\$ 6,080,096
<hr/> <hr/>	

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

Statement of Changes in Plan Net Position - Pension Trust Fund

<i>Year ended September 30,</i>	2020
Additions	
Employer contributions	\$ 396,735
Net investment income	559,467
<hr/>	
Total additions	956,202
<hr/>	
Deductions	
Administrative expenses	6,210
Benefits and other withdrawals	454,515
<hr/>	
Total deductions	460,725
<hr/>	
Change in net position	495,477
Net position, beginning of year	5,584,619
<hr/>	
Net position, end of year	\$ 6,080,096
<hr/> <hr/>	

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. However, interfund services provided and used are not eliminated in the process of consolidation.

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.

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.

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For financial statement purposes, the City considers all highly-liquid investments with original maturities of three months or less to be cash equivalents.

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.

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 as follows:

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements and Disclosures (Continued)

- 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, 2020.

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 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, 2020, 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 1st, 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, 2019
Levy date	November 1, 2019
Due date	March 31, 2020
Delinquency date	April 1, 2020

Discounts of 1% for each month taxes are paid prior to March 2020 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, 2020, the City had \$226,008 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, 2020, the City had \$26,738 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, 2020, the City had \$73,147 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, 2020, the City had recorded as deferred revenue, \$199,392 of payments received prior to September 30, 2020 for 2021 business licenses as well as \$262,290 of payments received prior to September 30, 2020 for sidewalk infrastructure costs not yet incurred.

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 and advances to other funds, 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, 2020, 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 City follows these procedures to establish the budgetary data reflected in the financial statements:

1. Prior to September 1st, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1st. 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 1st, 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.

NOTE 3: INVESTMENTS

The City's investments at September 30, 2020, consist of the following:

Investments - Governmental Funds	Maturity	Rating	Fair Value
US Treasuries	04/15/22-11/15/29		\$ 658,485
Mortgage and Asset backed securities	10/30/20-12/01/42	AAA	4,921,874
Investment grade corporate bonds	09/16/21-12/15/30	BBB-AAA	1,609,110
FDIC Insured certificates of deposit	11/16/20-01/30/23		1,993,000
Total investments - governmental funds			\$ 9,182,469

Investments - Pension Funds	Fair Value
AMCAP Fund, Class A shares	\$ 516,323
The Bond Fund of America, Class A shares	539,777
Capital Income Buildinger Fund, Class A shares	1,124,256
Europacific Growth Fund, Class A shares	1,002,752
Intermediate Bond Fund of America, Class A	530,017
The Investment Company of America, Class A	1,875,267
Short-term Bond Fund of America, Class A	260,425
Total investments - pension fund	\$ 5,848,817

These investments are classified as Level 1.

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). The certificates of deposits are with a wide number of qualified public depositories to ensure they are all fully insured by the FDIC.

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.

NOTE 3: INVESTMENTS (Continued)***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, 2020, 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, 2020, the City held 17%, 14% and 7% of its investment balance in Freddie Mac, Fannie Mae, and U.S. Treasury notes, respectively.

NOTE 4: RECEIVABLES

Receivables at September 30, 2020, were composed of the following:

	General Fund	
Franchise Fees	\$	201,576
Other		165,704
	\$	367,280

NOTE 5: DUE FROM OTHER GOVERNMENTS

The amount due from other governments at September 30, 2020, were composed of the following:

	General Fund
Federal	
CARES Act	\$ 1,369,794
State of Florida:	
Florida 1/2 cent sales tax	128,043
Okaloos Half Penny Sales tax	114,848
FDOT Traffic Signals & Lighting	47,200
FDOT/Ferrovial Median beautification and maintenance	3,529
Okaloosa County:	
East pass dredge BOCC	150,060
Tourist Development Council - Beach Operations	11,615
	\$ 1,825,089

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	\$ -	122
Capital Projects Fund	122	-
	\$ 122	122

The general fund advanced funds to the CRA Town Center Special Revenue Fund in order to pay for debt.

	Advance To	Advance From
General Fund	\$ 2,448,824	-
CRA Town Center Special Revenue Fund	-	2,448,824
	\$ 2,448,824	2,448,824

All transfers are routine and are consistent with the activities of the funds making the transfer. The following presents the interfund transfers for the year ended September 30, 2020:

Notes to Financial Statements

	Transfers in	Transfers out
General Fund (1)	\$ -	574,637
CRA Town Center (2)	-	973,001
Other Governmental Funds (1, 2, 3)	2,255,374	707,736
	<u>\$ 2,255,374</u>	<u>2,255,374</u>

- (1) The General Fund transferred \$574,637 to the 2013 Revenue Refunding Note Services Debt Service Fund to meet annual debt service requirements.
- (2) The CRA Town Center Special Revenue Fund transferred \$973,001 to the 2014 Revenue Refunding Note Debt Service Fund to meet debt service requirements.
- (3) The CRA Harbor Special Revenue Fund transferred \$707,736 to the 2009 Revenue Note Debt Service fund to meet annual debt service requirements.

NOTE 7: CHANGES IN CAPITAL ASSETS

Changes in capital assets for the year ended September 30, 2020 are shown below:

	Balance 09/30/19	Additions	Deletions/ Reclassifications	Balance 09/30/20
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 25,542,171	\$ 2,077,392	\$ -	\$ 27,619,563
Construction in progress	2,745,064	1,995,063	(2,110,887)	2,629,240
Total capital assets, not being depreciated	28,287,235	4,072,455	(2,110,887)	30,248,803
Capital assets, being depreciated				
Buildings	12,796,435	-	20,832	12,817,267
Improvements other than Buildings	37,299,437	-	1,313,414	38,612,851
Infrastructure	84,186,845	-	(20,000)	84,166,845
Machinery , equipment and vehicles	3,899,189	-	799,354	4,698,543
Leased equipment and machinery	500,353	-	(107,817)	392,536
Library, media and art	779,164	-	60,271	839,435
Total capital assets, being depreciated	139,461,423	-	2,066,054	141,527,477
Less accumulated depreciation for:				
Buildings	(5,492,331)	(324,260)	-	(5,816,591)
Improvements other than Buildings	(20,767,883)	(1,033,063)	-	(21,800,946)
Infrastructure	(25,074,802)	(1,658,177)	(1)	(26,732,980)
Machinery , equipment and vehicles	(2,747,064)	(276,104)	144,284	(2,878,884)
Leased equipment and machinery	(37,335)	(45,092)	(28,089)	(110,516)
Library, media and art	(660,224)	(2,891)	(82,428)	(745,543)
Total accumulated depreciation	(54,779,639)	(3,339,587)	33,766	(58,085,460)
Total capital assets, being depreciated, net	84,681,784	(3,339,587)	2,099,820	83,442,017
Governmental-Type activities capital assets, net	\$ 112,969,019	\$ 732,868	\$ (11,067)	\$ 113,690,820

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, 2020, totaled \$3,339,587 for governmental activities. Depreciation expense was allocated to specific functions as follows:

Function	Depreciation
General government	\$ 109,807
Public safety	201,280
Physical environment	642,705
Transportation	926,378
Economic environment	1,022,207
Culture and recreation	437,210
Total	\$ 3,339,587

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, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Harbor CRA Second Replacement Series 2009 Note As Restructured	\$ 4,429,808	-	(442,981)	3,986,827	442,981
Capital Improvement Refunding Revenue Note, Series 2013	5,485,711	-	(390,061)	5,095,650	401,139
Town Center Area Redevelopment Refunding Revenue Note, Series 2014	9,738,279	-	(398,937)	9,339,342	412,740
Refunding Revenue Note, Series 2015A	4,379,000	-	(344,000)	4,035,000	358,000
Capital Leases	175,160	38,422	(46,617)	166,965	85,228
	\$ 24,207,958	38,422	(1,622,596)	22,623,784	1,700,088
Compensated absences, net	187,519	262,075	(196,848)	252,746	157,304
Other post employment benefits payable	156,347	47,698	(27,001)	177,044	-
	\$ 343,866	309,773	(223,849)	429,790	157,304
	\$ 24,551,824	348,195	(1,846,445)	23,053,574	1,857,392

NOTE 8: CHANGES IN LONG-TERM DEBT (Continued)

*Compensated absences and other postemployment benefits payable are liquidated from the general fund which pays over 95% of personnel expenditures. 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

Harbor CRA Second Replacement, Series 2009 Note, As Restructured September 18, 2015

On 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. On August 18, 2015, the City elected to restructure the note a second time 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%, upon restructuring the remaining balance of \$5,709,446. The final payment is due on July 31, 2029.

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.

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.

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 June 1 and December 1 with the principal payments due on June 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 June 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: A. Establishment and maintenance of various funds -

- Town Center Area Redevelopment Revenue Special Revenue Fund records pledged revenues consisting of the ad-valorem tax increment revenue;

Notes to Financial Statements

NOTE 9: NOTES PAYABLE (Continued)

- 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.

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.

Principal and interest amounts due on notes payable are as follows:

Year ending September 30,			
<i>Capital Improvement Revenue Note, Series 2009, As Restructured</i>			
	Principal	Interest	Total
2021	\$ 442,981	114,798	557,779
2022	442,981	102,043	545,024
2023	442,981	89,288	532,269
2024	442,981	76,742	519,723
2025	442,981	63,777	506,758
2026-2030	1,771,922	127,624	1,899,546
Subtotal	\$ 3,986,827	574,272	4,561,099

Notes to Financial Statements

NOTE 9: NOTES PAYABLE (Continued)

Year ending September 30,			
<i>Capital Improvement Refunding Revenue Note, Series 2013</i>			
	Principal	Interest	Total
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	448,687	104,012	552,699
2026-2030	2,441,969	307,543	2,749,512
2031-2035	530,781	16,136	546,917
Subtotal	\$ 5,095,650	972,759	6,068,409

Year ending September 30,			
<i>Town Center Area Redevelopment Refunding Revenue Note, Series 2014</i>			
	Principal	Interest	Total
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	472,896	259,184	732,080
2026-2030	2,621,529	1,042,581	3,664,110
2031-2035	3,107,533	563,592	3,671,125
2036-2037	1,398,747	71,951	1,470,698
Subtotal	\$ 9,339,342	3,124,784	12,464,126

Year ending September 30,			
<i>Refunding Revenue Note, Series 2015A</i>			
	Principal	Interest	Total
2021	\$ 358,000	109,349	467,349
2022	366,000	99,647	465,647
2023	374,000	89,728	463,728
2024	386,000	79,593	465,593
2025	392,000	69,132	461,132
2026-2030	2,159,000	178,914	2,337,914
Subtotal	\$ 4,035,000	626,363	4,661,363

NOTE 9: NOTES PAYABLE (Continued)

GRAND TOTAL			
	Principal	Interest	Total
2021	\$ 1,614,860	697,527	2,312,387
2022	1,648,533	648,800	2,297,333
2023	1,683,023	599,024	2,282,047
2024	1,722,358	548,381	2,270,739
2025	1,756,564	496,105	2,252,669
2026-2030	8,994,420	1,656,662	10,651,082
2031-2035	3,638,314	579,728	4,218,042
2036-2037	1,398,747	71,951	1,470,698
Subtotal	\$ 22,456,819	5,298,178	27,754,997

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.

In January 2020, the City entered into a lease agreement as a lessee for financing the acquisition of copiers. The lease agreement qualified as a capital lease for accounting purposes as a result of the transfer of title at the end of the leasing term; therefore, it was recorded at present value of the future minimum lease payments, \$38,422, as of the inception date.

Accumulated depreciation on the leased assets through September 30, 2020 was \$110,516. The future minimum lease obligations as of September 30, 2020 are as follows:

NOTE 10: CAPITAL LEASE (Continued)

Year ending September 30,	Principal	Interest	Total
2021	\$ 85,228	5,737	90,965
2022	78,403	2,511	80,914
2023	3,334	17	3,351
Total	\$ 166,965	8,265	175,230

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The 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 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 2019-2020 fiscal year, no retirees received postemployment health care benefits.

Employees covered by benefit terms

At September 30, 2020, the following employees were covered by the benefit terms:

Current retirees	-
Active employees	<u>74</u>
	<u>74</u>

NOTE 11: OTHER POSTEMPLOYMENT BENEFITS (Continued)***Total OPEB Liability***

The City's total OPEB liability of \$177,044 was measured as of September 30, 2020 and was determined by an actuarial valuation as of October 1, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the October 1, 2019 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%
Discount rate	2.14% based on S&P Municipal Bond 20 year high grade rate index
Inflation	2.50%
Healthcare cost trend rates	7.50% for 2020, decreasing to an ultimate trend rate of 4.00% for 2075

Mortality rates were based on the PubG-2010 Mortality Tables projected to the valuation date using Scale MP-2019.

Changes in the Total OPEB Liability

Total OPEB liability as of October 1, 2019	\$ <u>156,347</u>
Changes for the year:	
Service cost	20,778
Interest	6,900
Differences between expected and actual experience	20,020
Changes of assumptions	(18,085)
Benefit payments	<u>(8,916)</u>
Total changes	<u>20,697</u>
Total OPEB liability as of September 30, 2020	\$ <u>177,044</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 (1.14%) or 1-percentage-point higher (3.14%) than the current discount rate:

	1% Decrease (1.14%)	Current Discount Rate (2.14%)	1% Increase (3.14%)
Total OPEB liability	\$ <u>196,037</u>	<u>177,044</u>	<u>160,990</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% - 6.50%) or 1-percentage point higher (5.00% - 8.50%) than the current trend rate:

	1% Decrease (3.00% - 6.50%)	Current Trend Rate (4.00% - 7.50%)	1% Increase (5.00% - 8.50%)
Total OPEB liability	\$ <u>158,110</u>	<u>177,044</u>	<u>199,744</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2020, the City recognized OPEB expense of \$32,913. At September 30, 2020, 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 \$396,735 during the fiscal year ended September 30, 2020. The contributions represent 10.19% of current year covered and total payroll of \$3,894,343.

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			Total Governmental Funds
	General Fund	CRA Town Center Special Revenue Fund	Other Governmental Funds	
Fund Balance				
<i>Nonspendable:</i>				
Interfund Advance	\$ 2,448,824	-	-	2,448,824
Prepaid expenditures	2,513	-	-	2,513
<i>Restricted for:</i>				
Impact fees: park, traffic, library, and police	3,247,659	-	-	3,247,659
Debt service	-	-	476,618	476,618
Special revenue	-	-	167,124	167,124
<i>Committed for:</i>				
Emergency operations	3,655,122	-	-	3,655,122
Debt service	1,100,960	-	-	1,100,960
Emergency maintenance	3,655,123	-	-	3,655,123
<i>Assigned for:</i>				
Encumbrances	1,016,824	-	-	1,016,824
Capital Projects	1,947,347	-	44,332	1,991,679
<i>Unassigned:</i>	14,449,613	(2,390,520)	-	12,059,093
Total Fund Balance	\$ 31,523,985	(2,390,520)	688,074	29,821,539

Deficit fund balances totaling \$2,390,520 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.

NOTE 14: FUND BALANCE CONSTRAINTS (Continued)***Encumbrances:***

Funds have been encumbered in the general fund at September 30, 2020, were composed of the following:

General government	\$ 52,662
Transportation	511,249
Culture and recreation	64,772
Capital outlay	388,141
<hr/>	
Total	\$ 1,016,824

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, 2020, were composed of the following:

Project	Balance Committed
Gulf Environmental Stormwater Project	\$ 290,800
Stormwater Masterplan Update	68,041
COMPASS	53,620
<hr/>	
Total	\$ 412,461

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 has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

Statement No. 90 - Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61. Effective for fiscal years beginning after December 15, 2019.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

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>	2020	2019	2018
Total OPEB liability			
Service cost	\$ 20,778	\$ 15,893	\$ 16,440
Interest	6,900	6,085	5,024
Differences between expected and actual experience	20,020	-	-
Changes of assumptions	(18,085)	8,106	(6,810)
Benefit payments	(8,916)	(6,805)	(6,272)
Net change in total OPEB liability	20,697	23,279	8,382
Total OPEB liability - beginning	156,347	133,068	124,686
Total OPEB liability- ending	\$ 177,044	\$ 156,347	\$ 133,068
Covered payroll	\$ 2,828,403	\$ 2,873,422	\$ 2,803,339
Total OPEB liability as a percentage of covered payroll	6.26%	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:

<u>2020</u>	<u>2019</u>	<u>2018</u>
2.14%	3.58%	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. The budgetary level of control is at the fund level.

Nonmajor Governmental Funds

SPECIAL REVENUE FUND

The special revenue fund is 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 Revenue Refunding 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 FUND

The capital project funds are used to account for financial resources to be used for the acquisition or construction of major projects relating to the 2002 Series Bond and the 2009 Series Revenue Note.

City of Destin, Florida

Nonmajor Governmental Funds
Combining Balance Sheet

September 30,

2020

	Special Revenue Fund		Debt Service Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	CRA Harbor	2009 Revenue Note Series	2013 Revenue Refunding Note Series	2014 Revenue Refunding Note Series			
Assets							
Due from other funds	\$ -	\$ -	\$ -	\$ -	\$ 122	\$ 122	
Restricted cash and cash	168,768	139,467	92,757	244,394	44,210	689,596	
Total assets	168,768	139,467	92,757	244,394	44,332	689,718	
Liabilities and fund balances							
Liabilities - accounts payable	1,644	-	-	-	-	1,644	
Fund balances:							
Restricted	167,124	139,467	92,757	244,394	-	643,742	
Assigned	-	-	-	-	44,332	44,332	
Total fund balances	167,124	139,467	92,757	244,394	44,332	688,074	
Total liabilities and fund balances	\$ 168,768	\$ 139,467	\$ 92,757	\$ 244,394	\$ 44,332	\$ 689,718	

City of Destin, Florida

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance

Year ended September 30,

2020

	Special Revenue Fund	Debt Service Funds			Capital Projects Fund	Nonmajor Governmental Funds
		2009 Revenue Note Series	2013 Revenue Refunding Note Series	2014 Revenue Refunding Note Series		
	CRA Harbor					
Revenue						
Taxes	\$ 633,822	\$ -	\$ -	\$ -	\$ -	\$ 633,822
Investment income	1,466	403	1,149	657	247	3,922
Total revenue	635,288	403	1,149	657	247	637,744
Expenditures						
Economic environment	33,856	-	-	-	-	33,856
Capital outlay	-	-	-	-	12,435	12,435
Debt service:						
Principal	-	442,981	390,061	398,937	-	1,231,979
Interest	-	127,903	166,766	332,002	-	626,671
Total expenditures	33,856	570,884	556,827	730,939	12,435	1,904,941
Excess (deficiency) of revenue over expenditures	601,432	(570,481)	(555,678)	(730,282)	(12,188)	(1,267,197)
Other financing sources (uses)						
Transfers in	-	707,736	574,637	973,001	-	2,255,374
Transfers out	(707,736)	-	-	-	-	(707,736)
Total other financing sources (uses)	(707,736)	707,736	574,637	973,001	-	1,547,638
Net change in fund balances	(106,304)	137,255	18,959	242,719	(12,188)	280,441
Fund balances, beginning of year	273,428	2,212	73,798	1,675	56,520	407,633
Fund balances, end of year	\$ 167,124	\$ 139,467	\$ 92,757	\$ 244,394	\$ 44,332	\$ 688,074

**Schedule of Revenue, Expenditures, and Changes in
Fund Balance - Budget and Actual
Community Redevelopment Agency - Harbor Special Revenue Fund**

<i>Year ended September 30,</i>	2020			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Taxes	\$ 638,348	\$ 638,348	\$ 633,822	\$ (4,526)
Investment income	200	200	1,466	1,266
Total revenue	638,548	638,548	635,288	(3,260)
Expenditures				
Economic environment	118,439	118,439	33,856	84,583
Total expenditures	118,439	118,439	33,856	84,583
Excess of revenue over expenditures	520,109	520,109	601,432	81,323
Other financing uses				
Transfers out	-	(568,788)	(707,736)	(138,948)
Total other financing uses	-	(568,788)	(707,736)	(138,948)
Net change in fund balance	520,109	(48,679)	(106,304)	(57,625)
Fund balance, beginning of year	273,428	273,428	273,428	-
Fund balance, end of year	\$ 793,537	\$ 224,749	\$ 167,124	\$ (57,625)

**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>	2020			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Investment income	\$ -	\$ -	\$ 403	\$ 403
Total revenue	-	-	403	403
Expenditures				
Debt service:				
Principal	442,981	442,981	442,981	-
Interest	125,806	125,807	127,903	(2,096)
Total expenditures	568,787	568,788	570,884	(2,096)
Excess of expenditures over revenue	(568,787)	(568,788)	(570,481)	(1,693)
Other financing sources				
Transfers in	-	568,788	707,736	138,948
Total other financing sources	-	568,788	707,736	138,948
Net change in fund balance	(568,787)	-	137,255	137,255
Fund balance, beginning of year	2,212	2,212	2,212	-
Fund balance, end of year	\$ (566,575)	\$ 2,212	\$ 139,467	\$ 137,255

**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>	2020			
	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue				
Investment income	\$ -	\$ -	\$ 1,149	\$ 1,149
Total revenue	-	-	1,149	1,149
Expenditures				
Debt service:				
Principal	390,061	390,061	390,061	-
Interest	166,766	166,766	166,766	-
Total expenditures	556,827	556,827	556,827	-
Excess (deficiency) of revenue expenditures	(556,827)	(556,827)	(555,678)	1,149
Other financing sources				
Transfers in	-	556,827	574,637	17,810
Total other financing sources	-	556,827	574,637	17,810
Net change in fund balance	(556,827)	-	18,959	18,959
Fund balance, beginning of year	73,798	73,798	73,798	-
Fund balance, end of year	\$ (483,029)	\$ 73,798	\$ 92,757	\$ 18,959

**Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget to Actual
2014 Revenue Refunding Note Series Debt Service Fund**

	2020			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenue				
Investment income	\$ -	\$ -	\$ 657	\$ 657
Total revenue	-	-	657	657
Expenditures				
Debt service:				
Principal	398,937	398,937	398,937	-
Interest	332,075	332,076	332,002	74
Total expenditures	731,012	731,013	730,939	74
Excess (deficiency) of revenue over expenditures	(731,012)	(731,013)	(730,282)	731
Other financing sources				
Transfers in	-	731,013	973,001	241,988
Total other financing sources	-	731,013	973,001	241,988
Net change in fund balance	(731,012)	-	242,719	242,719
Fund balance, beginning of year	1,675	1,675	1,675	-
Fund balance, end of year	\$ (729,337)	\$ 1,675	\$ 244,394	\$ 242,719

**Schedule of Revenue, Expenditures, and Changes in
Fund Balance - Budget and Actual
Capital Projects Fund**

Year ended September 30,

2020

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenue				
Investment income	\$ -	\$ 4,282	\$ 247	\$ (4,035)
Total revenue	-	4,282	247	(4,035)
Expenditures				
Capital outlay	45,517	45,517	12,435	33,082
Total expenditures	45,517	45,517	12,435	33,082
Excess (deficiency) of revenue over expenditures	(45,517)	(41,235)	(12,188)	29,047
Net change in fund balance	(45,517)	(41,235)	(12,188)	29,047
Fund balance, beginning of year	56,520	56,520	56,520	-
Fund balance, end of year	\$ 11,003	\$ 15,285	\$ 44,332	\$ 29,047

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
2020	91,184,514	3,891,401	25,247,364	120,323,279
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

Source: City Finance Department

City of Destin, Florida

Changes in Net Position-Last Ten Years
(Unaudited)

	Fiscal Year				
	2020	2019	2018	2017	2016
Expenses					
General government	\$ 4,028,182	\$ 3,695,191	\$ 3,532,139	\$ 2,981,384	\$ 2,889,172
Public safety	3,623,935	3,292,103	3,908,737	4,011,135	3,535,716
Physical environment	670,079	1,146,463	432,132	433,283	491,154
Transportation	2,866,166	319,713	3,053,455	3,141,933	2,842,564
Economic environment	1,152,796	3,252,517	1,209,950	1,274,262	1,289,854
Human services	63,494	62,808	55,220	107,287	54,394
Culture and recreation	2,702,912	2,323,177	2,274,564	2,242,446	2,340,627
Debt service interest	752,073	788,775	806,526	888,752	873,117
Total expenses	15,859,637	14,880,747	15,272,723	15,080,482	14,316,598
Program revenue					
Charges for services					
General government	601	2,457,688	2,495,996	2,223,122	2,317,742
Public safety	1,555,942	614,412	847,202	940,221	898,725
Physical environment	23,443	20,800	46,495	79,821	14,660
Transportation	178,174	140,017	119,218	60,534	49,514
Culture and recreation	331,925	401,939	406,050	402,708	456,828
Operating grants and contributions	2,082,880	734,898	1,407,851	2,450,238	1,727,351
Capital grants and contributions	197,999	43,520	30,544	70,120	42,081
Total program revenue	4,370,964	4,413,274	5,353,356	6,226,764	5,506,901
Net expense	(11,488,673)	(10,467,473)	(9,919,367)	(8,853,718)	(8,809,697)
General revenue and other changes in net position					
Property taxes	9,374,391	8,764,290	8,179,225	7,761,152	6,844,994
Other taxes	2,895,623	1,636,565	1,669,159	1,623,261	1,583,815
Other revenue	6,660,928	3,417,096	1,907,549	1,873,339	1,982,864
Special items	-	-	-	-	-
Total general revenue	18,930,942	13,817,951	11,755,933	11,257,752	10,411,673
Change in net position	7,442,269	3,350,478	1,836,566	2,404,034	1,601,976
Net position, beginning	112,881,010	109,530,532	106,754,910	104,350,876	102,748,900
Cumulative effect of change in accounting principle	-	-	939,056	-	-
Prior period adjustment	-	-	-	-	-
Net position, ending	\$ 120,323,279	\$ 112,881,010	\$ 109,530,532	\$ 106,754,910	\$ 104,350,876

Source: City Finance Department

City of Destin, Florida

Changes in Net Position-Last Ten Years
(Continued) (Unaudited)

	Fiscal Year				
	2015	2014	2013	2012	2011
Expenses					
General government	\$ 3,330,320	\$ 3,135,252	\$ 2,847,225	\$ 3,100,230	\$ 3,083,995
Public safety	3,080,103	2,721,873	2,633,697	2,656,076	2,783,021
Physical environment	591,383	710,134	647,709	798,777	757,543
Transportation	2,582,807	2,661,304	2,525,995	2,579,572	387,128
Economic environment	1,326,255	1,387,855	1,103,214	820,654	2,604,558
Human services	58,975	59,650	60,250	58,600	59,425
Culture and recreation	2,239,857	2,277,720	2,163,148	2,077,254	2,249,778
Debt service interest	1,132,842	1,366,317	1,662,880	1,712,494	1,783,709
Total expenses	14,342,542	14,320,105	13,644,118	13,803,657	13,709,157
Program revenue					
Charges for services					
General government	2,214,652	2,099,136	1,835,784	1,908,566	2,003,295
Public safety	697,452	553,710	644,091	601,592	295,471
Physical environment	21,503	7,463	51,686	71,600	24,188
Transportation	115,970	47,642	41,810	37,477	41,712
Culture and recreation	421,704	337,804	290,158	294,040	275,151
Operating grants and contributions	197,614	373,317	189,862	152,660	187,627
Capital grants and contributions	203,334	126,767	7,888,961	249,075	248,607
Total program revenue	3,872,229	3,545,839	10,942,352	3,315,010	3,076,051
Net expense	(10,470,313)	(10,774,266)	(2,701,766)	(10,488,647)	(10,633,106)
General revenue and other changes in net position					
Property taxes	6,443,596	6,090,326	5,841,191	6,253,055	6,800,611
Other taxes	1,530,492	1,537,513	1,533,833	1,607,807	1,586,464
Other revenue	1,761,737	1,573,651	1,274,760	1,485,532	1,404,105
Special items	-	(1,750,000)	-	-	-
Total general revenue	9,735,825	7,451,490	8,649,784	9,346,394	9,791,180
Change in net position	(734,488)	(3,322,776)	5,948,018	(1,142,253)	(841,926)
Net position, beginning	103,483,388	106,806,164	101,450,057	102,592,310	103,434,236
Prior period adjustment	-	-	(591,911)	-	-
Net position, ending	\$ 102,748,900	\$ 103,483,388	\$ 106,806,164	\$ 101,450,057	\$ 102,592,310

**Fund Balances Governmental Funds - Last Ten Years
(Unaudited)**

	Fiscal Year				
	2020	2019	2018	2017	2016
General Fund					
Nonspendable	\$ 2,451,337	\$ 2,448,824	\$ 2,469,019	\$ 2,999,624	\$ 2,802,335
Restricted	3,247,659	2,584,256	2,480,877	1,977,027	1,373,526
Committed	8,411,205	10,129,498	9,657,663	9,674,570	10,340,837
Assigned	2,964,171	1,213,592	672,226	1,625,986	1,118,384
Unassigned	14,449,613	10,040,295	7,526,416	3,626,528	2,905,348
Total	\$ 31,523,985	\$ 26,416,465	\$ 22,806,201	\$ 19,903,735	\$ 18,540,430
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ 88	\$ -	\$ -
Restricted	643,742	77,685	89,220	98,844	114,825
Committed	-	-	-	-	-
Assigned	44,332	329,948	279,391	255,797	276,444
Unassigned	(2,390,520)	(2,231,153)	(2,240,233)	(2,142,360)	(1,979,433)
Total all other governmental funds	\$ (1,702,446)	\$ (1,823,520)	\$ (1,871,534)	\$ (1,787,719)	\$ (1,588,164)

Source: City Finance Department

**Fund Balances Governmental Funds - Last Ten Years
(Continued) (Unaudited)**

	Fiscal Year				
	2015	2014	2013	2012	2011
General Fund					
Nonspendable	\$ 1,980,893	\$ 1,879,620	\$ 1,324,569	\$ 749,569	\$ -
Restricted	1,216,046	1,098,945	1,152,307	1,584,691	2,045,893
Committed	11,071,545	10,276,708	10,418,492	843,061	285,911
Assigned	328,889	684,591	730,267	1,460,679	265,430
Unassigned	1,848,403	1,743,576	2,657,863	10,488,610	10,596,954
Total	\$ 16,445,776	\$ 15,683,440	\$ 16,283,498	\$ 15,126,610	\$ 13,194,188
All other governmental funds					
Nonspendable	\$ 68	\$ -	\$ -	\$ -	\$ -
Restricted	884,473	151,914	1,524,027	1,726,853	1,750,981
Committed	-	74,256	95,853	196,393	203,614
Assigned	345,855	633,953	1,109,529	1,303,787	5,190,139
Unassigned	(2,462,082)	(1,835,073)	(1,010,642)	(329,808)	-
Total all other governmental funds	\$ (1,231,686)	\$ (974,950)	\$ 1,718,767	\$ 2,897,225	\$ 7,144,734

**Changes in Fund Balances Governmental Funds - Last Ten Years
(Unaudited)**

	Fiscal Year				
	2020	2019	2018	2017	2016
Revenue					
Taxes	\$ 12,270,014	\$ 12,309,961	\$ 11,766,912	\$ 11,192,022	\$ 10,316,957
Licenses and permits	3,342,590	1,079,465	1,008,548	930,187	885,870
Impact fees	106,750	160,720	671,922	801,424	446,936
Intergovernmental	4,050,502	3,494,078	2,889,811	3,734,054	3,232,561
Charges for services	513,137	512,089	568,635	525,860	568,018
Fines and forfeits	456,051	28,981	44,278	46,812	47,238
Investment income	471,977	506,164	20,654	59,756	256,010
Contributions	4,435	6,871	8,608	24,772	22,848
Miscellaneous income	9,058	132,896	131,376	169,629	142,136
Total revenue	21,224,514	18,231,225	17,110,744	17,484,516	15,918,574
Expenditures					
General government	3,935,334	3,542,238	3,398,890	2,853,328	2,747,954
Public safety	3,408,341	3,061,601	2,779,558	2,610,831	2,410,183
Physical environment	27,374	31,346	88,226	90,710	148,581
Transportation	1,925,723	1,924,802	1,824,192	1,885,837	1,681,535
Economic environment	130,173	105,720	123,024	163,637	176,210
Human services	63,494	62,808	55,220	107,287	54,394
Culture and recreation	2,237,953	1,909,794	1,872,829	1,858,739	1,976,500
Capital outlay	1,937,657	1,607,301	1,877,832	4,762,510	3,075,354
Debt service					
Principal	1,622,596	1,533,487	1,485,956	1,417,449	1,087,340
Interest	745,697	793,850	836,554	874,429	822,369
Investment loss	-	-	-	-	-
Total expenditures	16,034,342	14,572,947	14,342,281	16,624,757	14,180,420
Excess (deficiency) of revenue over expenditures	5,190,172	3,658,278	2,768,463	859,759	1,738,154
Other financing sources (uses)					
Transfers in	2,255,374	4,171,759	6,343,303	3,907,488	2,971,389
Transfers out	(2,255,734)	(4,171,759)	(6,343,303)	(3,907,488)	(2,971,389)
Issuance of debt	-	-	50,188	303,991	-
Proceeds of refunding	-	-	-	-	-
Debt service principal	-	-	-	-	-
Lease proceeds	38,422	-	-	-	-
Total other financing sources (uses)	38,062	-	50,188	303,991	-
Special item - Settlement	-	-	-	-	-
Net change in fund balance	\$ 5,228,234	\$ 3,658,278	\$ 2,818,651	\$ 1,163,750	\$ 1,738,154
Debt service as a percentage of noncapital expenditures	16.8%	18.0%	18.6%	19.3%	17.2%

Source: City Finance Department

**Changes in Fund Balances Governmental Funds - Last Ten Years
(Continued) (Unaudited)**

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenue					
Taxes	\$ 9,891,235	\$ 9,429,663	\$ 8,951,113	\$ 9,515,410	\$ 10,156,136
Licenses and permits	674,131	597,505	846,549	674,302	431,642
Impact fees	280,494	268,840	144,678	9,298	46,455
Intergovernmental	1,819,128	1,674,915	9,294,741	1,567,009	1,570,516
Charges for services	509,159	462,224	366,618	355,199	333,667
Fines and forfeits	114,111	49,229	43,404	38,678	44,928
Investment income	222,593	-	-	-	-
Contributions	34,839	99,975	20,292	316,151	212,142
Miscellaneous income	62,364	166,802	36,132	185,357	71,745
Total revenue	13,608,054	12,749,153	19,703,527	12,661,404	12,795,486
Expenditures					
General government	3,489,939	2,951,776	2,713,560	2,661,534	2,616,589
Public safety	2,107,835	1,768,098	1,661,520	1,701,869	1,745,789
Physical environment	248,810	379,218	287,702	464,567	56,173
Transportation	1,472,935	1,544,311	1,295,486	1,247,816	1,294,605
Economic environment	216,503	209,632	185,215	146,377	127,647
Human services	58,975	59,650	60,250	58,600	59,425
Culture and recreation	1,927,771	1,949,815	1,772,495	1,744,325	1,900,024
Capital outlay	1,642,819	1,581,816	8,697,826	4,037,950	2,174,904
Debt service					
Principal	901,028	1,374,432	1,243,032	1,191,883	3,252,384
Interest	1,083,667	1,562,813	1,697,345	1,721,570	1,790,259
Investment loss	-	1,824	110,438	-	-
Total expenditures	13,150,282	13,383,385	19,724,869	14,976,491	15,017,799
Excess (deficiency) of revenue over expenditures	457,772	(634,232)	(21,342)	(2,315,087)	(2,222,313)
Other financing sources (uses)					
Transfers in	1,563,616	3,730,001	2,206,101	5,037,324	7,118,394
Transfers out	(1,563,616)	(3,730,001)	(2,206,101)	(5,037,324)	(7,118,394)
Non-operating loss	-	119,229	-	-	-
Lease proceeds	5,427,000	11,871,000	7,610,000	-	-
Issuance of debt	(5,379,150)	(12,900,000)	(7,610,000)	-	-
Total other financing sources (uses)	47,850	(909,771)	-	-	-
Special item - Settlement	-	(1,750,000)	-	-	-
Net change in fund balance	\$ 505,622	\$ (3,294,003)	\$ (21,342)	\$ (2,315,087)	\$ (2,222,313)
Debt service as a percentage of noncapital expenditures	17.2%	24.9%	26.7%	26.6%	39.3%

City of Destin, Florida

Revenue Base - Last Ten Years
(Unaudited)

Fiscal Year	Real Property	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	95% Budgeted for Operations
2020	5,291,435,849	100,875,258	5,392,311,107	1.6150	8,273,153
2019	4,940,251,366	96,041,092	5,036,292,458	1.6150	7,726,932
2018	4,631,906,780	94,406,296	4,726,313,076	1.6150	7,251,346
2017	4,422,070,531	88,815,805	4,510,886,336	1.6150	6,920,827
2016	4,202,250,899	83,206,674	4,285,457,573	1.6150	6,574,963
2015	3,953,775,213	77,212,445	4,030,987,658	1.5000	5,744,157
2014	3,738,671,838	78,140,476	3,816,812,314	1.5000	5,438,958
2013	3,692,698,542	74,840,249	3,767,538,791	1.5000	5,368,743
2012	3,864,421,197	79,244,532	3,943,665,729	1.4550	5,451,132
2011	4,198,597,937	88,099,052	4,286,696,989	1.4550	5,925,287

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					Total Direct & Overlapping Rates
	City of Destin	Destin Fire District	Okaloosa County	Okaloosa School Board	Northwest Florida Water District	Total Overlapping Rates	
2020	1.615000	1.000000	3.830800	6.035000	0.031100	10.896900	12.511900
2019	1.615000	1.000000	3.830800	6.206000	0.032700	11.069500	12.684500
2018	1.615000	1.000000	3.830800	6.361000	0.033800	11.225600	12.840600
2017	1.615000	1.000000	3.830800	6.588000	0.035300	11.454100	13.069100
2016	1.615000	1.000000	3.430800	6.907000	0.036600	11.374400	12.989400
2015	1.500000	1.000000	3.430800	7.551000	0.040000	12.021800	13.521800
2014	1.500000	1.000000	3.430800	7.441000	0.039000	11.910800	13.410800
2013	1.500000	1.000000	3.430800	7.551000	0.040000	12.021800	13.521800
2012	1.455000	1.000000	3.289900	7.476000	0.040000	11.805900	13.260900
2011	1.455000	1.000000	3.289900	7.769000	0.045000	12.103900	13.558900

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, 2020			September 30, 2011		
	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value	Taxable Assessed Value	Rank	Percent of City's Total Taxable Value
PASSCO Sea Glass DST	\$ 51,518,051	1	0.84%			0.00%
Emerald Grande, LLC	51,211,280	2	0.84%	56,198,960	1	1.30%
BR Henderson Beach, LLC	36,045,601	3	0.59%	-		0.00%
Henderson Beach Resort Holding	35,993,491	5	0.59%	-		0.00%
Gulf Power Company	32,138,921	4	0.52%	-		0.00%
Henderson Beach Partners LLC	24,420,888	6	0.40%	-		0.00%
Paradise Isle Destin, LLC	15,795,650	7	0.26%	-		0.00%
Key Destin Ownerd, LLC	15,514,770	8	0.25%	-		0.00%
Wyndham Vacation Resorts Inc.	11,294,000	9	0.18%			0.00%
CM Destin LLC	9,104,124	10	0.15%	-		0.00%
AHB Apartments LLC	-		0.00%	21,814,041	2	0.51%
TBH Corporation	-		0.00%	14,557,015	3	0.34%
DRB Development, LLC	-		0.00%	13,458,000	4	0.31%
WRI-SRP Paradise Isle, LLC	-		0.00%	11,351,539	5	0.26%
Dunavant Gulf, LLC	-		0.00%	8,683,774	6	0.20%
Shanri Holdings Corp.	-		0.00%	8,500,997	7	0.20%
Crystal Beach Plaza			0.00%	7,569,129	8	0.18%
Harbor Lights of Destin	-		0.00%	7,528,000	9	0.17%
Trustmark Bank	-		0.00%	7,426,301	10	0.17%
Total Principal Taxpayers	\$ 283,036,776		4.62%	\$ 157,087,756		3.65%
Total Tax Value of Other	\$ 5,844,530,781		95.38%	\$ 4,152,263,827		96.35%
Total Taxable Assessed Value	\$ 6,127,567,557		100.00%	\$ 4,309,351,583		100.00%

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
2020	\$ 8,273,153	\$ 8,430,713	101.90%	\$ 3,561	\$ 8,441,681	102.04%
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%

*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,	2002 Capital Improvement Revenue Bonds	2005B Florida Municipal Loan Council Revenue Bonds	2005 CRA Town Center Revenue Bonds	2013 Capital Improvement Revenue Note	2014 Revenue Refunding Note Series
2020	-	-	-	5,095,650	9,339,342
2019	-	-	-	5,485,711	9,738,279
2018	-	-	-	5,865,001	10,123,875
2017	-	-	-	6,233,816	10,496,575
2016	-	-	-	6,592,446	10,856,811
2015	-	-	-	6,941,172	11,205,000
2014	-	5,800,000	-	7,280,268	11,205,000
2013	-	6,040,000	12,900,000	7,610,000	-
2012	7,870,000	6,275,000	13,515,000	-	-
2011	8,125,000	6,500,000	14,100,000	-	-

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,	2009 CRA Harbor Revenue Note (Restructured 2015)	2015 Revenue Refunding Note Series	Capital Leases	Total Revenue Bonds and Notes and Capital Leases	Per Capita
2020	3,986,827	4,035,000	166,965	22,623,784	1,588
2019	4,429,808	4,379,000	175,160	24,207,958	1,825
2018	4,770,168	4,714,000	268,401	25,741,445	1,941
2017	5,096,625	5,039,000	311,197	27,177,213	2,049
2016	5,409,749	5,359,000	72,665	28,290,671	2,133
2015	5,709,446	5,427,000	95,393	29,378,011	2,208
2014	5,997,542	-	119,229	30,402,039	2,302
2013	6,136,242	-	-	32,686,242	2,379
2012	6,269,274	-	-	33,929,274	2,590
2011	6,396,157	-	-	35,121,157	2,681

City of Destin, Florida

Demographics
(Unaudited)

Land area (miles)		
Square miles incorporated		7.53
Land		6.78
Water		0.75
Gulf-front		6.60
Bay-front		5.81
City maintained streets		69.10
Paved		69.10
Unpaved		0.00
Estimated population		
Year-round		14,247
Seasonal-peak		75,000
Gender composition		
Female		50.5%
Male		49.5%
Racial composition		
White		86.7%
Hispanic		9.5%
Black		2.6%
American Indian		40.0%
Asian		1.9%
Other		2.9%
Median household income	\$	79,000
Personal income	\$	45,324
Number of households		13,672
Households with homestead exemption		5,885
Unemployment rate		2.80%

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, 2020				September 30, 2011		
	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+	1	10.0%	ResortQuest International, Inc	1000-1300	1	10.0%
Henderson Beach Resort	500+	2	1.00%	A J's Seafood and Oyster House	100-249	2	1.00%
Keller Williams Realty	400	3	1.00%	Crab Trap	100-249	3	1.00%
Big Kahuna's Waterpark	300	4	1.00%	Cracker Barrel	100-249	4	1.00%
McGuire's Irish Pub	200	5	1.00%	Destin Healthcare and Rehabilitation	100-249	5	1.00%
First Florida Bank	200	6	1.00%	Harbor Docks	100-249	6	1.00%
Destin Healthcare and Rehabilitation	160	7	1.00%	Hey Baby Charter Boat	100-249	7	1.00%
AJ's	150	8	1.00%	Holiday Inn	100-249	8	1.00%
Target	150	9	1.00%	Lucky Snapper Grill & Bar	100-249	9	1.00%
Olive Garden Italian Kitchen	120	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				
	2020	2019	2018	2017	2016
City Manager's Office					
City Manager	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Deputy City Manager	1	1	1	0	0
Public Information Manager	1	1	1	1	1
Grants Projects Manager	1	0	0	1	1
Development/Re-Development Manager	0	0	0	1	1
Geographic Information Systems Manager	1	1	1	1	1
IT Manager	1	1	1	1	1
Systems Network Specialist	1	1	1	1	0
Help Desk Technician	1	0	0	0	0
Receptionist 2-PT (FTE)	1	1	1	1	1
Subtotal	10	8	8	9	8
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	1.0
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	1	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	3.5	2.5	2.5
Community Development Office					
Community Development Director	1	1	1	1	1
Comprehensive Planning Manager	0	0	1	1	1
Current Planning Manager	1	1	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	0	1	0	0
Planner	4	2	2	1	1
Subtotal	7	5	6	4	4

City of Destin, Florida

City Employees - Last Five Years
(Continued) (Unaudited)

	Fiscal Year				
	2020	2019	2018	2017	2016
Building Inspections					
Building Official	1	1	1	1	1
Deputy Building Official	1	1	1	1	1
Building Inspector	1	1	1	1	1
Permit & Licensing Administrator	1	1	1	1	1
Permit & Licensing Clerk	1	1.5	1.5	2	1.5
Subtotal	5	5.5	5.5	6	5.5
Environmental Code Enforcement					
Code Compliance Manager	1	1	1	0.5	0.5
Code Compliance Officer (Harbor)	1	1	0	0.5	0.5
Code Enforcement Officer	4.5	3	3	3	3
Code Enforcement Clerk	1	1	1	0	0
Subtotal	7.5	6	5	4	4
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	3
Equipment Operator	1	1	1	1	1
Maintenance Technician/Mechanic	1	1	0	0	0
Subtotal	9	9	8	8	9
Facilities					
Maintenance Technician - Facilities	2	2	2	2	2
Maintenance Technician - Custodian	2	2	1	0	0
Subtotal	4	4	3	2	2
Cemetery					
Maintenance Technician	0	0	0	0	0
Parks					
Maintenance Technician	5.5	5.5	5.5	5.5	4.5
Groundskeeper	1	1	1	1	0
Subtotal	6.5	6.5	6.5	6.5	4.5

City of Destin, Florida

City Employees - Last Five Years
(Continued) (Unaudited)

	Fiscal Year				
	2020	2019	2018	2017	2016
City Engineer's Department					
City Engineer	1	1	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	1	0.5
Subtotal	4	4	3	3	2.5
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	1	0	0	0	0
Custodian	0	0	0	0.5	0.5
Library Assistant - (6 x .5) PT	3.0	3.0	2.5	2.5	2.5
Subtotal	9	8	7.5	8	8
Morgan Sports Complex					
Recreation Program Coordinator (50% Outdoor Rec)	1	1	2	2	2
Recreation Assistant I	3	3	2	2	1
Field Maintenance Supervisor	0	0	1	1	1
Field Maintenance Technician	3	5	3	3	4
Field Maintenance Tech/Mechanic	0	0	0	0	0
Recreation Assistant	1.5	2	2	2	1.5
Scorekeepers (PT)	1.5	1.5	1.5	1.5	1.5
Subtotal	10	12.5	11.5	11.5	11
Outdoor Recreation					
Park Supervisor	1	1	1	1	1
Park Attendant (PT)	0	0	0	0	0
Joe's Bayou Attendant	3	3	3	3	3
Recreation Program Coordinator	1	1	1	1	1
Subtotal	5	5	5	5	5
Community Center					
Deputy Park and Rec Director	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 Assistant II	2	2	1	1	1
Recreation Assistant	2.5	2.5	2.5	2.5	2.5
Custodian	2	2	2	2	1.5
Camp Counselors (3 x .5 PT)	2	2	2	2	2
Subtotal	12.5	12.5	11.5	11.5	11

City of Destin, Florida

City Employees - Last Five Years
(Continued) (Unaudited)

	Fiscal Year				
	2020	2019	2018	2017	2016
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	0	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	1	2.5	2.5	2.5	2.5
Total all positions	99.50	97.50	92.00	89.00	85.50

Information is provided for the most recent five years as this is the most relevant.

Source: City Human Resources Manager

Compliance Section

- Government Auditing Standards Report
- Uniform Guidance Report
- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs
- Status of Prior Year Findings
- Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill
- Independent Auditors' Report on Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill
- CRA Examination Report
- Investment Examination Report
- Management Letter

**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, 2020, 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 March 1, 2021.

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) as a basis for designing 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 financial statements. 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
March 1, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited City of Destin, Florida's (the City) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended September 30, 2020. The City's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance of the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes 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 audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Destin, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the City's major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the City's major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Jupiter, Florida
March 1, 2021

CITY OF DESTIN, FLORIDA
Schedule of Expenditures of Federal Awards
Year ended September 30, 2020

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>CFDA Number</u>	<u>Agency or pass-through number</u>	<u>Expenditures</u>	<u>Expenditures to Subrecipients</u>
<u>U.S. Department of Treasury:</u>				
Passed-through Okaloosa County, Florida -				
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economics of the Gulf Coast States	21.015	1RDCGR180102-01-00	\$ 975	-
Coronavirus Relief Fund	21.019	Y2276	<u>1,369,794</u>	<u>-</u>
Total U.S. Department of Treasury			<u>1,370,769</u>	<u>-</u>
<u>U.S. Department of Homeland Security:</u>				
Passed-through Florida Division of Emergency Management - Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
	97.036	Z0999/Z1782	<u>129,571</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,500,340</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF DESTIN, FLORIDA

Notes to the Schedule of Expenditures of Federal Awards

September 30, 2020

(1) Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the City, which is described in note 1 to the City's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of the Uniform Guidance.

Matching costs (the City's share of certain program costs) are not included in the reported expenditures.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in the schedule of expenditures of federal awards are prepared from records maintained for each program, which are reconciled with the City's financial reporting system.

(2) Indirect Costs

Indirect costs are included in the reported expenditures to the extent that such costs are included in the Federal financial reports used as the source for the data presented. The City did not use indirect costs and therefore did not elect to use the 10% de minimis election.

(3) Donated Personal Protective Equipment (PPE) - Unaudited

During the year ended September 30, 2020, the City received donated personal protective equipment. Management has determined that the fair market value of the donated personal protective equipment was immaterial. The value of any donated personal protective equipment is not required to be included on the schedule of expenditures of federal awards.

CITY OF DESTIN, FLORIDA
 Schedule of Findings and Questioned Costs
 Year ended September 30, 2020

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the basic financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- | | |
|---|----------------------------------|
| 1. Material weakness(es) identified? | ___ Yes <u> x </u> No |
| 2. Significant deficiency(ies) identified not considered to be material weakness(es)? | ___ Yes <u> x </u> None reported |
| 3. Noncompliance material to financial statements noted? | ___ Yes <u> x </u> No |

Federal Awards:

Internal control over major programs:

- | | |
|---|----------------------------------|
| 4. Material weakness(es) identified? | ___ Yes <u> x </u> No |
| 5. Significant deficiency(ies) identified not considered to be material weakness(es)? | ___ Yes <u> x </u> None reported |

Type of auditors' report issued on compliance for major programs: Unmodified

- | | |
|---|-----------------------|
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)(Uniform Guidance)? | ___ Yes <u> x </u> No |
|---|-----------------------|

7. The City's major program audited was:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Coronavirus Relief Fund	21.019

- | | |
|---|-----------------------|
| 8. Dollar threshold used to distinguish between Type A and Type B programs. | \$750,000 |
| 9. Auditee qualified as low-risk auditee? | ___ Yes <u> x </u> No |

Part II - FINANCIAL STATEMENT FINDINGS SECTION

No reportable findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable finding.

CITY OF DESTIN, FLORIDA
Status of Prior Year Audit Findings
Year ended September 30, 2020

There were no audit findings in the prior year financial statements (September 30, 2019).

CITY OF DESTIN, FLORIDA
Schedule of Receipts and Expenditures of Funds
Related to the Deepwater Horizon Oil Spill
Year ended September 30, 2020

	Amounts Received in the 2019-2020 <u>Fiscal Year</u>	Amounts Expended in the 2019-2020 <u>Fiscal Year</u>
Source:		
Gulf Environmental Benefit Fund		
National Fish and Wildlife Foundation	\$ <u>32,869</u>	<u>32,869</u>

INDEPENDENT AUDITORS' REPORT ON THE SCHEDULE
OF RECEIPTS AND EXPENDITURES OF FUNDS RELATED
TO THE DEEPWATER HORIZON OIL SPILL

To the Honorable Mayor and City Council Members
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, 2020, and have issued our report thereon dated March 1, 2021, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill on page 95 is presented for the purpose of additional analysis as required by Chapter 288.8018, Florida Statutes, and the Chapter 10.557(3)(f), Rules of the Auditor General, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

EFPR Group, CPAs, PLLC

Jupiter, Florida
March 1, 2021

INDEPENDENT ACCOUNTANTS' REPORT

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

We have examined the City of Destin, Florida's (the City) compliance with the requirements of Section 163.387(6) and 163.387(7), Florida Statutes, Redevelopment Trust Fund, for the year ended September 30, 2020. Management is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

Our examination disclosed that the City's Community Redevelopment Agency Fund's expenditures were in excess of budgeted amounts.

In our opinion, except for the deviation of overspending the budget described in the preceding paragraph, the City complied, in all material respects, with the State of Florida Statutes 163.387(6) and 163.387(7) for the year ended September 30, 2020.

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
March 1, 2021

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, for the year ended September 30, 2020. 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 State of Florida Statute 218.415 for the year ended September 30, 2020.

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
March 1, 2021

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, 2020, and have issued our report thereon dated March 1, 2021.

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 Auditors' 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 Accountants' 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 March 1, 2021, 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 97.

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, 2020, 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, 2020. 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
March 1, 2021

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:

Previously management stated that the City had 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 recommended 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:

New management discovered that there was a fund balance policy which was approved by the City Council. Therefore, this recommendation is considered resolved.

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 1, 2021

TYPE OF AGENDA ITEM: City Manager Report

TO: City Council

THRU: Webb Warren, Deputy City Manager
 Kyle Bauman, City Attorney
 Lance Johnson, City Manager

FROM: Krystal Strickland, Finance Director

DATE: February 23, 2021

SUBJECT: EFPR Group Engagement Letter for FY2021 Audit

I. BACKGROUND: EFPR Group, LLC, was procured to complete audits for the five fiscal years through the period ending September 30, 2020. They have completed the fifth audit. Due to the tremendous amount of change in the Finance Department over the past year, staff would prefer to retain EFPR Group for one more fiscal year. Attached is a draft engagement letter for EFPR Group to audit the City's financial statements for the period ending September 30, 2021.

II. DISCUSSION: Staff will draft a Request for Qualifications (RFQ) to complete proper procurement procedures for a new 5-year contract, and will present it to Council before solicitation. Solicitation will be tentatively set for Fall 2021 to engage an audit firm to audit the City's financial statements and internal controls for the fiscal years FY2022-FY2026. Some audit firms begin their testing long before a fiscal year ends. Engaging a firm 9-12 months before the end of a fiscal year allows a new audit team to compile their permanent files and to plan appropriately for the work to be completed at the end of a fiscal year.

A. Link to Strategic Goals / Objectives: Goal #1 Financially sound city providing service excellence

B. Effect on Budget (EOB): The fee to audit the financial statements and the Comprehensive Annual Financial Report (CAFR) is \$23,500. The fee to complete additional State and Federal assistance audits, if required, is \$4,000. The total amount of \$27,500 to cover these fees will be part of the FY2022 Budget (to be adopted in September 2021).

C. Level of Service (LOS): No change.

III. CONCLUSION: Staff recommend engaging EFPR Group, LLC to audit the City's financial statements for the period ending September 30, 2021.

IV. RECOMMENDED MOTION: I move to engage EFPR Group, LLC to audit the City's financial statements for the period ending September 30, 2021.

Attachments:

1. City of Destin 2016-2020 EFPR Engagement Letter
2. City of Destin 2021 EFPR Engagement Letter rvd

May 31, 2016

Mr. Rey Bailey
City Clerk
City of Destin
4200 Indian Bayou Trail
Destin, Florida 32541

Dear Mr. Bailey:

Enclosed are one original and eight copies of our proposal to provide audit and related services to the City of Destin for the years ending September 30, 2016, and four option years ending September 30, 2017, 2018, 2019 and 2020.

Please call me if you have any questions with regard to this proposal.

Very truly yours,

EFPR GROUP, CPAs, PLLC

Douglas E. Zimmerman, CPA
Partner
Chief Operating Officer

DEZ:pem

Enclosures

CITY OF DESTIN

Proposal to Provide
Audit and Related Services

Year ending September 30, 2016, and
Option years ending
September 30, 2017, 2018, 2019 and 2020



EFPR GROUP, CPAs, PLLC
1061 E. Indiantown Road, Suite 104
Jupiter, Florida 33477
(716) 634-0700

Douglas E. Zimmerman, CPA
Partner, Chief Operating Officer
dzimmerman@efprgroup.com

May 31, 2016

CITY OF DESTIN

Table of Contents

	<u>Page</u>
Proposal Form	
Transmittal Letter	
Firm Philosophy	1
Key Considerations Regarding EFPR Group, CPAs, PLLC	1
Fresh Perspective	1
Licensed to Practice in the State of Florida	1
Independence	1
Experience and Qualifications	1-5
Partner, Manager and Staff Qualifications and Experience	6-7
Audit Approach	7-11
Value Added Services	11-12
Scope of Services	12 – 13
Timing and Cost	13
Florida Statute Chapter 112	14
Other Significant Information	14
Appendix A – Detailed Resumes of Key members of the Firm’s Government Audit Practice Group	
Appendix B - Partial Government Client List	
Appendix C - Peer Review Letters of Predecessor Firms	
Appendix D - Required Forms	
Appendix E – Super Circular E-Blast Series	

May 31, 2016

Mr. Rey Bailey
City Clerk
City of Destin
4200 Indian Bayou Trail
Destin, Florida 32541

Dear Mr. Bailey:

We are pleased to submit our proposal to provide audit and related services to the City of Destin for the years ending September 30, 2016, and four option years ending September 30, 2017, 2018, 2019 and 2020. We confirm that we understand the scope of services to be provided and will commit the resources necessary to ensure performance of our service within the required timeframes. Our proposal is a firm and irrevocable offer for a period of 90 days. Douglas E. Zimmerman has signed this proposal and has the authority to bind the Firm to the submitted proposal. We believe the EFPR Group, CPAs, PLLC is highly qualified to provide audit and related services to the City based on:

- Our substantial experience with regard to providing audit and related services for over 175 governmental organizations annually.
- Our substantial experience providing audit and related services to municipalities, including the following:
 - County of Allegany
 - County of Chemung
 - County of Columbia
 - County of Delaware
 - County of Lewis
 - County of Madison
 - County of Ontario
 - County of Orleans
 - County of Saratoga
 - City of Johnstown
 - Town of Alexandria
 - Town of Bergen
 - Town of Canandaigua
 - Town of Campbell
 - Town of Lumberland
 - Town of Malta
 - Town of Middletown
 - Town of Milton
 - Town of North Elba
 - Town of Patterson
 - Town of Sterling
 - Town of Ulster
 - Village of Arkport
 - Village of Bergen
 - Village of Clayton
 - Village of Cold Spring
 - Village of Delhi
 - Village of Greenwich

Mr. Rey Bailey
May 31, 2016

- Town of Clarkson
 - Town of Elmira
 - Town of Erwin
 - Town of Gates
 - Town of Hannibal
 - Village of Montebello
 - Village of Waterford
 - Borough of Sayre
 - Borough of South Waverly
 - Borough of Wyalusing
- Our substantial experience with regard to providing audit and related services for organizations which require audits performed in accordance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133). We provide annual audit services for over 150 single audit compliant organizations.
 - Our substantial experience with regard to providing audit and related services for organizations required to have audits which are performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. We audit over 400 organizations annually in accordance with Government Auditing Standards.
 - Our experience with various State agencies, including the following:
 - New York Local Government Assistance Corporation
 - New York Power Authority
 - New York State Affordable Housing Corporation
 - New York State Assembly
 - New York State Bridge Authority
 - New York State Department of Agriculture and Markets / State Fair
 - New York State Department of Health
 - New York State Department of the Budget
 - New York State Department of Transportation
 - New York State Energy Research Development Agency
 - New York State Executive Chamber
 - New York State Homeless Housing Assistance Corporation
 - New York State Insurance Fund
 - New York State Office for People With Developmental Disabilities
 - New York State Office of Alcoholism and Substance Abuse Services
 - New York State Office of Attorney General
 - New York State Office of Children and Family Services
 - New York State Office of General Services
 - New York State Office of the Medicaid Inspector General
 - New York State Office of the State Comptroller
 - New York State Office of Temporary Disability Assistance
 - New York State Senate
 - New York State Thoroughbred Breeding and Development Fund
 - New York State Thruway Authority
 - New York State Unified Court System
 - New York State Urban Development Corporation
 - New York State Workers' Compensation Board
 - Our ability to provide quality services on a timely basis for reasonable fees.

Mr. Rey Bailey
May 31, 2016

Our depth of experience working with many governmental entities should provide peace of mind that the City would be served by a highly competent team of professionals committed to assist in whatever capacity you require. We understand that for our services to be valuable to the City, we need to provide more than just financial reporting. At the EFPR Group, CPAs, PLLC, we take a proactive approach to our client relationships in order to ensure we are anticipating our client's needs before they call on us for assistance. We are available throughout the year to answer questions and address concerns that may arise.

We would consider it a distinct privilege to provide professional services as outlined in this proposal or any additional services you desire. Simply put, we want to be your auditors and business consultants. Please contact us if there are any questions regarding this proposal.

A copy of this letter is enclosed; if the terms of this proposal are satisfactory to you, please sign the copy and return it to me at your convenience.

Very truly yours,

EFPR GROUP, CPAs, PLLC

Douglas E. Zimmerman, CPA
Partner
Chief Operating Officer

FIRM PHILOSOPHY

The EFPR Group, CPAs, PLLC was founded on the principle of providing our clients with the same high quality level of service expected from a national firm yet with the dedicated involvement that can only be developed by personal attention. The primary mission of our Firm has always been helping our clients succeed. We are committed to delivering services targeted to each client's critical needs and industry niche.

KEY CONSIDERATIONS REGARDING THE EFPR GROUP

Our Firm has achieved its present position in the accounting profession by providing quality services on a timely basis, for reasonable fees. Accounting firms should be evaluated in light of several important conditions:

- The firm's qualifications, experience and its ability to provide auditing, accounting and consulting services for a reasonable fee.
- The firm's ability to assemble and commit a team of professionals experienced in providing audit, accounting and consulting services for governmental organizations, specifically municipalities.
- The firm's involvement of client personnel and active participation and coordination on a year-round basis.
- The firm's commitment to provide services which will contribute to the success of our clients.

In the following paragraphs, we shall demonstrate that the EFPR Group, CPAs, PLLC is the accounting firm best qualified to serve the City of Destin.

FRESH PERSPECTIVE

Changing auditors does not have to be difficult. The professionals at the EFPR Group, CPAs, PLLC are excited about providing the City with a fresh perspective on internal controls, compliance risks, and other operational matters. As noted throughout our proposal, our objective is to provide value beyond our financial and compliance audits.

LICENSED TO PRACTICE IN THE STATE OF FLORIDA

The EFPR Group, CPAs, PLLC is licensed to practice in the state of Florida. Please see Appendix A for evidence of the firm's license to practice.

INDEPENDENCE

The EFPR Group, CPAs, PLLC is independent of the City of Destin as defined by generally accepted auditing standards and U.S. Government Accountability Office (GAO)'s Government Auditing Standards. Accordingly, no relationship exists between the EFPR Group, CPAs, PLLC and the City or any of its employees, Board members or with any person or agency that constitutes a conflict of interest with respect to the City.

FIRM QUALIFICATIONS AND EXPERIENCE

The EFPR Group, CPAs, PLLC provides audit, accounting, and consulting services to over 175 governmental organizations on an annual basis. Additionally, we serve more than 400 organizations which require an audit performed in accordance with Government Auditing Standards and over 150 clients that require audits performed in accordance with the provisions of Office of Management and Budget (OMB) Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133). The firm employs 220 professionals with 44 partners and directors. The Firm's Governmental Audit Practice Group consists of 50 highly trained professionals who provide audit and related services to governmental organizations on a year round basis.

Our Firm has offices located in Jupiter, Florida, Williamsville, Rochester, Corning, New York City, Canandaigua, and Newark, New York. The majority of the work on this engagement will be performed at the City's office in Destin, Florida by the professionals from the Firm's Government Audit Practice Group. Please see Appendix A for detailed resumes of the Firm's key Government Audit Practice Group members and Appendix B for a partial listing of governmental organizations which are our clients.

Our Firm has substantial experience providing audit, accounting and consulting services to governmental organizations. We are completely familiar with generally accepted Government Auditing Standards (GAGAS), issued by the Comptroller General of the United States, standards promulgated by the Governmental Auditing Standards Board (GASB), General Municipal Law, New York Code of Rules and Regulations and the New York State Internal Control Act. We perform more than 400 GAGAS audits annually. Our team of professionals from our governmental audit practice is well versed and keeps up-to-date on all standards affecting the government environment.

Our Firm has substantial experience performing audits in accordance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133). We provide services for more than 150 organizations annually which require audits performed in accordance with the provisions of the OMB Uniform Guidance, including having performed the Single Audit of the State of New York.

Experience with Governmental Organizations

Our Firm currently provides annual financial statement and single audit services to nine New York State counties and numerous other municipalities. Our audits of these counties are performed in accordance with auditing standards generally accepted in the United States of America, the provisions of Government Auditing Standards, and Office of Management and Budget (OMB) Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133). As part of these engagements, we issue a report on compliance and internal control over financial reporting. We keep our clients informed about the latest developments in governmental accounting standards and help them to assess the impact of newly issued GASB pronouncements. We currently provide financial statement audit, single audit and related services to the following counties:

- County of Allegany
- County of Chemung
- County of Columbia
- County of Delaware
- County of Lewis
- County of Madison
- County of Ontario
- County of Orleans
- County of Saratoga

Our Firm also provides financial statement audit and related services to the following municipalities:

- City of Johnstown
- Town of Alexandria
- Town of Bergen
- Town of Canandaigua
- Town of Campbell
- Town of Clarkson
- Town of Elmira
- Town of Patterson
- Town of Sterling
- Town of Ulster
- Village of Arkport
- Village of Bergen
- Village of Clayton
- Village of Cold Spring

- Town of Erwin
- Town of Gates
- Town of Hannibal
- Town of Lumberland
- Town of Malta
- Town of Middletown
- Town of Milton
- Town of North Elba
- Village of Delhi
- Village of Greenwich
- Village of Montebello
- Village of Waterford
- Borough of Sayre
- Borough of South Waverly
- Borough of Wyalusing

Our Firm provides audit services to the New York State Office of the State Comptroller. We recently performed the audit of the system of internal controls of the New York State Office of the State Comptroller. Our examination was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States and the standards established by the American Institute of Certified Public Accountants and, accordingly, included obtaining an understanding of internal controls, testing and evaluating the design and operating effectiveness of the internal controls, and performing such other procedures as we considered necessary under the circumstances. The Office of the State Comptroller is responsible for paying New York State’s bills and payrolls, verifying all financial transactions of the State, reviewing the financial and management practices of State agencies, supervising the fiscal affairs of local governments, investing State funds and issuing bonds and notes and administering the retirement program for the State and most local government employees.

In addition to our audit of the system of internal controls of the New York State Office of the State Comptroller, our Firm performs audits in accordance with the “New York State Governmental Accountability Audit and Internal Control Act” of the following New York State Agencies and Departments:

- New York State Executive Chamber
- New York State Division of the Budget
- New York State Unified Court System
- New York State Assembly
- New York State Senate

Our Firm provides audit services to the New York State Urban Development Corporation d/b/a Empire State Development. We perform the annual audit of the general purpose financial statements of the Corporation (a component unit of the State of New York) in accordance with auditing standards generally accepted in the United States of America, the provisions of Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133). The Corporation’s goal is to create and retain jobs and to reinvigorate economically distressed areas of the State. The Corporation administers various economic development programs which provide tax incentives designed to attract new businesses to New York State and to enable existing businesses to expand and create more jobs. The Corporation has over 150 subsidiaries which are consolidated for financial reporting purposes. Our firm provides audit and related services to various subsidiaries of Empire State Development. Empire State Development has annual revenues in excess of \$1.5 billion and assets of more than \$12.5 billion.

Additional Services Provided to Governmental Clients

Our Firm has assisted many of our governmental clients in obtaining a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. We are committed to providing the highest quality services and assisting governmental entities in meeting regulatory deadlines.

Our Firm is familiar with the review process that the Government Finance Officers Association (GFOA) uses to evaluate the CAFR and can assist the City in obtaining the Certificate of Achievement for Excellence in Financial Reporting. Our firm has prepared the CAFR for the Town of Brookhaven and the Counties of Putnam and Sullivan and assisted in the preparation of the CAFR for the Counties of Chemung, Ulster, Cattaraugus and Steuben. The additional minimum requirements to prepare the CAFR are as follows:

- Introduction section, including names of City officials,
- Combining statements of government funds, including comparisons of actual to budget, and
- A statistical section.

We have provided consulting services to our clients with regard to implementation of Governmental Accounting Standards Board (GASB) Statement No. 33 - "Accounting and Financial Reporting for Nonexchange Transactions," and GASB Statement No. 34 - "Basic Financial Statements and Management's Discussion and Analysis." We have worked extensively with our government clients in ensuring that they have complied with the reporting requirements of GASB Statement No. 34. Consulting services offered to our clients with regard to implementation of GASB Standards include, but are not limited to, the following:

- Implementation of infrastructure reporting
- Implementation of fixed asset policies and procedures
- Reporting of infrastructure costs and assistance and guidance in preparing the Management Discussion and Analysis (MD&A)

We have vast knowledge of GASB Statement No. 45 - "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." GASB Statement No. 45 requires that governmental organizations record a liability for postemployment benefits, primarily health insurance. We have assisted our governmental clients with the implementation of this statement which requires that the actuarial determined liability for the cost of health insurance for active and retired employees be recorded as a liability on the financial statements of the governmental organization. As a result of the implementation of this statement we have worked extensively with actuaries and the management of our clients in order to determine the proper liability.

Additionally, we keep our clients abreast of changes in the governmental accounting environment. We are assisting our clients with the implementation of the requirements of GASB Statements No. 68 - "Accounting and Financial reporting for Pensions - an amendment of GASB Statement No. 27" and GASB Statement No. 71 - "Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68." Together these statements require employers participating in a multiple employer pension plan record their proportionate share of the net underfunding/overfunding of the plan. These statements also make provision for the treatment of contributions made between the measurement date of the plan and the reporting date of the entity as deferred outflows of resources.

Our Firm also issues periodic newsletters to our clients which includes emerging trends in certain industries, including governmental issues. Any significant new accounting and auditing pronouncements that could impact our clients are communicated to our clients during our fieldwork and throughout the term of our contract. We will communicate any new accounting and auditing pronouncements, as well as new reporting requirements, as they arise. We recently sent our governmental and nonprofit clients a five part series of e-blasts related to the significant points of the Super Circular. Please see Appendix E for a copy of that five part series.

Experience with Tax-Exempt Debt Financing

Our Firm has experience with regard to providing audit services to governmental organizations which issue substantial debt financing. We provide annual audit services to Empire State Development, New York Local Government Assistance Corporation, and the New York State Thruway Authority, which have a combined total of more than \$35 billion in tax exempt bonds outstanding. The following is a listing of recent bond financing for which our Firm has issued consent or comfort letters:

- New York State Thruway Authority issued General Revenue Bonds, Series K in the amount of \$743,865,000 on December 4, 2014.
- New York State Thruway Authority issued General Revenue Bonds, Series J in the amount of \$677,460,000 on March 15, 2013.
- New York State Thruway Authority issued General Revenue Bonds, Series I in the amount of \$1,101,345,000 on June 27, 2012.
- Ulster County Resource Recovery Agency issued Solid Waste System Revenue Refunding Bonds, Series 2012 in the amount of \$9,410,000 on May 25, 2012.
- Ulster County Resource Recovery Agency issued Solid Waste System Revenue Refunding Bonds, Series 2012 in the amount of \$6,435,000 on May 18, 2012.
- New York State Bridge Authority issued General Revenue Bonds, Series 2012 in the amount of \$90,325,000 on April 23, 2012.

QUALITY ASSURANCE

Peer Review

The EFPR Group, CPAs, PLLC (formerly EFP Rotenberg, LLP and Toski & Co., CPAs, P.C.) retains an independent accounting firm to conduct a review of its system of quality control every three years in accordance with the rigorous standards of the American Institute of Certified Public Accountants. In June 2014, our Firm successfully completed the most recent peer review of its accounting and auditing practice. The review determined that the Firm complies with the stringent quality control standards set by the American Institute of Certified Public Accountants. Our Firm has received the highest rating possible (pass) with no letter of comments being required in each of its last eight peer reviews. According to the peer review team, less than one percent of the firms in the nation achieve this level of excellence. We believe that this attests to our commitment to quality. Peer reviews, which are performed every three years, are required of all CPA firms and are conducted in accordance with rules issued by the American Institute of Certified Public Accountants. (See Appendix C for a copy of the reports issued in connection with our most recent peer reviews).

The peer review included a review of all of the firm's major client categories, including audits conducted in accordance with generally accepted Government Auditing Standards and the provisions of Office of Management and Budget (OMB), Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133).

BDO Alliance USA

We are an independent member of the BDO Alliance USA, a nationwide association of independently owned local and regional accounting, consulting and service firms with similar client service goals. By supplementing our services, the BDO Alliance USA allows us to:

- Enhance our client services and broaden our capabilities overall
- Expand our domestic and international coverage
- Gain greater technical knowledge in specialty areas
- Utilize professionals with experience in a wide range of industries
- Access the most up-to-date technical information
- Participate in the latest training programs
- Utilize state of-the-art, customized computer systems
- Provide our clients with key contacts and sophisticated professionals throughout the U.S.

The BDO Alliance USA brings us the necessary tools to help us better serve our clients with greater flexibility, efficiency and cost effectiveness.

Government Audit Quality Center

We are also a member of the American Institute of Certified Public Accountants Government Audit Quality Control Center (GAQC). The GAQC promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. As members, we have access to the latest developments in accounting, auditing, and the various rules and regulations that affect governmental audits. We also receive periodic updates on current issues through news alerts and Webcasts. We are proud of the quality of our work and in order to ensure that this high level of quality is maintained, we have established a comprehensive quality assurance program. The program starts with hiring the best people available and continues with extensive continuing education, an annual minimum of 40 hours per staff member. Our involvement in the GAQC is optional, but indicates a level of commitment above non-member Certified Public Accounting firms. Our participation requires that our firm and personnel attain additional continuing professional education on an annual basis.

PARTNER, MANAGER AND STAFF QUALIFICATIONS AND EXPERIENCE

Achieving our present position in the profession has come as a result of being responsive to the needs of our clients. A combination of a coordinated team approach and up-to-date knowledge allows for the most efficient approach to providing comprehensive professional services. Accordingly, we will assemble an engagement team that will include audit personnel with extensive government audit experience. As opposed to many CPA firms, our proposed service team is not involved with income tax services and will be available year-round with government industry expertise. The key individuals available to be assigned to these engagements and their roles are as follows:

Douglas E. Zimmerman, CPA will serve as the partner in charge of our relationship with the City of Destin. Doug will oversee all services provided and ensure that they are delivered in a timely and efficient manner. He will be responsible for all matters concerning accounting policy, participate in the planning phases of our engagement, review all working papers and reports prepared, and attend meetings with management and the Board. He has over 29 years of public accounting experience and currently functions as a partner and Chief Operating Officer in the Firm. He has extensive experience in providing audit, accounting and consulting services for numerous governmental organizations. Doug is licensed in Florida and New York State as a Certified Public Accountant.

Joseph M. Klimek, CPA will serve as the engagement partner. Joe will provide a secondary review of all deliverables and critical engagement decisions and will be available throughout the engagement to consult and review on any auditing and accounting questions that may arise. He has over 35 years of public accounting experience. He currently functions as a partner in the Firm and has extensive experience in providing audit, accounting and consulting services for numerous governmental organizations. Joe is licensed in New York State as a Certified Public Accountant.

John S. Costilow, CPA will serve as the engagement manager, overseeing the day-to-day performance of the audit. John has over nine years of public accounting experience. He has extensive experience in providing audit, accounting and consulting services for numerous governmental organizations. John is licensed in New York State as a Certified Public Accountant.

Thomas E. Smith, CPA will serve as a senior accountant on this engagement. He has extensive experience in providing audit, accounting and consulting services for numerous governmental organizations. Tom is licensed in New York State as a Certified Public Accountant.

Staff Accountant: Your account will also be assigned an additional staff accountant from the Firm's Governmental Audit Practice Group, who will work as part of the engagement team in performing your audit.

Continuing Professional Education

With regard to continuing professional education (CPE), each of our staff members is required to complete an annual minimum of 40 hours of CPE programs approved by the American Institute of Certified Public Accountants. Additionally, since we perform audits in accordance with generally accepted Government Auditing Standards (GAGAS) (over 400 each year), our staff members must complete at least 24 of the 80 hours (over a two-year period) of CPE in subjects directly related to the government environment and government auditing. Due to the substantial volume of governmental audits performed, our Firm continually monitors staff CPE compliance with the GAGAS requirements. All of the individuals listed above are in compliance with the CPE requirements.

AUDIT APPROACH

We confirm that we understand the scope of services to be provided and will commit the resources necessary to ensure performance of our services. Our audits are made in accordance with auditing standards generally accepted in the United States of America and, accordingly, include such tests of the accounting records and other auditing procedures as we consider necessary and appropriate in order to express an opinion on the financial statements.

Although audits conducted by different firms should all comply with certain professional requirements and thus might appear identical in nature, you should distinguish individual firms by at least two key factors:

1. The extent to which the firm understands or expands its understanding of your City in advance of the audit and tailors its auditing procedures to the conditions and needs of the City.
2. The pertinent skills and processes the auditor can bring to bear upon the engagement to ensure an effective and efficient audit.

Transition from Current Auditor

Changing auditors for the City should not be a difficult task. Fortunately, your proposed engagement team has had many opportunities over the years to step in as the new auditor. This experience helps ensure that the transition goes as smoothly as possible. From communicating with the predecessor auditor, reviewing their work papers, documenting and understanding your business processes, we will focus on minimizing the challenges that sometimes come with an auditor change. We will obtain as much information as possible from your predecessor auditor and then assemble a list of any items needed from the City's management, along with mutually agreed-upon response dates. Our objective as your professional service provider will be to front load as much work as possible, including our transition as your external auditor. Because of your engagement team's experience with municipalities, our engagement team will hit the ground running, resulting in minimal disruption to your day-to-day operations.

Financial Statement Audit

Audit examinations performed by our Firm are conducted from a risk-based approach. This approach yields two major benefits:

- Maximization of understanding of the City's operating environment, and
- Minimization of audit time by starting with broad considerations and narrowing to specific audit objectives in critical areas.

The audit of the financial statements of the City of Destin will consist of the following four phases:

- Planning
 - Systems evaluation
 - Testing
 - Reporting
- Planning is the first step in the audit engagement and provides the foundation for the direction of the audit. This phase of the audit involves meeting with the Audit Committee and management of the City to clearly identify the lines of communication, perform the risk analysis, discuss the audit scope and concerns and set expectations. While facilitating an understanding between our firm and the City, we highlight areas, which will receive emphasis during our audit. This type of analytical review process permits identification of critical areas. As a result, appropriate audit procedures are focused therein.
 - Systems Evaluation consists of the following steps:
 - A review of internal control systems of the City.
 - A review of the information technology systems utilized by the City to prepare its accounting records and monitor compliance with regulatory requirements.
 - An identification of control strengths and weaknesses in management and accounting controls, and
 - The development of a tailored audit program to be responsive to the City's concerns and reflective of the internal control system.
 - Testing is the largest part of the audit process and includes both compliance test of internal controls and regulatory requirements and substantive test of the City's financial data.

The EFPR Group, CPAs, PLLC uses sampling in selecting items for examination by compliance and/or substantive tests where it is determined to be cost beneficial to sample the population. Our Firm has an Audit and Accounting Manual which contains procedures for the control and evaluation of sampling risk, selection of samples, and evaluation of sample results.

Audit sampling will normally be used to perform the following tests:

- Substantive tests as part of the audit of the City's basic financial statements;
 - Compliance tests to provide reasonable assurance that internal control (accounting and administrative) procedures used in administering federal and state financial assistance programs are being applied as prescribed, and
 - Substantive tests of compliance with laws and regulations as part of the audit of the basic financial statements and for the purpose of reporting on compliance with laws and regulations as they relate to the schedule of federal financial assistance.
- Reporting is completed at the conclusion of the audit process. This phase will include the preparation of the draft financial statements and management letter. Management of the City will be provided drafts of all reports. These drafts will be reviewed in detail and any questions or concerns of management will be appropriately addressed. Reports will only be finalized after approval of management and the Audit Committee of the City.

Our management letter will discuss internal control recommendations and suggestions for procedural improvements we identified as part of the audit. The letter will also include observations about accounting methods and procedures, business and industry practices or issues, operational ideas, and suggestions to further enhance the City's operations. We will advise you of any new accounting pronouncements that have been or may be issued and indicate their potential impact.

Single Audit Approach

Determining Major Programs

To meet the provisions of the Single Audit Act and Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133), we will use a risk-based approach to determine which Federal programs are major programs. This risk-based approach will include consideration of current and prior audit experience, oversight by Federal agencies and pass-through entities, and the inherent risk of the Federal program. The following is the approach we will follow in our single audit:

- Determine Type A programs
- Determine high-risk Type A programs
- Determine high-risk Type B programs
- Determine programs to be audited as major programs.

Identification of Material Compliance Requirements

In performing the Single Audit, we will focus on testing those compliance requirements that are material to each program. The OMB compliance supplement identifies the general categories of material compliance requirements. The 2016 updated compliance supplement identifies specific requirements for the Federal programs determined to be major programs. While the compliance supplement will be used as a starting point to identify material compliance requirements, we will also review other documents to consider potential material requirements. Documents that may be considered include the Code of Federal Regulations, Catalog of Federal Domestic Assistance, program and grant award letters, and grant guides and audit manuals. We will also discuss program requirements, new regulations, and program changes with respective program managers during the planning phase of the engagement to identify additional or new material compliance requirements. Only those requirements that are considered to be material are subject audit test work. The following are the 12 categories of requirements identified in the compliance supplement:

- Activities allowed or unallowed
- Cash management
- Matching, level of effort, earmarking
- Procurement, suspension and debarment
- Real property acquisition and relocation
- Subrecipient monitoring
- Allowable costs/cost principles
- Eligibility
- Period of availability of Federal funds
- Program income
- Reporting
- Special tests and provisions

OMB's compliance supplement describes characteristics of internal control relating to each of the five components of internal control that should reasonably assure compliance with the requirements of Federal laws, regulations, and program compliance requirements. A description of the components of internal control is as follows:

- Control environment sets the tone of an organization influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure.
- Risk assessment is the entity's identification and analysis of relevant risks to the achievement of its objectives. This forms a basis for determining how the risks should be managed.
- Control activities are the policies and procedures that help to ensure that management's directives are carried out.
- Information and communication are the means to identify, capture, and exchange information in a form and time frame that enable people to carry out their responsibilities.
- Monitoring is the process that assesses the quality of internal control performance over time.

Reporting to the Board

As required by professional standards, we will ensure that the City Council will be informed of the following:

- The Auditors' responsibility under auditing standards generally accepted in the United States of America
- The Auditors' responsibility under Government Auditing Standards and the provisions of the OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Formerly OMB Circular A-133).
- Significant accounting policies
- Management judgments and accounting estimates
- Significant audit adjustments
- Other information in documents containing audited financial statements
- Disagreements with management
- Management consultation with other accountants
- Major issues discussed with management prior to retention
- Difficulties encountered in performing the audit
- Any other matter which may be important to the fair presentation of the City's financial statements

VALUE ADDED SERVICES

Management Consulting Services

Understanding our client's operations and being involved throughout the year provides us with a unique opportunity to make recommendations and provide consulting services relating to operations which contributes to the success of your organization. The types of consulting services provided include, but are not limited to, the following areas:

- Review of leases and other legal agreements and interpretations of such provisions of leases and agreements.
- Ability to provide better internal control recommendations as a result of our extensive internal control audit experience with regard to governmental organizations.
- Budget reviews.
- Exempt bond financing assistance.
- Risk assessment and analysis.
- Computer needs assessments, conversion phase and implementation.
- Internal financial reporting systems.
- Assessment of Employee Benefits alternatives.
- Cash management analysis and budgeting.
- Assistance in implementing a business plan and long-range planning.
- Tax planning, consulting and preparation.
- Acquisition or valuation studies.

IT Consulting & Risk Management

The EFPR Group has a sophisticated IT department that not only serves the firm internally but also serves our clients. Our IT audit and consulting services are designed to help our clients maintain confidentiality, integrity, data and asset security. We assist our clients in evaluating current software and hardware needs. We also have the capacity to perform security reviews, conduct data and infrastructure security assessments and we have a significant amount of experience in developing policies, procedures, controls and compliance management. We strive to provide useful recommendations that can be easily implemented.

For each audit, we obtain an understating of internal controls over information technology sufficient to determine whether they have been effectively placed in operation. In obtaining this understanding we consider how an entity's use of information technology and manual procedures may affect controls relevant to the audit.

Reputation and Crisis Management

Ignition Consulting, an EFPR Group Company, provides a comprehensive array of Reputation, Crisis and Media Management services to clients across North America. Each year, over 70,000 disasters and crises occur worldwide. In today's information intensive society, a cell phone can record an event and social media venues can transmit it to millions in seconds. Despite the cause, it's highly probable your organization will experience a crisis in the future. While some crises are completely unpredictable, many can be anticipated. In addition, all crises share a common set of elements that require immediate attention. If these elements are ignored, the reputation of the organization and its leaders can be severely impacted. Ignition Consulting has been in the business of protecting leaders and their organizations for over 20 years. Our reputation management services include the following:

- Reputation and Crisis Management Planning
- The Advanced Media Management Workshop
- Defending Yourself Against Cyber Terrorism
- Monitoring Your Media Image

Fraud Detection and Prevention

Stonebridge Business Partners (SBP), an EFPR Group Company, provides a full suite of business valuation, forensic accounting and litigation services to an array of business clients across the United States. In addition, they now provide a state-of-the-art confidential, nationwide ethics hotline and on-line portal. Powered by Red Flag Reporting, the SBP ethics hotline and on-line portal system is recognized as the number one method of identifying and reporting unethical or unsafe conditions so you can prevent any threat to your firm's long-term sustainability. The Association of Certified Fraud Examiners recognizes this service as the most effective method of fraud detection and prevention saving clients thousands of dollars in losses and litigation exposure.

The Stonebridge system provides:

- 24-hour-a-day access for employees, strategic partners and suppliers
- An easy to use and completely confidential telephone and on-line reporting system
- The ability to make reports in English and Spanish
- Certified Fraud Examiners to review each report
- Posters and wallet cards to create employee awareness and facilitate quick response
- Quarterly emails to employees and newsletters to management
- A live fraud awareness seminar and pre-recorded issue awareness webinars
- Detained reports to pre-designated members of your organization
- "Reduced Risk" and increased "Peace of Mind"

SCOPE OF SERVICES

The following is an outline of the services to be provided to the City of Destin for September 30, 2016, and four option years ending September 30, 2017, 2018, 2019, and 2020:

- Audit the basic financial statements in accordance with auditing standards generally accepted in the United States and the provisions of Office of Management and Budget (OMB), Uniform Administrative Requirements, Cost principles and audit requirements for Federal Awards (formerly OMB Circular A-133). The primary purpose of an audit is the expression of an opinion as to the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

- Audit the major federal programs, including the Schedule of Expenditures of Federal Awards, in accordance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133).
- Issue a report on compliance and internal control over financial reporting. This report will communicate any reportable conditions and instances of noncompliance found during our audit.
- Assist the City with the preparation of the Comprehensive Annual Financial Report (CAFR) in order to obtain the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.
- Prepare a letter to management detailing comments and suggestions for improvements in internal controls or general management techniques that come to our attention during the audit. We will review and explain all observations and recommendations so that appropriate changes may be implemented.
- Prepare U.S. Form SF-SAC - "Data Collection Form for Reporting on Audits of States, Local Governments and Non-Profit Organizations."
- Attend up to two public meetings for to discuss the audit report.
- Deliver 20 copies and an electronic copy of the Comprehensive Annual Financial Report to the City.
- Maintain contact throughout the year to discuss: (a) changes in accounting which could affect the City and (b) the progress toward fulfilling current needs and future objectives.

TIMING AND COST

Upon receiving notice of appointment as auditors, we will meet with you and establish a definite time program for the performance of services. The time program will be established in such a way to insure that work is efficient and structured in such a way as to avoid disrupting the day-to-day routine duties of your staff. The following is an estimated timetable related to performance of our services:

<u>Task</u>	<u>Deadline</u>
Complete preliminary audit work	By September 30 th
Commencement of final fieldwork	By November 30 th
Complete final fieldwork	By December 31 st
Issue draft reports of financial statements	By January 31 st
Issue final reports of financial statements	By February 15 th

Fees are based on the time spent on the engagement and the qualifications of personnel assigned. On the basis of our extensive experience with other municipalities similar to yours, we have determined the fees services for the years ending September 30, 2016, and option years ending September 30, 2017, 2018, 2019 and 2020 to be as stated in Appendix D of our proposal. These are the all-inclusive fees to be charged to the City and include all costs, including report reproduction and similar expenses (travel, phone clerical, postage, etc.).

FLORIDA STATUTE CHAPTER 112

No officer, director or agent of the EFPR Group, CPAs, PLLC is also a public officer or an employee of the City of Destin. Additionally, no City officer or employees own, directly or indirectly, an interest of five percent or more in the EFPR Group, CPAs, PLLC.

OTHER SIGNIFICANT INFORMATION

- Experience - Since the EFPR Group, CPAs, PLLC “specializes” in providing audit and related services to governmental organizations, our field staff is experienced in providing such services.
- Technology - All of our field staff are equipped with laptop computers and have access to various software packages and databases (e.g. data extraction software, flowchart software, Microsoft Office, etc.) and other electronic means to ensure that the audit is performed in the most efficient manner.
- Continuing Education - With regard to continuing professional education, each of our staff members is required to complete an annual minimum of 40 hours of continuing education programs approved by the American Institute of Certified Public Accountants. Additionally, since we perform audits in accordance with Government Auditing Standards (over 400 each year), our staff members must complete at least 24 of the 80 hours (over a two-year period) of continuing education in subjects directly related to the government environment and government auditing.
- Affirmative Action - The EFPR Group, CPAs, PLLC is an equal opportunity employer and as such possesses a firm commitment to affirmative action and to hiring only the best-qualified candidates regardless of gender or ethnic origin. Our Firm does not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability or marital status.

* * * * *

We would consider it a distinct privilege to provide professional services as outlined in this letter or any additional services you may desire. Please contact us if there are any questions regarding this letter.

A copy of this letter is enclosed; if the terms of this proposal are satisfactory to you please sign the copy and return it to me at your convenience.

ACCEPTED:

EFPR GROUP, CPAs, PLLC

CITY OF DESTIN

By: _____
Douglas E. Zimmerman, CPA
Partner
Chief Operating Officer

By: _____

Date: May 31, 2016

Date: _____

Appendix A

**Detailed Resumes of Key Members of the
Firm's Government Audit Practice Group**

Appendix B

Partial Government Client List

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

- Agriculture and New York State Horse Breeding Development Fund
- * Amsterdam Housing Authority
- * Athens Area School District
 - Athens Township
 - Barnard Fire District
- * Berkshire Union Free School District
 - Blind Brook-Rye Union Free School District
 - Borough of Sayre
 - Borough of South Waverly
 - Borough of Wyalusing
- * Brentwood Union Free School District
 - Brighton Fire District
 - Broome County Tobacco Asset Securitization Corporation
 - Carmel Central School District
 - Cayuga County Health Insurance Consortium
 - Cayuga Tobacco Asset Securitization Corporation
 - Chemung County Capital Resource Corporation
 - Chemung Tobacco Asset Securitization Corporation
 - City of Buffalo Police Department
 - City of Buffalo Urban Renewal Agency
 - City of Dunkirk Housing Authority
- * City of Oneonta Housing Authority
 - City University of New York (CUNY)
- * County of Allegany
- * County of Chemung
- * County of Columbia
- * County of Delaware
- * County of Lewis
- * County of Madison
- * County of Ontario
- * County of Orleans
- * County of Saratoga
 - Deferred Compensation Plan for the Employees of Delaware County
 - Deferred Compensation Plan for the Employees of Erie County
 - Deferred Compensation Plan for the Employees of Lewis County
 - Deferred Compensation Plan for the Employees of Ontario County
 - Deferred Compensation Plan for the Employees of the Town of Bethlehem

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133).

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

- Deferred Compensation Plan for the Employees of the Town of Huntington
- Dental Care Center State University of New York at Stony Brook
- East Bloomfield-Holcomb Fire District
- * East Hampton Union Free School District
- * Evans-Brant Central School District
- Fire District No. 1 - Town of Elmira
- Fire District No. 3 of the Town of Plattsburgh
- Fishers Fire District
- Genesee Tobacco Asset Securitization Corporation
- * Geneva Housing Authority
- * Glen Cove Industrial Development Agency
- * Glen Cove Community Development Agency
- GLOW Region Solid Waste Management
- Greenwood Lake Joint Fire District
- * Harlem Community Development Corporation
- Henrietta Fire District
- * Herkimer Housing Authority
- * Hudson River Park Trust
- * Ithaca Housing Authority
- LeRoy Fire District
- Livingston County Capital Resource Corporation
- Livingston County Development Corporation
- Livingston County Industrial Development Agency
- * Lower Manhattan Development Corporation
- Monroe County Soil and Water Conservation District
- New York City Department for the Aging
- New York City Department of Citywide Administrative Services
- New York City Human Resources Administration
- New York City Tax Lien Trusts (five trusts)
- * New York Convention Center Development Corporation
- * New York Empowerment Zone Corporation
- * New York Job Development Authority
- New York State Assembly
- New York State Affordable Housing Corporation
- New York State Bridge Authority
- New York State Department of Transportation
- * New York State Division of the Budget

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133).

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

New York State Executive Chamber
New York State Fair
New York State Homeless Housing Assistance Corporation
New York State Legislative Bill Drafting Commission
New York State Office for People With Developmental Disabilities
New York State Office of Alcoholism and Substance Abuse Services
New York State Office of the State Comptroller
New York State Office of General Services
New York State Senate
New York State Thoroughbred Breeding and Development Fund
New York State Unified Court System
* New York State Urban Development Corporation
* Newark Housing Authority
* Newark Valley Central School District
* Niagara Falls Housing Authority
* Niagara Falls Water Board
Niagara Wheatfield Central School District
* Ogdensburg Bridge and Port Authority
Ontario County Industrial Development Agency
* Orleans County Industrial Development Agency
Pine Hill Fire District No. 5
Quassaick Bridge Fire District
Remsenburg-Speonk Union Free School District
* Rhinebeck Central School District
Ridge Culver Fire District
* Rome Housing Authority
* Roosevelt Island Operating Corporation
* Sachem Central School District
Sayre Public Library
* Scarsdale Union Free School District
* Schenectady Municipal Housing Authority
* Seneca Nation Housing Authority
South Waverly Municipal Authority
Starpont Central School District
Steuben County Economic Development Corporation
Steuben County Industrial Development Agency
* Syracuse Housing Authority

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133).

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

- * Three Village Central School District
- Tioga County Soil & Water Conservation District
- Tobacco Settlement Financing Corporation
- Town of Alexandria
- Town of Avon
- Town of Bergen
- Town of Canandaigua
- * Town of Campbell
- Town of Clarkson
- Town of Elmira
- Town of Erwin
- Town of Gates
- * Town of Hannibal
- Town of Lumberland
- * Town of Malta
- Town of Middletown
- Town of Milton
- * Town of North Elba
- Town of Patterson
- Town of Sheshequin
- * Town of Sterling
- Town of Ulster
- Trust for Cultural Resources of the City of New York
- * Ulster County Community College
- University at Albany Athletics Department
- Valley Joint Sewer Authority
- * Vernon-Verona-Sherrill Central School District
- Village of Arkport
- Village of Bergen
- * Village of Canajoharie
- Village of Clayton
- Village of Cold Spring
- * Village of Delhi
- * Village of Greenwich
- Village of Montebello
- Village of Waterford
- Village of Waverly

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133).

PARTIAL LISTING OF GOVERNMENTAL
ORGANIZATIONS WHICH ARE OUR CLIENTS

- Walworth Fire District No. 1
- * Warwick Valley Central School District
- Washingtonville Central School District
- Water Authority of Great Neck North
- * Watershed Agricultural Council of the New York City Watersheds, Inc.
- * Watertown Housing Authority
- Wayne County Civic Facility Development Corporation
- Wayne County Industrial Development Agency
- West Genesee Central School District
- * William Floyd Union Free School District
- Williamsville Central School District
- Wilton Fire District
- Wyalusing Municipal Authority

* Audit conducted in compliance with the provisions of Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (formerly OMB Circular A-133).

Appendix C

**Peer Review Letters
of Predecessor Firms**

Appendix D

Required Forms

CITY OF DESTIN
RFP# 16-10-FIN
PROPOSAL FORM
PROFESSIONAL AUDITING SERVICES

Company: EFPR Group, CPAs, PLLC

Address: 1061 E. Indiantown Road, Suite 104

City & State: Jupiter, Florida Zip Code: 33477

Telephone: () 716-634-0700 Fax: () 716-634-0764

Date of Proposal: May 31, 2016

FIRM FIXED FEES PROPOSALS:

- I. Fiscal Year 2016 Audit Services: \$ 21,000
- II. State and/or Federal Financial Assistance Audit: \$ 4,000
- III. Identify Cost of Other Services, if any: \$ N/A
- _____ \$ 25,000

OPTIONAL

IV. In consideration of subsequent year(s) renewals for FY2017, FY2018, FY2019, and FY2020 audit services, will the firm consider extension of the above firm fixed fees for up to four additional (4) years:

Yes X No _____

OR:

Provide firm fixed fees associated with FY2017, FY2018, FY2019, and FY2020 services:

FY2017 \$ 25,500 FY2018 \$ 26,000 FY2019 \$ 26,500 FY2020 \$ 27,000

In accordance with your request for proposals, instructions and specifications, attached hereto, and subject to all conditions thereof, I (We), the undersigned, hereby agree is this proposal is accepted, to contract with the City of Destin, Florida to furnish any service requested herein and deliver the same to the City of Destin at the specified location.

The undersigned further declares that he/she has carefully examined the specifications and is thoroughly familiar with them and their provision(s). He/She further declares that no other person than the proposer herein named has any interest in this proposal or in the contract to be executed, and that it is made without connection with any other person(s) making a proposal for the same services, and it is in all respects fair and without collusion and fraud.

Douglas E. Zimmerman, CPA

Name & Title of Authorized Representative: (Printed) Partner, Chief Operating Officer

(Signature) _____

ATTACHMENT #2

PUBLIC ENTITY CRIME FORM

REQUEST FOR PROPOSALS (RFP) NO. 16-10-FIN

CITY OF DESTIN AUDIT SERVICES

SWORN STATEMENT UNDER SECTION 287.133 (3) (A)
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED IN THE PRESENCE OF A NOTARY PUBLIC OR OTHER OFFICER
AUTHORIZED TO ADMINISTER OATHS.

1. This sworn statement is submitted with Bid, Proposal or Contract No. 16-10-FIN

2. This sworn statement is submitted EFPR Group, CPAs, PLLC whose
business address is 1061 E. Indiantown Road, Suite 104, Jupiter, Florida 33477

and (if applicable) Federal Employer Identification Number (FEIN) is 47-4526160 (If the entity has no
FEIN, include the Social Security Number of the individual signing this sworn statement: _____)

3. My name is Douglas E. Zimmerman, CPA and my relationship to the entity named
above is Partner, Chief Operating Officer

4. I understand that a "public entity crime" as defined in Paragraph 287.133(a)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or any agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

5. I understand that "convicted" or "conviction" as defined in paragraph 287.133(a)(b), Florida Statutes, means finding of guilt or a conviction of a public entity crime with or without an adjudication of guilt, in any federal or state trial court of records relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.

6. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:

1. A predecessor or successor of a person convicted of a public entity crime; or

2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one of shares constituting a controlling income among persons when not for fair interest in another person, or a pooling of equipment or income among persons when not for fair market value under a length agreement, shall be a prima facie case that one person controls another person. A person who was knowingly convicted of a public entity crime, in Florida during the preceding 36 months shall be considered an affiliate.
City of Destin, Florida

RFP No. 16-10-FIN, CITY OF DESTIN AUDIT SERVICES
Attachment #2, Public Entity Crimes Statement

7. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of the state or of the United States with the legal power to enter into a binding contract for provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

8. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. (Please indicate which statement applies)

Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor affiliate of the entity have been charged with and convicted of a public entity crime subsequent to July 1, 1989.

The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. (please attach a copy of the final order)

The person or affiliate was placed on the convicted vendor list. There has been a subsequent proceeding before a hearing officer of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer determined that it was in public interest to remove the person or affiliate from the convicted vendor list. (please attach a copy of the final order)

The person or affiliate has not been placed on the convicted vendor list. (Please describe any action taken by, or pending with, the Department of General Services.)

(Signature)

Date: May 31, 2016

STATE OF ██████████ NEW YORK
COUNTY OF Erie

PERSONALLY APPEARED BEFORE ME, the undersigned authority, who, after first being sworn by me, affixed his/her signature at the space provided above on this 31 day of May, 2011, and is personally known to me, or has provided N/A as identification.

Notary Public

My Commission expires:

ATTACHMENT #3

DRUG FREE WORKPLACE CERTIFICATION
REQUEST FOR PROPOSAL (RFP) NO. 16-10-FIN
CITY OF DESTIN AUDIT SERVICES

DRUG-FREE WORKPLACE CERTIFICATION

The below signed Bidder certifies that it has implemented a drug-free workplace program. In order to have a drug-free workplace program, a business shall:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling rehabilitation and employee assistance programs and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection 1.
4. In the statement specified in subsection 1., notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation occurring in the workplace no later than five (5) working days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign this statement, I certify that this firm complies fully with the above drug-free workplace requirements.

COMPANY: EFPR Group, CPAs, PLLC

ADDRESS: 1061 E. Indiantown Road, Suite 104

CITY: Jupiter STATE: FL ZIP CODE: 33477

TELEPHONE NUMBER: 716-634-0700

SIGNATURE: _____ DATE: May 31, 2016

NAME (TYPED OR PRINTED): Douglas E. Zimmerman, CPA

TITLE: Partner, Chief Operating Officer

Appendix E

Super Circular E-Blast Series

February 23, 2021

Ms. Krystal Strickland
Finance Director
City of Destin
4200 Indian Bayou Trail
Destin, Florida 32541

Dear Krystal:

Attached are our engagement letters to provide audit and related services to the City of Destin for the year ending September 30, 2021. If the terms of the letters are satisfactory to you, please sign the letters and return them to me at your convenience.

Please call me if you have any questions.

Very truly yours,

EFPR GROUP, CPAs, PLLC



Douglas E. Zimmerman, CPA
Partner

DEZ:kms

Enclosure

February 23, 2021

Ms. Krystal Strickland
Finance Director
The City Council
City of Destin
4200 Indian Bayou Trail
Destin, Florida 32541

Dear Ms. Strickland:

We are pleased to confirm our understanding of the services we are to provide the City of Destin (the City) for the year ending September 30, 2021. We will audit the financial statements of the governmental activities, each major fund, the fiduciary fund and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City as of and for the year ending September 30, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City's 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. As part of our engagement, we will apply certain limited procedures to the City's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries 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 will 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. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Schedule of Changes in the City's Total OPEB Liability and Related Ratios

We have also been engaged to report on supplementary information other than RSI that accompanies the City's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Combining and Individual Nonmajor Fund Financial Statements
- 2) Schedules of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual
- 3) Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) The Introductory Section
- 2) Statistical Section

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the City and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the Honorable Mayor and Members of the City Council of the City of Destin. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control on compliance, and (2)

that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the City in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the City involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the City complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of EFPR Group, CPAs, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of Florida or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of EFPR Group, CPAs, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State of Florida. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

EFPR Group, CPAs, PLLC will:

1. Keep and maintain public records required by the City to perform the service.
2. Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copies within a reasonable time at a cost that does not exceed the cost provided in the FS Chapter 119 or as otherwise provided by law.
3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if EFPR Group, CPAs, PLLC does not transfer the records to the public agency.

4. Upon completion of the contract, transfer, at no cost, to the City all public records in possession of the contractor or keep and maintain public records required by the City agency to perform the service. If EFPR Group, CPAs, PLLC transfers all public records to the City upon completion of the contract, EFPR Group, CPAs, PLLC shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If EFPR Group, CPAs, PLLC keep and maintains public records upon completion of the contract, EFPR Group, CPAs, PLLC shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records, in a format that is compatible with the information technology systems of the City.

Douglas E. Zimmerman is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Joseph M. Klimek will be the concurring review partner. Thomas E. Smith is the engagement director and is responsible for supervising the fieldwork. We expect to begin our audit on approximately December 6, 2021 and to issue our reports no later than March 31, 2022.

Our fees for these services will be as follows:

Financial statements and CAFR	\$ 23,500
State and Federal Assistance Audits, if required	<u>4,000</u>
Total	\$ <u>27,500</u>

You agree that any dispute (other than our efforts to collect an outstanding invoice) that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement that we have performed for you, will, prior to resorting to litigation, be submitted to mediation, and that the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. Any mediation initiated as a result of this engagement shall be administered within the County of Palm Beach and State of Florida by NAM (National Arbitration and Mediation Inc.), according to its mediation rules, and any ensuing litigation shall be conducted within said county, according to Florida State law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our peer review report accompanies this letter.

Ms. Krystal Strickland
February 23, 2021
Page 8

We appreciate the opportunity to be of service to the City and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

EFPR GROUP, CPAs, PLLC



Douglas E. Zimmerman, CPA
Partner

RESPONSE:

This letter correctly sets forth the understanding of City of Destin

By: _____

Title: _____

Date: _____



Lisa M. Altschaffl, CPA
 Jeffrey P. Anzovino, CPA, MSA
 Cole F. Beehner, CPA
 Charles A. Deluzio, CPA

Joseph E. Petrillo, CPA
 Stacey A. Sanders, CPA, CSEP
 Daniel W. Wilkins, CPA

Report on the Firm's System of Quality Control

June 8, 2020

To the Partners of EFPR Group LLP
 and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of EFPR Group LLP (the firm) in effect for the year ended November 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and audits of employee benefit plans. As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of EFPR Group LLP, in effect for the year ended November 30, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*; *pass with deficiency(ies)* or *fail*. EFPR Group LLP has received a peer review rating of *pass*.

Deluzio & Company LLP

Deluzio & Company LLP

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 1, 2021

TYPE OF AGENDA ITEM: City Manager Report

TO: City Council

THRU: Webb Warren, Deputy City Manager
Kyle Bauman, City Attorney
Lance Johnson, City Manager

FROM: Krystal Strickland, Finance Director

DATE: February 23, 2021

SUBJECT: Debt Financing Update

I. BACKGROUND: At the February 18, 2020 regular meeting, Council made a motion to earmark up to \$9 million (75% of the estimated \$12 million) of Okaloosa 1/2 Penny Local Discretionary Infrastructure Surtax to improve public access to beaches. The Okaloosa 1/2 Penny will be collected for a 10-year period (2019-2029). Certain beach properties near the City's Crystal Beach access became available for purchase. The City has closed on two of the properties and anticipates closing on the third in May 2021. The City anticipates expending approximately \$4.7 million of its funds towards these properties, but the City has not received \$4.7 million yet from the Okaloosa 1/2 Penny surtax. In order to better match the cash outflows for these acquisitions to the cash inflows from the local surtax, staff recommended issuing debt of a similar maturity as the surtax receipts. Towards this goal, Council adopted Resolution 20-16 Reimbursement Intent at the August 17, 2020 regular meeting. At the September 8, 2020 regular meeting, the finance department further noted that the 2015A Series Note is currently callable and has a similar maturity schedule, and that the City may benefit by refinancing this note given prevailing rates. The 2009 Harbor CRA Note is also currently callable and also has a similar maturity schedule, and the Harbor CRA may benefit if the City refinances this note as well. The City Charter requires any authorization to borrow money be accomplished through Ordinance.

II. DISCUSSION: Staff and the City Attorney have been working with Bond Counsel and the City's Financial Advisor to continue discussions on the timing to issue a Request for Proposals to replenish accounts for the beach property acquisitions and to potentially refund callable debt. As we approach the date of our third and final beach property acquisition, rates continue to be favorable, and a tentative schedule is becoming more clear:

March 10, 2021 Harbor CRA Advisory Committee meeting - Discuss debt financing and

draft timeline for a City-CRA Interlocal Agreement for debt service
March 15, 2021 Regular Council Meeting - Review and Approve form of Bank RFP
April 14, 2021 Harbor CRA Advisory Committee meeting - Review and discuss City-CRA Interlocal Agreement for debt service
April 15, 2021 Proposals Due to City Clerk
April 22, 2021 Bid Committee Meeting - Proposals reviewed by Bid Committee
May 3, 2021 Regular Council Meeting - Bid Committee recommendation presented to Council with support from Financial Advisor and Bond Counsel, and 1st Reading of Bond Issuance Ordinance
May 12, 2021 Harbor CRA Advisory Committee meeting - Adopt City-CRA Interlocal Agreement for debt service
May 15, 2021 Closing Date of Final Beach Parcel Acquisition of FY2021
May 17, 2021 Regular Council Meeting - 2nd Reading of Bond Issuance Ordinance
May 21, 2021 Closing Date for the Debt Issuance

Finance would like to include the following items in the bank RFP. First, staff recommend the issuance of \$4.7 million in new debt to cover the FY2021 beach acquisition costs, including the City's portion of demolition and cost of issuance. Second, staff recommend potentially refunding the 2015A Series note that currently has \$3,677,000 principal outstanding, 2.71% rate, maturing 11/01/2029, currently payable from general funds secured with a covenant to budget and appropriate. Third, staff recommend potentially refunding the 2009 Harbor CRA Note that currently has \$3,986,827 principal outstanding, 2.84% rate, maturing 07/31/2029, currently payable from Harbor CRA tax incremental financing.

- A. **Link to Strategic Goals / Objectives:** Goal #1 Financial sound city providing service excellence
- B. **Effect on Budget (EOB):** Not applicable.
- C. **Level of Service (LOS):** Improved level of service

III. CONCLUSION: Finance staff will continue to work with the City's legal counsel and financial advisor to refine the bank RFP, and will continue to update Council as milestones are met and developments occur.

IV. RECOMMENDED MOTION: This item is informational only.

Attachments:

None

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 1, 2021

TYPE OF AGENDA ITEM: Action Item

TO: City Council

THRU: Lance Johnson, City Manager

FROM: Louis Zunguze, Community Development Director
Kimberly Kopp, Land Use Attorney

DATE: February 23, 2021

SUBJECT: Multi-Modal Transportation District (MMTD)

I. BACKGROUND: At the December 7, 2020 City Council meeting, Councilmember Destin recommended a motion to instruct the City Manager to direct staff to come up with some proposed solutions to issues that have been identified with the Multi-Modal Transportation District (MMTD) within the next 60 days. The motion passed 7-0.

II. DISCUSSION:

In order to address Council's directive, staff has prepared the following:

1. **HISTORICAL PROSPECTIVE OF THE MMTD:** Earlier versions of Florida Statutes required that transportation facilities be available concurrent with the impacts of development. *See, e.g., Chapter 163.3180(15)(d), F.S. (1999)*. It was under this mandatory framework that the City's MMTD concurrency system was established in 2005.

The City's Multi-Modal Transportation District ("MMTD") is based on the development of a multimodal environment, rather than the traditional approach of addressing automobile capacity through road widening. As such, the City's MMTD was created to encourage and reinforce development design elements that support walking, bicycling and transit use.

The MMTD was first adopted by the City of Destin in 2005 through a Comprehensive Plan amendment to address the capacity constraints on Highway 98. Since that time, it has been implemented through the Land Development Code.

As noted above, changes to State law have occurred since the implementation of the City's MMTD. In 2011, the State made transportation concurrency optional.

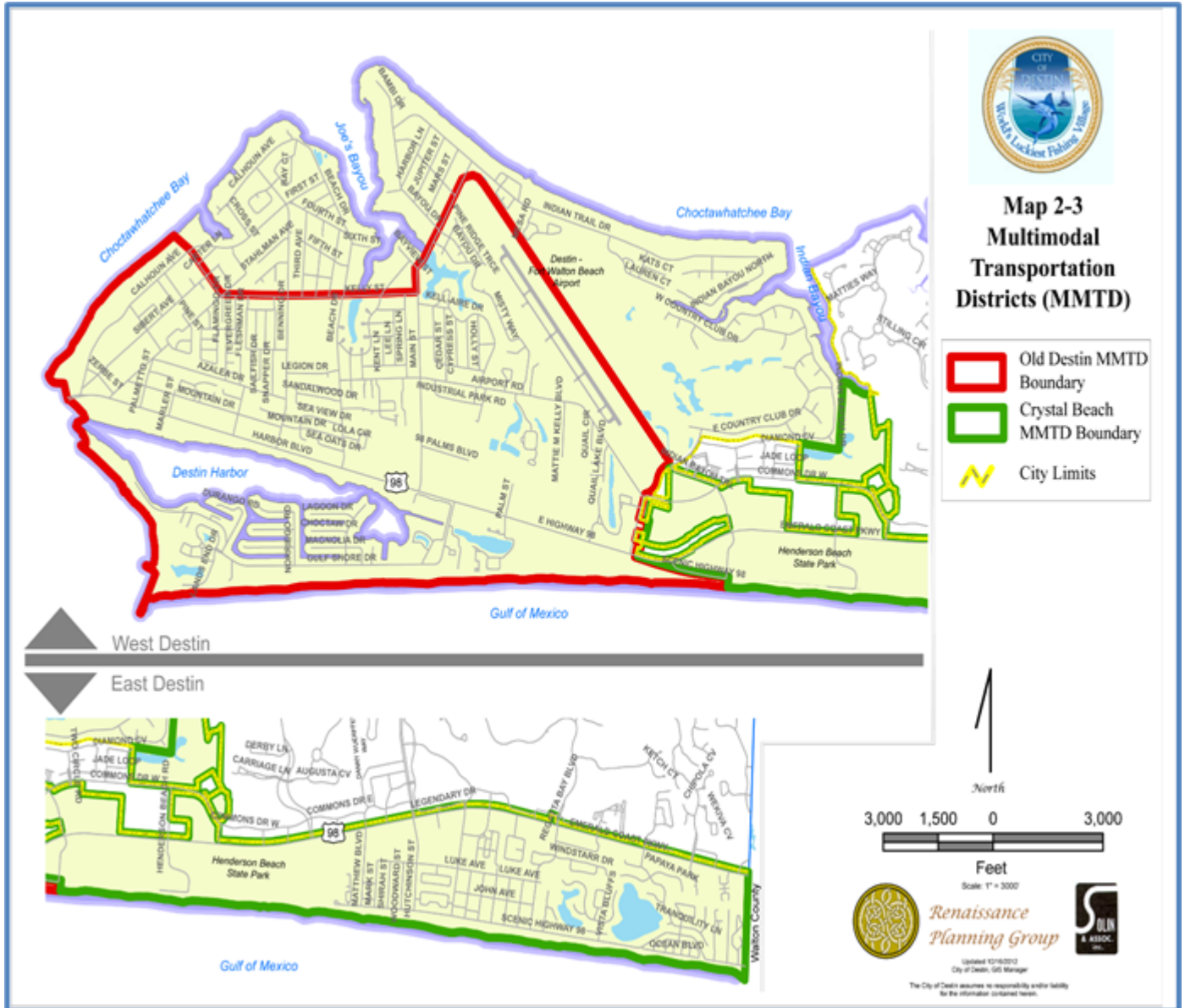
2. OPERATION OF THE MMTD:

a. **Where in the City is the MMTD applied and how?**

Applies to areas of the City conducive to development and redevelopment to support multimodal transportation options when adding automobile capacity is limited.

- **Old Destin** – generally south of Kelly Street and west of Airport Road
- **Crystal Beach** – generally south Country Club Drive within the City limits east of Airport Road

Adopted MMTD Comprehensive Plan Map 2-3 (2012)



b. Requirements of the MMTD (Private Sector)

- **Comply with requirements designed to promote pedestrian, bicycle, and transit use including:**
 - Pedestrian-oriented building design
 - Diverse and complementary land uses
 - Shorter block lengths for easier access and better-quality pedestrian environment
 - Pedestrian amenities
 - Transit stops.
 - Bicycle parking

- **Provide on-site and off-site (adjacent) multimodal facilities identified in the Pathways Master Plan and Transportation Corridor Management Plan including:**

- ROW dedication
- Roadway improvements
- External and internal sidewalks
- Bicycle lanes
- Multiuse trails
- Transit stops.

c. Requirements of the MMTD (Local Government)

- **Require development to comply with requirements designed to promote pedestrian, bicycle, and transit use**(flexible point system and multimodal mitigation fee)
 1. **Develop an interconnected multimodal transportation network** through implementation of the:
 2. Pathways Master Plan
 3. Transportation Corridor Management Plan
- **Collect multimodal impact fees to fund the transportation improvements necessary to accommodate new development.**
- **Prioritize community parking over on-site parking.**
 1. Establish parking districts where on-site parking is discouraged and the construction and use of off-site community parking structures is encouraged.
 2. Explore parking and parking garage site identification and acquisition through funding options such as tax increment financing, various bond options, and public-private partnerships.
- **Monitor the MMTD** – Annual Transportation Concurrency Report (ATCA) and Biennial MMTD Monitoring Report.

3. BENEFITS AND CHALLENGES OF THE MMTD:

a. Benefits of the MMTD:

Consistent with the *Comprehensive Plan Policy 2-1.3.1: Reduce Automobile Mobility. The MMTD shall emphasize the reduction of automobile mobility and vehicle miles traveled per person, in addition to the reduction of greenhouse gas emissions, while promoting accessibility by all modes through redevelopment of the built environment through improvement of cycling, pedestrian, and transit networks* the following are examples of benefits:

- i. **Multi-Modal level of service (LOS) scores since 2005 have improved for bicyclist and pedestrians**
- ii. **Multimodal facility constructed between 2005-17** (*Biennial MMTD Monitoring Reports (2007-17)*)
 - Sidewalks – 11.6 miles
 - Bicycle lanes – 6.36 miles
 - Multiuse trails – 16.4 miles
- iii. **Multimodal improvements programed in the Capital Improvement Program (CIP) for expenditure from 2009 to 15 totaled \$13,199,770.**

(Multimodal Regulations Audit (2015))

iv. **Transportation Corridor Management Plan**

i. Mattie Kelly Boulevard

North extension complete

South extension – ROW dedicated and partial construction underway with The Charles development

ii. 98 Palms Boulevard

Portion of the ROW dedicated with the Vintage Destin development.

iii. Sunchase Boulevard (future road north of the Airport)

Alignment through the Indian Bayou West DO currently under review

iv. Four mid-block signalized pedestrian crosswalks were constructed on Highway 98 in 2016

v. **Community parking status:**

i. Marler Street Parking Lot completed in 2013

ii. Zerbe Street Parking Lot improvements needed

iii. Regulations for in-lieu parking fees established in the LDC but have not been taken advantage of yet.

vi. **Annual Transportation Concurrency Report (ATCA) and Biennial MMTD Monitoring Report were last completed in 2018.**

b. Challenges of the MMTD:

Many of the on-site requirements designed to promote pedestrian, bicycle, and transit use were not implemented due to:

i. Multimodal Transportation Concurrency Evaluation Certificate (CEC) flexible point scoring system based on the project location, size, and traffic impact allows developers to pick and choose what design elements would be provided (up until 2018).

ii. De minimis thresholds that exempt many expansion/redevelopment projects from providing any MMTD design requirements.

iii. Multimodal impact fee was adopted at roughly 30% of amount required to fund projects to offset impacts from new development. *Multimodal Regulations Audit (2015)*

iv. Impact and mitigation fees collected from development projects completed from 2009 to 2015 totaled \$225,828.99 – only 2% of programmed improvements.

(Multimodal Regulations Audit (2015))

v. Transit ridership on routes serving Destin decreased by 41% from 2007-2017.

(Biennial MMTD Monitoring Reports (2007-17))

A. Link to Strategic Goals / Objectives: Improvement to livable environment

B. Effect on Budget (EOB): None

C. Level of Service (LOS): Improved Level of Service

III. CONCLUSION: Given the following:

a. City's development trends

- b. Significant shortcomings of the current MMTD policy
- c. The State making transportation concurrency optional

It would be prudent for City Council to review the MMTD policy and consider making appropriate amendments.

The current **Florida Statute 163.3180 (5)** encourages communities to adopt **mobility fee-based funding systems and disincentives any other transportation mitigation strategies**. Any alternative system that is not mobility fee-based, shall not be applied in a manner that imposes upon new development any responsibility for funding any existing transportation deficiency To comply with the State legislation and effectively mitigate impacts from development, municipalities throughout Florida have been adopting a mobility plan and fee. Examples are:

- Panama City
- Jacksonville Beach
- Ormond Beach
- Gainesville
- Kissimmee

A **mobility plan** provides a blueprint for the City to proactively prioritize multimodal projects to meet the growth, travel, and mobility needs of the community in a manner that is coordinated with the Future Land Use Element in the City's Comprehensive Plan. Mobility plans are also required by the Florida Statutes to serve as the basis for development of a mobility fee.

OPTIONS AVAILABLE TO THE CITY:

1. Continue with the current transportation concurrency framework (MMTD).

- All projects pay multimodal impact fee (last updated in 2008)
- Projects within the MMTD must also meet design standards as well as provide on-site and adjacent off-site multimodal improvements.
- Projects outside the MMTD are subject to proportionate fair-share which only requires mitigation if the project impacts a facility outside the MMTD where a capacity issue is created by the development.

2. Remove transportation concurrency and require no impact fees (Rescind MMTD).

- No mitigation required for new development. (not recommended)
- City still responsible for ensuring acceptable LOS is maintained on the transportation network.
- Design standards and on-site improvements could be still required.

3. Replace transportation concurrency (MMTD) with a mobility fee-based plan.

- Fees are shared by all developments creating the need for transportation system investments.

- City defines the network and implementation schedule.
- Design standards and on-site improvements will be required.

RECOMMENDATION:

Staff recommends that the City Council replace the **MMTD** with a **Mobility Fee-Based Plan** for the following reasons:

1. Allows greater flexibility in the collection and use of funds.

- Fee districts based on land use context (Planning Areas)
- Clearly defined transportation network and fees
- Consistent update cycle for network and fees

2. Promotes desired development patterns. For example, gives City Council choices in respect to the density and where to locate infrastructure facilities, such as, parking structures.

3. Mobility fees are shared by all developments creating the need for transportation system investments.

4. Current Florida Statutes, 163.3180(5), encourages a mobility fee-based plan with six tools and techniques to complement the fee.

The City of Destin has already adopted four of the six policies outlined in the legislation. These include:

- Provide long-term strategies to facilitate development patterns that support multimodal solutions, including urban design, and appropriate land use mixes, including intensity and density. Currently implemented through **Comp Plan Policy 2-1.3.5**.
- Adopt areawide level of service not dependent on any single road segment function. Currently implemented through **Comp Plan Policy 2-1.2.3**.
- Assigning secondary priority to vehicle mobility and primary priority to ensuring a safe, comfortable, and attractive pedestrian environment, with convenient interconnection to transit. Currently implemented through **Comp Plan Policy 2-1.1.12**.
- Establish multimodal level of service standards that rely primarily on nonvehicular modes of transportation where existing or planned community design will provide adequate level of mobility. Currently implemented through **Comp Plan Policy 2-1.2.2**

The other two policies listed in the legislation relate to exempting or discounting fees for locally desired development. Such as development in urban areas, redevelopment, job creation, and mixed uses on the transportation system.

IV. RECOMMENDED MOTION: (Staff recommends Number 3)

I move to (select one of the following):

1. Continue with the current transportation concurrency framework (MMTD).

- a. All projects pay multimodal impact fee (last updated in 2008)
- b. Projects within the MMTD must also meet design standards as well as provide on-site and adjacent off-site multimodal improvements.
- c. Projects outside the MMTD are subject to proportionate fair-share which only requires mitigation if the project impacts a facility outside the MMTD where a capacity issue is created by the development or;

2. Remove transportation concurrency and require no impact fees (Rescind MMTD).

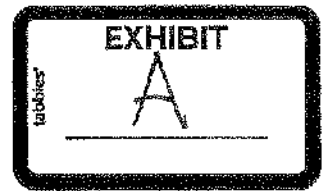
- a. No mitigation required for new development.
- b. City still responsible for ensuring acceptable LOS is maintained on the transportation network.
- c. Design standards and on-site improvements could be still required or;

3. Replace transportation concurrency (MMTD) with a mobility fee-based plan.

- a. Fees are shared by all developments creating the need for transportation system investments.
- b. City defines the network and implementation schedule.
- c. Design standards and on-site improvements will be required.

Attachments:

1. 2009 Pathways Master Plan 2009
2. Transportation Corridor
3. MMTD PP V2



PATHWAYS MASTER PLAN, 2009 UPDATE

PREPARED FOR

THE CITY OF DESTIN

PREPARED BY

RENAISSANCE PLANNING GROUP

SEPTEMBER, 2009

TABLE OF CONTENTS

I. INTRODUCTION	1
A. PLAN OBJECTIVE	1
2009 Update Goals.....	1
B. UPDATE PROCESS	2
C. CONTENTS	3
Chapter I. Introduction	3
Chapter II. Existing Conditions.....	3
Chapter III. Programmed improvements.....	3
Chapter IV. Needs Assessment.....	3
Chapter V. Facility Improvement Recommendations.....	3
Chapter VI. Improvement Prioritization.....	3
Chapter VII. Implementation Strategy.....	3
II. EXISTING CONDITIONS	4
A. INVENTORY DESCRIPTION	4
B. EXISTING PEDESTRIAN FACILITIES	5
C. EXISTING BICYCLE FACILITIES	5
III. PROGRAMMED IMPROVEMENTS	6
A. SIDEWALK NETWORK IMPROVEMENTS	7
B. BOARDWALK NETWORK IMPROVEMENTS	8
C. BICYCLE NETWORK IMPROVEMENTS	10
D. MULTI-USE TRAIL NETWORK IMPROVEMENTS	12
IV. NEEDS ASSESSMENT	15
A. MULTIMODAL LEVEL OF SERVICE ANALYSIS	15
B. ACCESSIBILITY AND CONNECTIVITY	16
C. PUBLIC WORKSHOP	17
D. PUBLIC SURVEY	17
Travel Modes Utilized.....	18
Important Destinations.....	18
Destinations Frequented.....	20
Pathway Network Constraints and Limitations.....	20
Opportunities for Improvements.....	20
V. PLANNED IMPROVEMENTS	21
A. IMPROVING THE PATHWAYS NETWORK	21
B. DESCRIPTIONS AND MAP REFERENCES	21
Sidewalks (SW).....	21
Multi-Use Trails (MUT).....	23
Bicycle Lanes (BL).....	25
C. FACILITY DESIGN STANDARDS	26
Sidewalks	26
Bicycle Lanes.....	29
Multi-Use Trails.....	31

VI. IMPROVEMENT PRIORITIZATION	32
A. PRIORITIZATION METHODOLOGY	32
Fills a Service Gap by Connecting Two Pathways.....	32
Improves Access to Important Destinations.....	32
Reduces Multi-Modal Travel Length.....	32
Addresses an Expressed Public Desire.....	32
Enhances Pedestrian Safety (alternatives to US Highway 98).....	33
Improves Linkages Between Higher Density Housing and Important Destinations.....	33
Satisfies MMTD Mobility Needs.....	33
Addresses a Recommendation from the 2000 Pathways Plan.....	33
Functions as a Multi-Use Trail.....	33
B. RANKING AND PRIORITIZATION	33
C. IMPLEMENTATION STRATEGY	36
Level One.....	37
Level Two.....	38
Level Three.....	40
 MAPS	 41
 APPENDIX	 49

I. INTRODUCTION

Since the Year 2000, the City of Destin has followed a program of planning, installing and enhancing pedestrian and bicycle pathway facilities throughout the City, linking residents to important destinations and amenities without reliance on automobile travel. This 2009 update to the City of Destin's Year 2000 Pathways Master Plan reflects interim changes and new conditions to the roadway and pathway networks, as well as changes in transportation and land use policy pertaining to the continued implementation of the City's approved



Multimodal Transportation District (MMTD). It provides a clear vision and strategy for the City to continue with the implementation of a system of pathways that will further enhance the quality of life in Destin by providing a non-vehicular alternative to automobile travel.

A. PLAN OBJECTIVE

The initial 2000 Pathways Master Plan provided an inventory of pathway facility improvement recommendations including opinions of cost estimates and detailed location descriptions for each recommendation. New developments, roadways and pathway facilities have been planned, programmed and built since 2000 that have an impact on multimodal facility needs and priorities in the City. This Pathways Master Plan update proposes improved linkages to important City destinations that further the objectives of the MMTD. The City's MMTD boundaries are displayed in **Map A**.

This plan builds on the information and data collected in the original 2000 Pathways Master Plan and supports the City of Destin Annual Concurrency Analysis as a part of the City's 2008 Transportation Analysis. The plan also forwards the objectives of the MMTD, which was adopted subsequent to the original plan.

2009 Update Goals

The 2009 Update was drafted in response to the following goals:

- Identify and update existing pathway facilities
- Define programmed pathway facilities included in the City's Capital Improvements Plan (CIP)
- Identify future pathway facility improvements that will:
 - Improve the overall function and utilization of the pathways network
 - Provide the greatest return on investment
 - Enhance pedestrian safety
 - Respond to the consensual desires of residents, where possible
 - Strengthen non-vehicular transportation connections to important destinations

B. UPDATE PROCESS

This update to the Pathways Master Plan primarily consists of an updated inventory of existing and programmed pathway facilities and recommended improvements to the system anticipated to enhance overall pedestrian circulation, mobility and access to important City destinations. Information for existing and programmed pathway facilities was collected primarily from the City of Destin.



The update process consisted of the following steps:

- A field analysis was conducted to better understand the existing conditions and function of roadways and the pedestrian and bicycle network within the City.
- Existing pathway facility conditions and programmed improvements were reviewed and updated to provide a current facilities master plan map series.
- A public workshop was conducted to solicit input from the Local Planning Agency (LPA), the Public Works/Public Safety Committee, City staff and the general public. Questionnaires were distributed and collected at the workshop.
- Public workshop questionnaire results were reviewed and analyzed to better understand the City's pathway utilization patterns, needs and desires.
- The multimodal level of service (MMLOS) analysis was reviewed to further inform the pathways prioritization process and implementation strategy.
- Currently planned improvements and other improvements derived from stakeholder input and technical analysis were identified as candidates for the Pathways Master Plan.
- A master list of recommended improvements was prioritized using a simple ranking methodology that considered the following factors:
 - Access to destinations
 - Connectivity to other parts of the network
 - Level of public-expressed desire
 - MMLOS analysis of accessibility and connectivity
- An implementation strategy was drafted for accomplishing the recommended pathways improvements.

C. CONTENTS

This Update to the Pathways Master Plan is organized as follows:

Chapter I. Introduction

This chapter introduces the Plan's objective, goals and the steps involved in the plan development process. The chapter also describes the contents of the Plan update document.

Chapter II. Existing Conditions

This chapter provides an inventory and description of pathway types currently existing within the City of Destin. It also contains an update of various data collected since the original 2000 Pathways Master Plan, including information collected and documented in the 2007 Biennial MMTD Monitoring Report, as well as descriptions and supporting maps identifying existing pedestrian and bicycle facilities.

Chapter III. Programmed Improvements

This chapter provides an explanation of the City's CIP programmed improvements with cross-referenced descriptions and supporting maps identifying programmed facility improvements.

Chapter IV. Needs Assessment

This chapter includes MMLOS and accessibility and connectivity needs analyses. It also includes a summary of recent public outreach conducted to solicit input on issues and opportunities for improving walking and biking conditions in the City.

Chapter V. Facility Improvement Recommendations

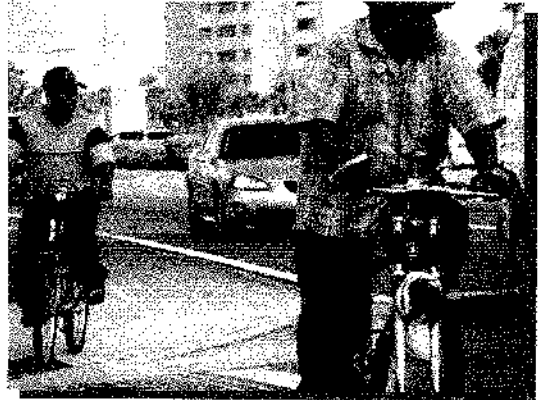
This chapter includes descriptions and supporting maps identifying additional improvement recommendations to the pathways system that will help further the objectives of the MMTD.

Chapter VI. Improvement Prioritization

This chapter describes the tier-based rankings and methodology system used for prioritizing newly recommended improvements.

Chapter VII. Implementation Strategy

This chapter provides a tier-based rankings strategy for implementing recommended improvements and includes a prioritization spreadsheet for the additional improvement recommendations.



II. EXISTING CONDITIONS

A. INVENTORY DESCRIPTION

The existing facilities inventory is based on data collected for the original 2000 Pathways Master Plan, the 2007 Biennial MMTD Monitoring Report, and an inventory of newly constructed and programmed facilities provided by the City of Destin Public Services Department. The existing pathways network consists of sidewalks, multi-use trails, and bicycle lanes. Each facility type serves a unique function in providing a quality pathways network. A map series portraying existing and programmed pathway facilities was created for both the pedestrian and bicycle networks. Existing multi-use trails are included in both map sets. Pathway information for residential subdivisions are included only in cases where deemed as a major pedestrian pathway or where existing facility information was provided by the City.



Sidewalks. Sidewalks are paved footpaths at the side of a roadway intended solely for pedestrians. The sidewalk network within the City of Destin consists of many different configurations. While all of these facilities provide for pedestrian mobility, many do not meet the sidewalk design standards requirements established by the City. Sidewalks are generally required to be five to ten feet in width, depending on their specific location within the City.

Multi-use trails. Multi-use trails are sidewalk-type facilities intended to accommodate the needs of pedestrians and non-motorized transportation modes. They are generally at least ten feet in width and physically separated from vehicular traffic. Multi-use trails can replace the sidewalk along a roadway or occupy an independent right-of-way.

Bicycle lanes. Bicycle lanes are marked lanes designated by striping, signing and pavement markings for the exclusive use of bicyclists. They range from four to five feet in width measured from the edge of curb or pavement to the outside stripe.

B. EXISTING PEDESTRIAN FACILITIES

The existing and programmed pedestrian network consists of sidewalks and multi-use trails. Programmed pedestrian facilities include improvements funded for construction within the five-year CIP. The pedestrian network currently provides access to most of the major destinations within the City. The Crystal Beach and Main Street/Airport Road/Legion Drive areas of the City have the best pedestrian network continuity. US Highway 98 provides continuous sidewalks on both sides of the street throughout the western side of the City, continuing eastward just past the Scenic Highway 98 intersection. However, there are also multiple locations where sidewalk gaps exist. Gaps in the network occur at locations where there is no sidewalk or where a sidewalk only exists along one side of the roadway. The roadways with the largest sidewalk gaps are Mountain Drive, Calhoun Avenue, Sibert Avenue, Benning Drive, Gulf Shore Drive, and US Highway 98 in the eastern portion of the City. Filling gaps and bringing sidewalks up to the current standards through redevelopment and City funds will increase the viability of the sidewalk network. Existing and programmed pedestrian facilities can be viewed in **Map B**.



C. EXISTING BICYCLE FACILITIES

The existing and programmed bicycle network consists of on-street bicycle lanes and multi-use trails. East-west bicycle movements are accommodated by a series of multi-use trails and bicycle lanes. Main Street, Benning Drive, Calhoun Avenue, and Matthew Boulevard have bicycle lanes that accommodate north-south bicycle movements. Network continuity can be further enhanced by providing additional bicycle lanes along roadways and a multi-use trail in the Gulf Power Easement. Existing and programmed bicycle facilities within the City can be viewed in **Map C**.

III. PROGRAMMED IMPROVEMENTS

This Plan Update includes consideration of currently programmed pathways improvements as identified in the City of Destin Five Year Capital Improvement Program (CIP) for Fiscal Years 2009 – 2013. Pathways Master Plan-related improvements are included as multi-modal improvement subcategories in the CIP. Funds for pathway facility improvements are typically included in the following subcategories, below. Note that pathway facility improvements can also be included incidentally within other related subcategories, such as roadway reconstruction projects, streetscape installation projects, etc.

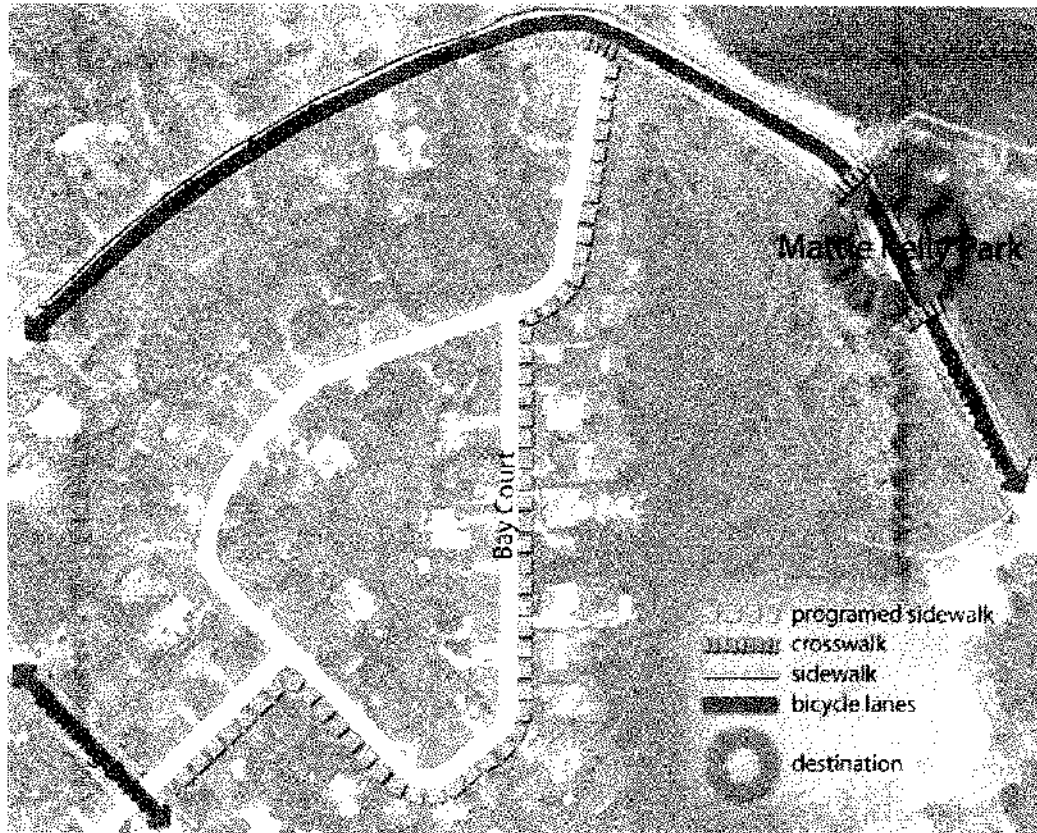
- *Citywide Sidewalk Plan* – For the current CIP, a total of \$836,882 in funding is spread across the five-year program period for sidewalk improvements. All Citywide Sidewalk Plan funding comes from the General Fund. For Fiscal Year 2009, approximately \$200,000 of improvements are budgeted.
- *Harbor Boardwalk Promenade* – \$3,000,000 in funding is allocated for these improvements, half in Fiscal Year 2011 and the other half in the following Fiscal Year 2012. The Community Redevelopment Agency (CRA) is providing \$1,500,000 and the other half of the funds are slated to come from city/non-profit organizational partnerships and/or development project contributions as potentially required through “Tier 3” level development reviews.
- *US 98 Pedestrian Access Point* – No funds are currently allocated in the current CIP five-year timeframe. \$100,000 in funding was budgeted for Fiscal Year 2009.
- *Citywide Pathways* – No funding is currently allocated in the current CIP timeframe.
- *Streetscape/Roadway Improvements/Mountain Drive* – \$6,100,000 in funding is allocated for major roadway improvements within this CIP project line item. Among those improvements is a multi-use trail along the south side and bicycle lanes along both sides of Mountain Drive, from Benning Drive to Stahlman Avenue. The CRA is providing the funding which is allocated for Fiscal Years 2010-2012.

Programmed sidewalks, including Phase 1 and Phase 2 *Harbor Boardwalk* improvements are illustrated on **Map B - Pedestrian Facilities, Existing and Programmed**. Programmed bicycle lanes are shown on **Map C - Bicycle Facilities, Existing and Programmed**. Programmed multi-use trails are included on both **Map B** and **Map C**.

A copy of the CIP for Fiscal Years 2009-2013 is included as **Exhibit A** in the Appendix to this Plan.

A. SIDEWALK NETWORK IMPROVEMENTS

There is currently one programmed sidewalk facility improvement in the CIP. A new sidewalk is programmed for Bay Court and will extend from Beach Drive, generally southward, to Benning Drive. The sidewalk is programmed to be located along the southeast side of Bay Court. This addition to the sidewalk network will provide another pedestrian link to Mattie Kelly Park and Joe's Bayou Recreation Area from residential neighborhoods to the south and west.

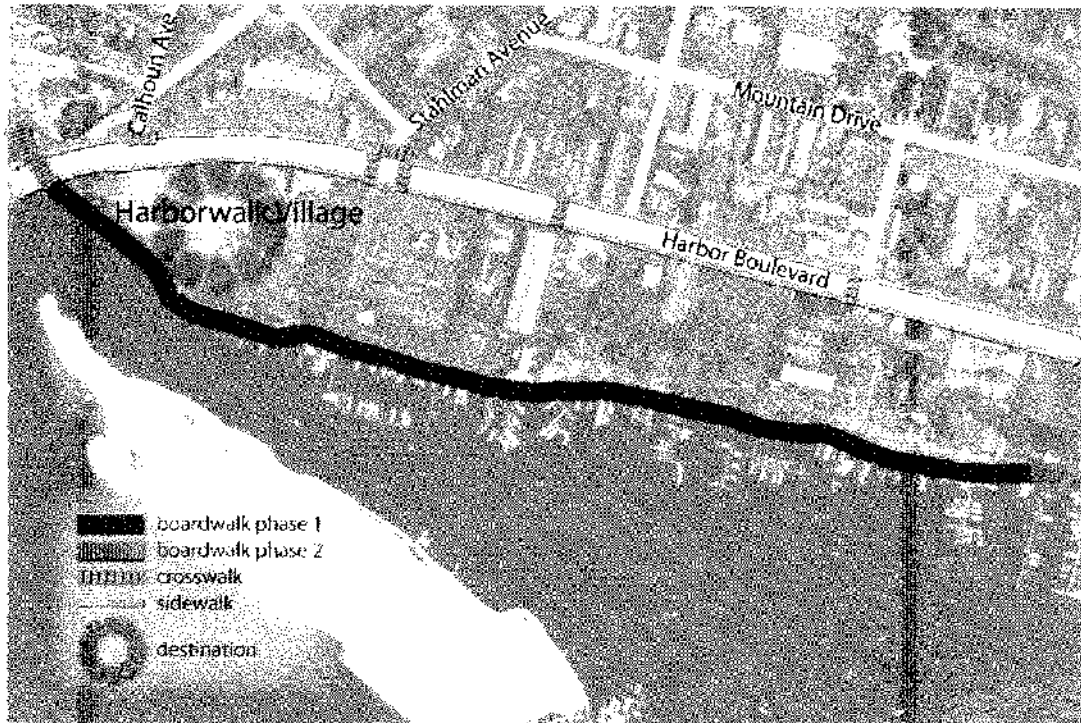


Bay Court – Programmed Sidewalk Improvement

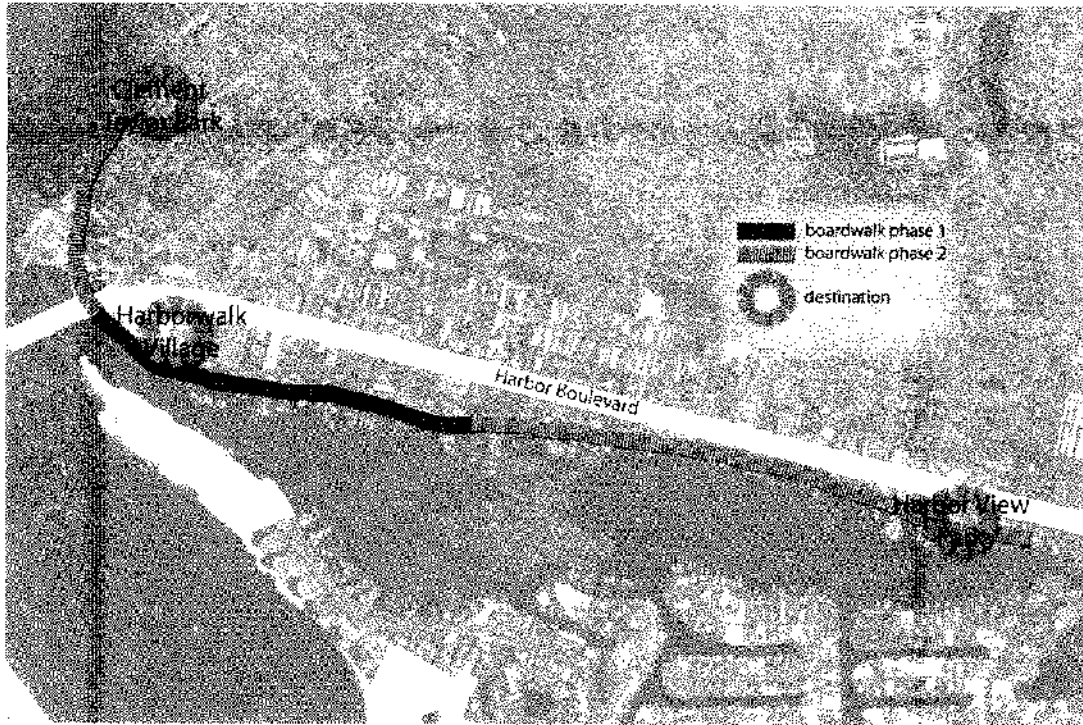
B. BOARDWALK NETWORK IMPROVEMENTS

The Harbor Boardwalk is planned as a continuous waterfront pedestrian pathway extending from Clement Taylor Park along the Choctawhatchee Bay, to a point east of Harbor View Park along the north side of Destin Harbor. The boardwalk is planned in two phases.

- The construction of Phase 1 extends from the Lucky Snapper Restaurant to the Yacht Club. This initial phase has been approved and will be completed as a component of the Harborwalk development. Construction is anticipated to commence in November 2010.



- The remaining segments of the boardwalk will be completed as Phase 2. This second phase of construction will be based on the schedule of future redevelopment projects.

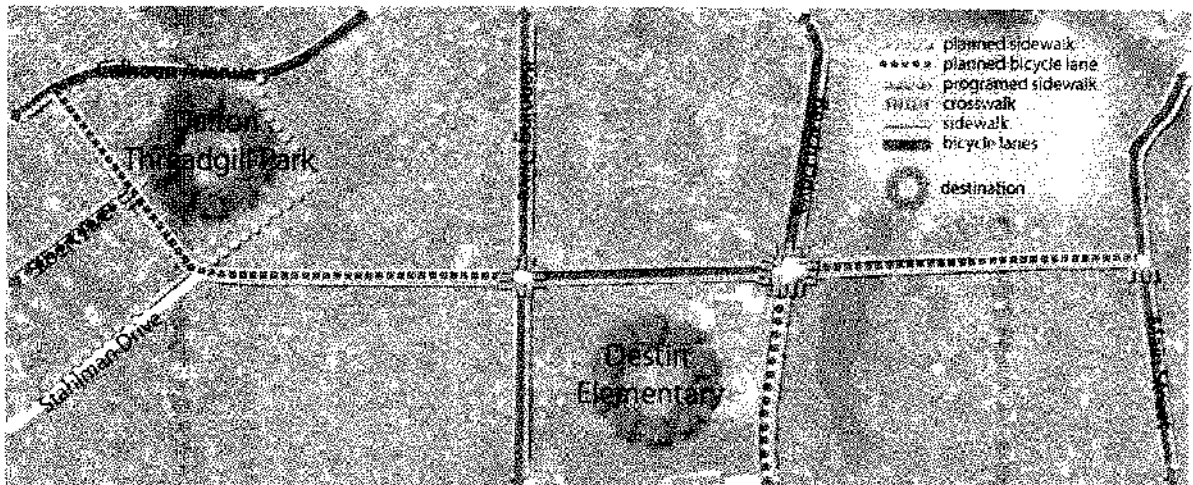


Harbor Boardwalk (Phase 2)

C. BICYCLE NETWORK IMPROVEMENTS

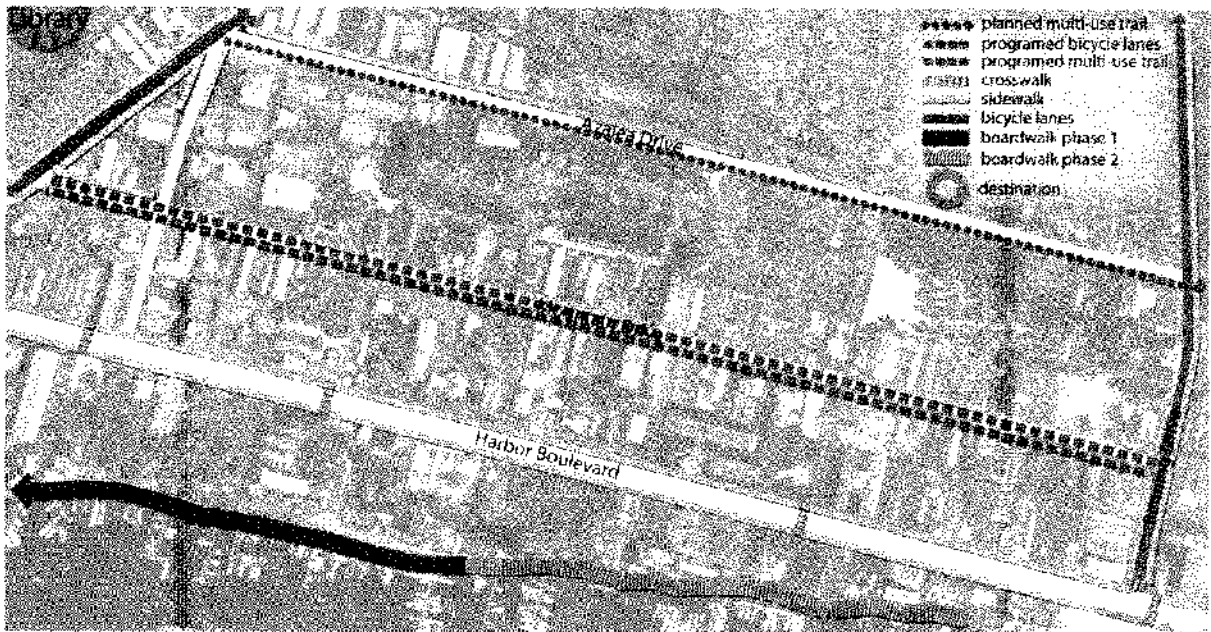
There are currently two programmed contiguous bicycle facility improvements in the CIP:

- New bicycle lanes are programmed for the entire length of Kelly Street, from Calhoun Avenue at the west end, to Main Street at the east end. This addition to the bicycle network will provide an important safe east-west alternative to US Highway 98 through the western part of the City. The new bicycle lanes will allow connections to existing lanes at Calhoun Avenue, Benning Drive, Beach Drive and Main Street. Also, the new lanes will serve Destin Elementary School and Dalton Threadgill Park (via Sibert Avenue).



Kelly Street – Programmed Bicycle Lane Improvement

- New bicycle lanes are programmed for Mountain Drive, from Stahlman Avenue at the west end, to Benning Drive at the east end. Similar to the programmed bicycle lane improvement along Kelly Street, this addition to the bicycle network will provide an important safe east-west alternative to US Highway 98 through the western part of the City. The new bicycle lanes will allow connections to existing lanes at Stahlman Avenue and Benning Drive. Also, the new lanes will increase accessibility to the Destin Library and Harbor Walk.

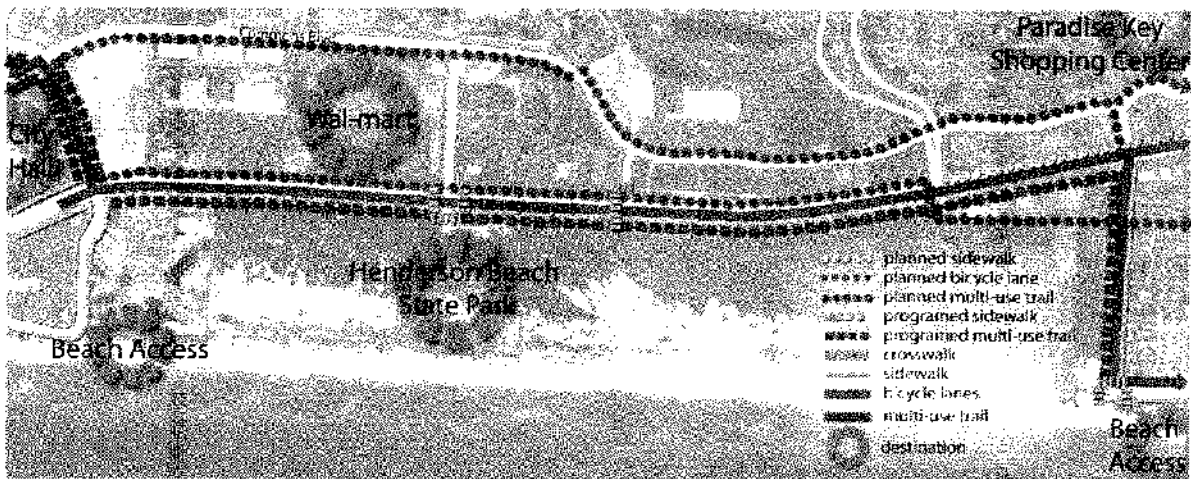


Mountain Drive – Programmed Bicycle Lane Improvement

D. MULTI-USE TRAIL NETWORK IMPROVEMENTS

All currently programmed multi-use trail facility improvements consist of converting existing sidewalks to multi-use trails. The following multi-use trail facility improvements are currently programmed:

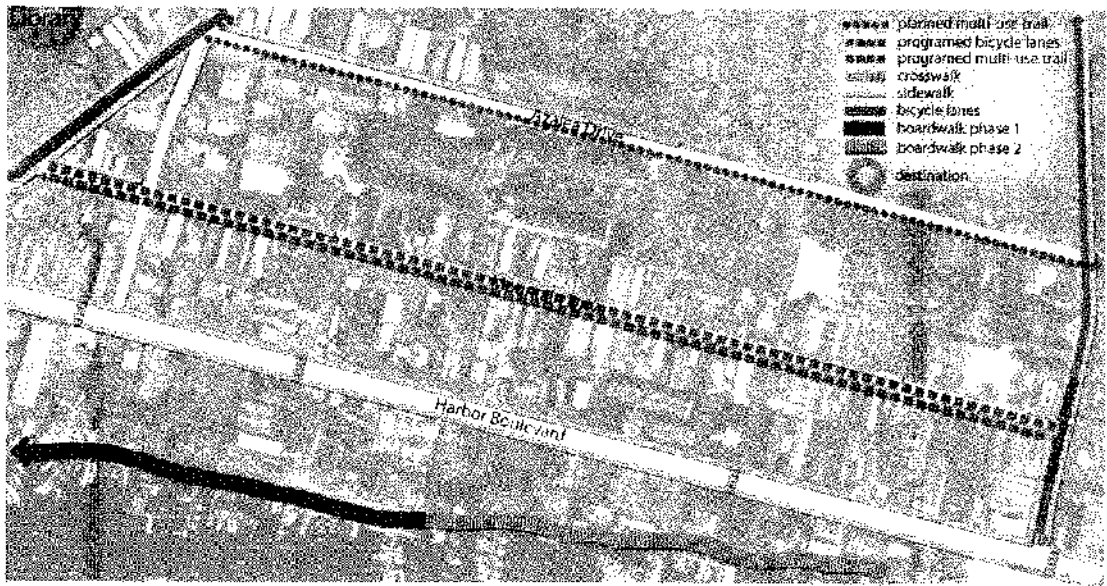
- A contiguous multi-use trail is programmed along Indian Bayou Trail, US Highway 98 and Matthew Boulevard. The trail will replace existing sidewalks. It will start at the western end along both sides of Indian Bayou Trail, from Commons Boulevard to US Highway 98. The trail will continue eastward along the south side of US Highway 98, to Matthew Boulevard. Finally, the trail will continue southward along the west side of Matthew Boulevard to its ending point at Scenic Highway 98.



Indian Bayou Trail, US Highway 98, Matthew Boulevard – Programmed Multi-Use Trail Improvement

This multi-use trail conversion is part of the overall planned multi-use trail running west-to-east through the entire length of the City. It will fill a long east-west gap in the current system, linking existing trails at Commons Boulevard and Scenic Highway 98, and providing multi-modal service between the east and west Destin areas. Also, the trail will satisfy needed and desired service to beaches, including Henderson State Park, and busy shopping destinations along the north side of US 98.

- A multi-use trail is programmed along the south side of Mountain Drive, from Stahlman Avenue at the west end, to Benning Drive at the east end. The trail will replace an existing sidewalk. This addition to the network will provide an important safe east-west alternative to US Highway 98 through the western part of the City. The new multi-use trail will allow connections to existing sidewalks and bicycle lanes at both Stahlman Avenue and Benning Drive. Also, the new trail will increase accessibility to the Destin Library and Harbor Walk.



Mountain Drive – Programmed Multi-Use Trail Improvement

- Two additional multi-use trail improvements at the far east end of the City are programmed to replace existing sidewalk segments along Scenic Highway 98: one across from James Lee County Park along the north side of the roadway, between Grand Palms Boulevard and Ocean Boulevard; the second also along the north side of the roadway, from approximately Terra Cotta Way, eastward to the Walton County Line. These two multi-use trail segments will fill some missing gaps of the planned multi-use trail running west-to-east through the entire length of the City, from the Marler Bridge to the Walton County Line, better connecting the far east side of Destin to the west.



Scenic Highway 98 – Programmed Multi-Use Trail Improvement

IV. NEEDS ASSESSMENT

A. MULTIMODAL LEVEL OF SERVICE ANALYSIS

Multimodal level of service standards were established in the Comprehensive Plan as a requirement of adopting an MMTD. Tables A and B illustrate the existing Multimodal Level of Service (MMLOS) standards presented in the Comprehensive Plan, in addition to adopted short-term (2011) and long-term (2020) standards. The existing MMLOS grades in Table C were developed for the 2007 Biennial Multimodal Transportation District Monitoring Report. The biennial reports help to identify the progress that has been accomplished towards achieving the MMLOS standards. Comparing the MMLOS standards to the grade highlights the roadway segments that lack or have deficient multimodal facilities. This information contributed to the identification of needed pedestrian and bicycle facilities.

TABLE A. EXISTING AND ADOPTED MMLOS STANDARDS FOR MAJOR COLLECTOR ROADS

	BICYCLE LOS STANDARD	PEDESTRIAN LOS STANDARD
2007 (existing)	C	D
2011 (adopted)	B	C
2020 (adopted)	B	B

TABLE B. EXISTING AND ADOPTED MMLOS STANDARDS FOR US HIGHWAY 98

	BICYCLE LOS STANDARD	PEDESTRIAN LOS STANDARD
2007 (existing)	D	F
2011 (adopted)	D	D
2020 (adopted)	C	D

TABLE C. EXISTING 2007 MMLOS GRADES

ROADWAY	FROM	TO	ARTPLAN LOS GRADE 2007		
			BIKE	PED	BUS
Collector Roads					
Airport Rd	US 98	Main St	C	D	F
Azalea Rd	Stahlman Ave	Benning Dr	B	C	F
Beach Dr	US 98	Kelly St	B	B	F
Benning Dr	US 98	Kelly St	B	C	F
Calhoun Ave	US 98	Kelly St	A	C	F
Gulf Shore Dr	US 98	Gulf Breeze Ct	D	D	D
Hutchinson St	US 98	Scenic Hwy 98	D	C	D
Kelly St	Calhoun Ave	Main St	E	C	F
Legion Dr	Benning Dr	Main St	B	C	F
Main St	US 98	Indian Trail	B	C	F
Matthew Blvd	US 98	Scenic Hwy 98	D	B	F
Mountain Dr	Stahlman Ave	Benning Dr	D	D	D
Restaurant Row	US 98	Scenic Hwy 98	C	B	D
Scenic Hwy 98	Matthew Blvd	Walton County Line	B	C	D
Scenic Hwy 98	US 98	Restaurant Row	C	B	D
Sibert Ave	Calhoun Ave	Kelly St	A	C	D
Stahlman Ave	US 98	Kelly St	D	D	D
Two Trees Rd	Indian Bayou Trl	US 98	D	D	F
US Highway 98					
US 98 Segment A	Marler Bridge	Gulf Shore Blvd	D	D	D
US 98 Segment B	Gulf Shore Blvd	Scenic Hwy 98	E	E	E
US 98 Segment C	Scenic Hwy 98	Walton County Line	C	E	E

B. ACCESSIBILITY AND CONNECTIVITY

The 2007 Biennial Multimodal Transportation District Monitoring Report provides data on the accessibility and connectivity of the pathways network. The Accessibility Index measures the proportion of the total MMTD population housed in proximity to pedestrian, bicycle, and transit facilities. Connectivity is measured differently for bicycles and pedestrians. Bicycle connectivity is measured by dividing the number of links or segments in the bicycle network by the number of link termini (i.e. intersections, cul-de-sacs, and dead-ends). Connectivity for pedestrians is measured by calculating the number of termini per square mile in the pedestrian network. The results of the 2007 accessibility and connectivity assessment are shown in Table D, indicating that while bicycle and pedestrian facilities serve nearly all of the MMTD, there are inadequate connections between these facilities. This assessment informed the identification of priority pathways improvements included in the Plan.

TABLE D. DISTRICT-WIDE ACCESSIBILITY AND CONNECTIVITY

FACILITY	ACCESSIBILITY INDEX		CONNECTIVITY SCORE	
	BICYCLE	PEDESTRIAN	BICYCLE	PEDESTRIAN
All collector roads	A	A	C	F
US Highway 98	A	A	C	F

C. PUBLIC WORKSHOP

A Master Pathways Plan public workshop was held during a general meeting of the Local Planning Agency (LPA) on May 7, 2009. The intent of the workshop was to obtain a better understanding of the community's broad interests regarding pedestrian and bicycle mobility. The event was advertised to the general public and attendance and participation at the workshop was voluntary. The following groups were represented in attendance:

- LPA members
- Public Works/Public Safety Committee members
- City staff
- General public

The workshop included breakout sessions with the participants. The breakout sessions gave participants the opportunity to discuss the current pathways network and to address opportunities and constraints in the system. In addition, participants expressed public desires by marking-up City pathways maps with comments and suggested recommendations for improvements. Prior to adjournment, a representative from each the breakout session groups provided a summary to the attendees of their group's conversation and the various issues discussed. Many workshop attendees also took an opportunity to provide public comment to LPA members.

D. PUBLIC SURVEY

The workshop included distribution of a pathways questionnaire for attendees to complete and return to facilitators prior to the close of the event. The questionnaire responses gave facilitators an additional tool to assist the City in understanding the various issues and opportunities for improving walking and biking conditions in Destin. Questionnaire responses were tallied and analyzed as one means of assisting to determine desired improvements to pathway facilities.

The questionnaires included five questions. Eighteen participants completed the questionnaires. A copy of the workshop questionnaire form and responses is included as **Exhibit B** in the Appendix to this Plan.

Travel Modes Utilized

Approximately three quarters of those surveyed utilize the network for both bicycling and walking. Half of the participants claimed using the network for recreation and exercise related purposes. Using pathways to commute to work or school ranked low on the scale. The table below lists the trip purpose for non-motorized travel.

**TABLE E. MODE UTILIZED
(QUESTION #1 RESPONSES)**

TRIP PURPOSE	NUMBER OF TIMES CIRCLED
Walking/Bicycling	27
Recreation/Exercise (including Jogging/Running)	16
Personal Errands	7
Community to Work/School	2

Important Destinations

Participants were provided a list that included 27 destinations to rank from *low* to *high* in their level of importance for pathway facility access (refer to Table F). Six more destinations were added by various survey responders. *Destin Commons* had the highest overall score followed by *Scenic Highway 98 (East) Beach Access*. These top two destinations were reflective of the overall popularity of shopping and beach access-type destinations expressed as important for bicycling and/or walking accessibility. The *Destin Post Office* also ranked high on the list. Also to note, most of the higher ranking destinations were located in the eastern and central parts of the City. A map displaying the general location of important destinations is provided as **Map D**.

**TABLE F: IMPORTANT DESTINATIONS
(QUESTION #2 RESPONSES AND SCORES*)**

DESTINATION	RANK			SCORE*
	LOW	MEDIUM	HIGH	
Destin Commons	2	1	12	40
Scenic Hwy 98 (East) Beach Access	2	1	11	37
Destin Post Office	2	6	7	35
Downtown Destin Shopping Center	1	5	8	35
Scenic Hwy 98 (West) Beach Access	3	1	10	35
Wal-Mart	3	4	8	35
Shirah Street Beach Access	2	1	10	34
Gulf Shore Beach Access	2	0	10	32
Harbor Walk	2	0	10	32
Henderson Beach	1	2	9	32
Main Street Park	2	3	8	32
Morgan Sports Complex	2	3	8	32
Harbor View Park	2	1	9	31
Joe's Bayou Rec. Area	2	4	7	31
June White Docket Park	3	0	9	30
Destin City Hall	6	4	5	29
The Shores Shopping Center	3	4	6	29
Mattie Kelly Park	3	2	7	28
Paradise Key Shopping Center	2	4	6	28
Destin Elementary	4	2	6	26
James Lee County Park	2	0	8	26
Clement Taylor Park	4	1	6	24
Destin Library	4	4	4	24
Shoreline Village Mall	4	4	4	24
Destin Middle School	6	1	5	23
Dalton Threadgill Park	5	5	2	21
Kell-Aire Park	5	5	2	21

* Scores were weighted as follows: Low = 1, Medium = 2, High = 3
 Rankings of "High" were also given to destination write-ins including: Dolphin Beach Access, Barracuda Beach Access, Big Kahunas (2), 98 Palms Shopping Center, Norriego Point, and Commons Drive.

Destinations Frequented

Shopping and beach-type destinations were named most often as reasons people biked or walked. Wal-Mart, Target, Publix, Winn-Dixie, Fresh Market, and the Shores Shopping Center were specifically mentioned as important shopping destinations. These were followed by exercise and leisure pursuits.

For exercise or leisure, those streets or places named were Benning Drive, Gulf Shore Drive, 30-A, Scenic Highway 98, Grand Boulevard. Also, Destin Commons, HarborWalk, Crystal Beach restaurants, the ball fields, and bike rides with the Emerald Coast cyclists were listed. The Post Office, the government center, and work were other locales considered.

Pathway Network Constraints and Limitations

Safety and connectivity were identified as the primary concerns with utilizing the pathways network. The lack of facilities along Commons Drive to serve popular area destinations was noted multiple times, including the recognition that it is technically a County roadway outside of City jurisdiction. (Commons Drive is a preferred alternative to US Highway 98 for many bicyclists and pedestrians.) Connections between Commons Drive, Kelly Plantation and Publix were identified as nonexistent or incomplete although not all are located within the City Limits. In addition, the conditions of the sidewalks or lack of sidewalks along US Highway 98 as well as adequate roadway crossings were a chief concern. Some respondents noted missing linkages in network facilities and between destinations.

Opportunities for Improvements

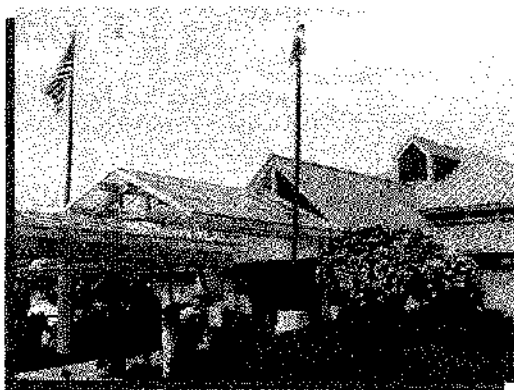
Participants restated similar responses to constraints and limitations issues, including the need for adequate network facilities along Commons Drive to better link popular destinations. Many respondents expressed opinions that bicycle and walking network facilities should be better distinguished from one another and/or separated.

V. PLANNED IMPROVEMENTS

A. IMPROVING THE PATHWAYS NETWORK

The 2009 Pathways Plan Update provides an implementation strategy for future improvements to the pathways system that will further enhance the non-motorized mobility and the quality of life in Destin. Planned improvements described in the subsection accomplish the following objectives:

- Improve linkages and strengthen non-vehicular transportation connections to important City destinations
- Improve the overall function and utilization of the pathways network
- Provide the greatest return on investment (i.e. small improvements having large impacts)
- Enhance pedestrian safety
- Address the consensual desires of residents



The planned improvements were determined from a variety of factors including, but not limited to the following:

- Access to destinations
- Connectivity to other parts of the network (i.e. opportunities for connections between facilities)
- Level of public-expressed desire
- MMLOS Analysis of accessibility and connectivity

B. DESCRIPTIONS AND MAP REFERENCES

Planned improvements and associated facility map references are listed below by facility type: sidewalks, multi-use trails, bicycle lanes. Planned sidewalks are cross-referenced and depicted on **Map E**. Planned bicycle lanes are cross-referenced and depicted on **Map F**. Planned multi-use trails are cross-referenced and depicted on both **Map E** and **Map F**.

Sidewalks (SW)

Planned sidewalk improvements are described in Table G and are coded as "SW" on **Map E**.

TABLE G. PLANNED SIDEWALK IMPROVEMENTS

MAP CODE	ROADWAY NAME(S)	LOCATION DESCRIPTION
SW-1	Zerbe Street	Complete installation of sidewalks to finish the span along both sides of Zerbe Street from the west side of Stahlman Avenue to east side of Calhoun Avenue.
SW-2	Stahlman Avenue	Sidewalk along the west side of Stahlman Avenue from the south side of Pine Street to the existing sidewalk terminus near Primrose Lane.
SW-3	Stahlman Avenue	Sidewalk along the west side of Stahlman Avenue from the south side of Kelly Street to the south side of Hickory Street.
SW-4	Hickory Street	Sidewalk along the south side of Hickory Street from the west side Stahlman Avenue to the south side of the Lake Street/Sibert Avenue intersection.
SW-5	Pine Street	Sidewalk along the north side of Pine Street from the west side of Stahlman Avenue to the end of the street.
SW-6	Sibert Avenue	Sidewalk along the east side of Sibert Avenue from the south side of Cross Street to the east side of Benning Drive.
SW-7	Legion Drive	Complete installation of sidewalks to complete the span along both sides of Legion Drive from the west side of Beach Drive to the east side of Benning Drive.
SW-8	Beach Drive	Sidewalk along the east side of Beach Drive from its current northern terminus south of Bent Arrow Drive, northward to the south side of Legion Drive.
SW-9	Indian Trail	Sidewalk along the south side of Indian Trail from the east side of Main Street to the east side of Bayou Drive.
SW-10	Country Club Drive	Sidewalk along the north side of Country Club Drive East, beginning at the western terminus of the existing sidewalk and continuing generally westward to the south side of the intersection with Indian Bayou Trail.
SW-11	Paraiso Boulevard	Sidewalks along both sides of Paraiso Boulevard from the north side of US Highway 98 to the west side of Danny Wuerffel Way.
SW-12	US Highway 98	Sidewalk along the north side of US Highway 98 from the west side of Kelly Plantation Drive to the west side of Mid Bay Bridge Road (SR 293).
SW-13	US Highway 98	Sidewalk along the south side of US Highway 98 from the west side of Crystal Beach Drive to the east side of Regions Way; and along the north side of US Highway 98 from the east side of Crystal Beach Drive, eastward to a point of connection with an existing sidewalk along the south side of Legendary Drive.
SW-14	Mattie M. Kelly Blvd	Sidewalk along Mattie M. Kelly Boulevard from the south side of Airport Road to the north side of US Highway 98.
SW-15	Public easement, Azalea Dr, Stahlman Ave, Forest St, Sibert Ave, Calhoun Ave, US 98	Sidewalk from the west side of Beach Drive at Legion Drive extending generally westward across a future easement, eventually connecting to Azalea Drive at its east terminus; continuing westward along the south side of Azalea Drive to the west side of Stahlman Avenue, continuing northward along the west side of Stahlman Avenue to the south side of Forest Street, continuing westward along the south side Forest Street to the east side of Sibert Avenue, continuing southward along the east side of Sibert Avenue to the west side of Calhoun Avenue, continuing southward along the west side of Calhoun Avenue to the north side of US Highway 98, continuing westward along the north side of US Highway 98 to the Marler Bridge. This new sidewalk fills in incomplete segments of existing sidewalks along the route.

Multi-Use Trails (MUT)

Planned multi-use trail improvements are described in Table H and are coded as "MUT" on Map E and Map F.

TABLE H. PLANNED MULTI-USE TRAIL IMPROVEMENTS

MAP CODE	ROADWAY NAME(S)	LOCATION DESCRIPTION
MUT-1	US Highway 98	Multi-use trail along the north side of US Highway 98 from the east side of Main Street to west side Gulf Shore Drive. Replaces existing sidewalk on north side of US 98.
MUT-2	Forest Street, public easement	Multi-use trail along the south side of Forest Street from the east side of Siber Avenue to the west side of Calhoun Avenue, continuing southward approximately 500 feet along the west side of Calhoun Avenue; extending generally west across potential future pathway easement through Clement Taylor Park to the northern terminus of the future Harbor Boardwalk, Phase Two. Replaces an incomplete segment of existing sidewalk on the south side of Forest Street.
MUT-3	Gulf Shore Drive	Multi-use trail along the west side of Gulf Shore Drive from the south side of US Highway 98 to approximately Sandpiper Cove Drive.
MUT-4	Durango Road, Gulf Shore Drive	Multi-use trail along the west side of Durango Road from the south side of Gulf Shore Drive, northward to the west side of Gulf Shore Drive, continuing to the end of Gulf Shore Drive. Replaces existing sidewalks on Durango Road and Gulf Shore Drive.
MUT-5	Gulf Power Easement	Multi-use trail along the Gulf Power Easement from the west side of Airport Road to the east side of Main Street.
MUT-6	98 Palms Boulevard, Gulf Shore Drive	Multi-use trail connecting southward from a future multi-use trail along the Gulf Power Easement (MUT-5) to the west side of 98 Palms Boulevard, southward to the west side of Gulf Shore Drive at the north side of US Highway 98.
MUT-7	public easement, Indian Trail	Multi-use trail connecting southward along an existing public easement from the south side of Indian Trail, southward to Indian Bayou North.
MUT-8	Indian Bayou Trail	Multi-use trail along the south side of Indian Bayou Trail from the south side of Commons Drive westward to the existing southwest terminus along the north side of Indian Bayou Trail. Replaces existing sidewalk segment on south side of Indian Bayou Trail.
MUT-9	Commons Drive	Multi-use trail along the north side of Commons Drive from the west side of Indian Bayou Trail to the western terminus of the existing multi-use trail along the north side of Commons Drive north of Henderson Beach Boulevard.
MUT-10	Commons Drive	Multi-use trail along the north side of Commons Drive north of the roundabout at Triumph Drive, eastward along the north side of Commons Drive to the west side of Kelly Plantation Road, replacing existing unconnected sidewalk segments.
MUT-11	Commons Drive	Multi-use trail along the north side of Commons Drive from the west side of Kelly Plantation Road, eastward to west side of Danny Wuerffel Way (SR 293).
MUT-12	Matthew Boulevard	Multi-use trail along with west side of Matthew Boulevard from the south side of US Highway 98 to the north side of Commons Drive.

MAP CODE	ROADWAY NAME(S)	LOCATION DESCRIPTION
MUT-13	Gulf Power Easement	Multi-use trail along the Gulf Power Easement from the east side of US Highway 98, eastward to the Okaloosa County Limits and then northward along the County Limits to the south side of US Highway 98.
MUT-14	US Highway 98	Multi-use trail along the north side of US Highway 98 from the west side of Indian Bayou Trail to the west side of Kelly Plantation Drive.
MUT-15	Crystal Beach Drive	Multi-use trail along the east side of Crystal Beach Drive from the north side of Scenic Highway 98 to the south side of US Highway 98.
MUT-16	Dolphin Street/ Regatta Bay Boulevard	Multi-use trail along east side of Dolphin Street from Scenic Highway 98, northward to Regatta Bay Boulevard, continuing generally northward to the south side of US Highway 98.
MUT-17	Hutchinson Street	Multi-use trail along the west side of Hutchinson Street from the north side of Scenic Highway 98 to the south side of US Highway 98.

Bicycle Lanes (BL)

Planned bicycle lane improvements are described in Table I and are coded as "BL" on Map F.

TABLE I. PLANNED BICYCLE LANE IMPROVEMENTS

MAP CODE	ROADWAY NAME(S)	LOCATION DESCRIPTION
BL-1	Sibert Avenue	Bicycle lanes along Sibert Avenue from Kelly Street to Calhoun Avenue; continuing southward along Calhoun Avenue to US Highway 98, continuing westward along US Highway 98 to the Marler Bridge.
BL-2	Gulf Shore Drive	Bicycle lanes along Gulf Shore Drive from US Highway 98 to approximately Sandpiper Cove Drive.
BL-3	Hutchinson Street	Bicycle lanes along Hutchinson Street from Scenic Highway 98 to US Highway 98.
BL-4	Crystal Beach Drive	Bicycle lanes along Crystal Beach Drive from Scenic Highway 98 to US Highway 98.
BL-5	Beach Drive	Bicycle lanes along Beach Drive from Kelly Street to US Highway 98.
BL-6	Stahlman Avenue	Bicycle lanes along Stahlman Avenue from Forest Street to Kelly Street.
BL-7	Indian Bayou Drive	Bicycle lanes along Indian Bayou Trail from the bend in the roadway to Country Club Drive East.
BL-8	Scenic Highway 98/ Restaurant Road	Bicycle lanes along Scenic Highway 98 from US Highway 98, eastward to Restaurant Road, then northward on Restaurant Road to US Highway 98.
BL-9	Henderson Beach Road	Bicycle lanes along Henderson Beach Road from Commons Drive to US Highway 98.
BL-10	Dolphin Street/ Regatta Bay Boulevard	Bicycle lanes along Dolphin Street from Scenic Highway 98, northward to Regatta Bay Boulevard, continuing generally northward to US Highway 98.
BL-11	Mattie M. Kelly Blvd	Bicycle lanes along Mattie M. Kelly Boulevard from Airport Road to its current terminus, continuing further southward to the north side of US Highway 98.
BL-12	Public easement, Azalea Dr, Stahlman Ave, Forest St, Sibert Ave, Calhoun Ave, US 98	Bicycle lanes from Beach Drive at Legion Drive extending generally westward across a future easement, eventually connecting to Azalea Drive at its east terminus; continuing westward along Azalea Drive to Stahlman Avenue, continuing northward along Stahlman Avenue to Forest Street, continuing westward along Forest Street to Sibert Avenue.

C. FACILITY DESIGN STANDARDS

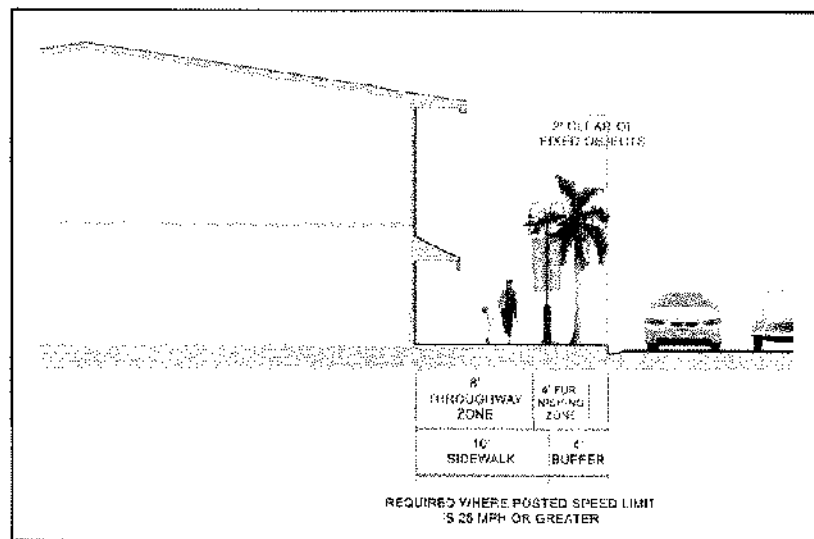
Destin's Land Develop Code (LDC) establishes multimodal facilities standards designed to maximize non-motorized transportation activities by providing safe, efficient and comfortable facilities. Table I and Figures A – F illustrate the current multimodal design requirements within the City. The LDC includes requirements for sidewalks, bicycle lanes and multi-use trails. Requirements for pedestrian amenities, street trees, and pedestrian level lighting within the public right-of-way is also provided in the LDC.



Sidewalks

Figure A, below, graphically depicts minimum sidewalk design requirements for roadways in the western portion of the City (Old Destin MMTD) other than US Highway 98.

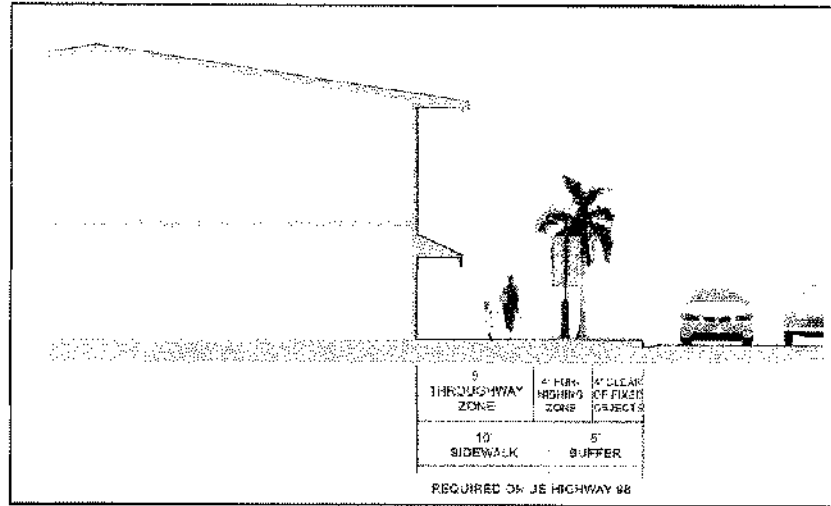
FIGURE A. SIDEWALK DESIGN REQUIREMENTS



Western portion of the City (Old Destin MMTD)

Figure B, below, graphically depicts minimum sidewalk design requirements along US Highway 98.

FIGURE B. SIDEWALK DESIGN REQUIREMENTS



US Highway 98

Figure C, below, graphically depicts the general minimum sidewalk design and pedestrian amenity requirements.

FIGURE C. SIDEWALK DESIGN AND PEDESTRIAN AMENITY REQUIREMENTS

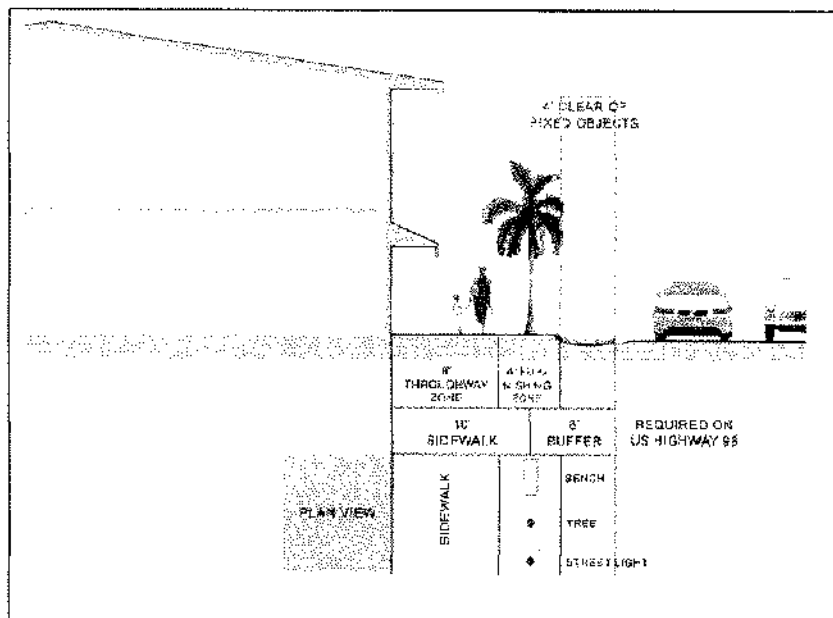
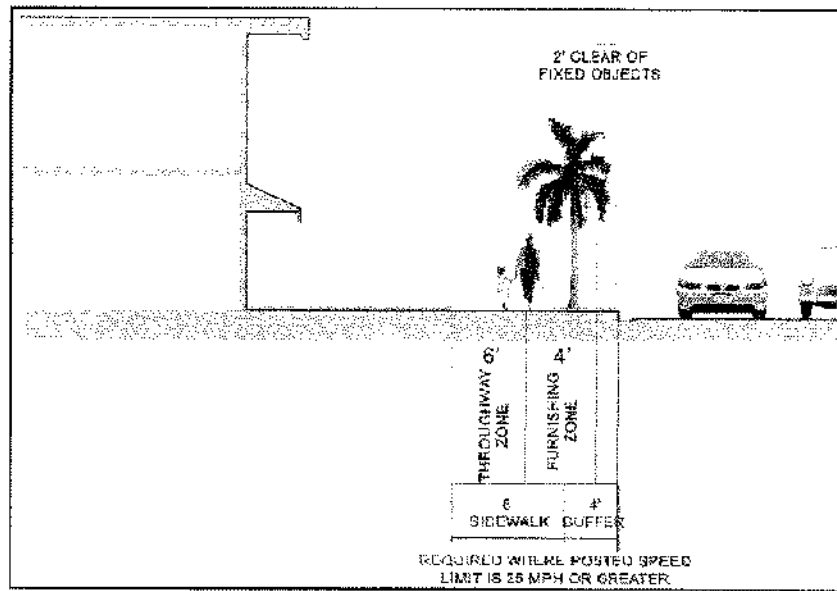


Figure D, below, graphically depicts the minimum Crystal Beach sidewalk design requirements.

FIGURE D. CRYSTAL BEACH SIDEWALK DESIGN REQUIREMENTS



Bicycle Lanes

Bicycle lanes generally must be a minimum of four feet in width from the edge of curb. For arterials and roadways with on-street parking, a minimum of five feet in width is required from the edge of the on-street parking space to the edge of curb. These standards are established in the LDC. Local residential streets generally have lower vehicular traffic volumes and speeds, therefore bicycle lanes are typically not found on these roadways. Figure E, below, graphically depicts a five-foot wide bicycle lane including four feet of extended roadway surface plus an additional one foot of curb and gutter space.

FIGURE E. TYPICAL BICYCLE LANE DESIGN

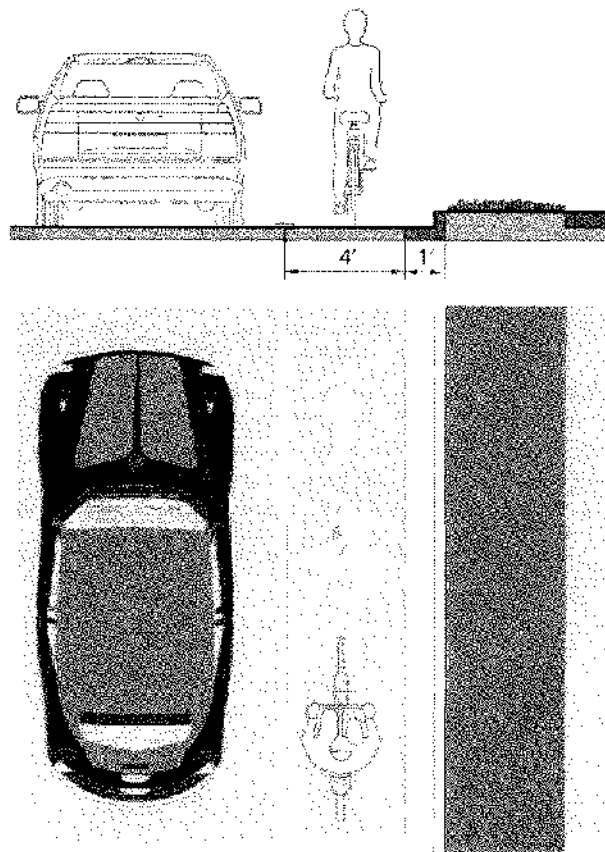


Table J, below, lists the required sidewalk, buffer and bicycle lane widths by roadway type, per the City's LDC.

TABLE J. DESIGN WIDTH REQUIREMENTS, PER THE LDC

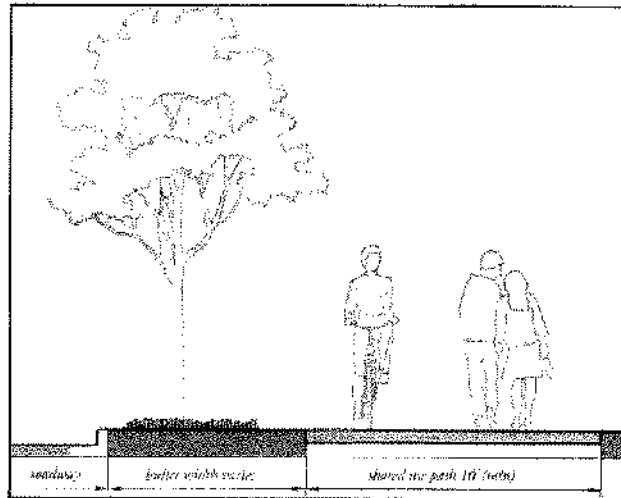
STREET TYPE	PARKING LANE WIDTH ¹	BIKE LANE WIDTH ¹	SIDEWALK WIDTH ¹		BUFFER WIDTH ²
			OLD DESTIN	CRYSTAL BEACH	
			Major arterial (6-lane)	n/a	
Major arterial (4-lane)	n/a	5'	10' ⁴	8'	6'
Minor arterial	n/a	5'	10'	8'	6'
Major collector	8'	5' ³	10' ⁵	8' ⁵	6' ⁶
Minor collector	8'	5' ³	10' ⁵	8' ⁵	6' ⁶
Local street (commercial)	8'	5' ³	10'	8'	6' ⁶
Local street (residential)	7'	n/a	5'	5'	4'

- 1 Parking lanes, bicycle lanes, and sidewalk are assumed to be included on both sides of the street. The width of parking and bike lanes are measured from the edge of curb to the outside stripe. When bike lanes are provided on a street with on street parking, the bike lane width is measured from the on-street parking stripe to the outer bike lane stripe.
- 2 The buffer shall include a clear zone free of any roadside objects within the first 4' from the back of curb along U.S. Highway 98 and within the first 1.5' from the curb for all other streets.
- 3 Bike lane width shall be 4' on streets without on-street parking.
- 4 Sidewalk width shall be 6' on U.S. Highway 98 east of Two Trees Road to the Walton County line.
- 5 Sidewalk width shall be 5' for collectors predominantly surrounded by BE, LDR, MDR, and CBN future and uses.
- 6 A buffer width of 4' is required on streets without on-street parking and on streets with a sidewalk less than 10' in width.

Multi-Use Trails

The LDC designates the minimum required multi-use trail width as ten feet of unobstructed through zone. This provides the minimum width for two-way pedestrian and non-motorized traffic movements. Figure F, below, graphically depicts multi-use trail design requirements for roadways.

FIGURE F. TYPICAL MULTI-USE TRAIL DESIGN



VI. IMPROVEMENT PRIORITIZATION

A. PRIORITIZATION METHODOLOGY

A prioritization methodology was developed to prioritize the various pathway improvements based on the following factors, below.

- Fills a service gap by connecting two pathways (4 points)
- Improves access to important destinations (3 points)
- Reduces multi-modal travel length (2 points)
- Addresses an expressed public desire (2 points)
- Enhances pedestrian safety (2 points)
- Improves linkages between higher density housing and important destinations (1 point)
- Satisfies MMTD mobility needs (1 point)
- Addresses a recommendation from the 2000 Pathways Plan (1 point)
- Functions as a multi-use trail (1 point)

Fills a Service Gap by Connecting Two Pathways

The MMLOS analysis of accessibility and connectivity revealed that while bicycle and pedestrian facilities serve nearly all of the MMTD, there are inadequate connections between these facilities. Pathways that are fully connected provide a much greater mobility benefit than those that are discontinuous. Planned improvements that fill gaps in the system by connecting otherwise terminating pathways received a score of four (4).

Improves Access to Important Destinations

The ability of pedestrians and bicyclists to access destinations is an important characteristic of a successful pathways network. In addition to serving recreation and entertainment needs, providing access to destinations increases the City's non-motorized mobility and improves the pathways' overall function and usefulness. Planned improvements determined to improve access to important destinations received a score of three (3). A map displaying the general location of important destinations is provided in **Map D**.

Reduces Multi-Modal Travel Length

The choice to make trips by means of non-motorized transportation increases significantly as the multi-modal travel distance and time required is reduced. Planned improvements determined to reduce overall travel time across the City or travel length to important destinations received a score of two (2).

Addresses an Expressed Public Desire

The Destin community, including LPA and Safety Committee members, City staff and the general public, provided valuable input at a general meeting of the LPA in May 2009. Planned improvements that address common public desires revealed from the workshop received a score of two (2).

Enhances Pedestrian Safety (alternatives to US Highway 98)

US Highway 98 is the sole major arterial roadway in the City of Destin. The highway is primarily designed to accommodate high volumes of vehicular traffic. US Highway 98 is also the primary east-west travel option within the City. Pathways system improvements that provide east-west alternatives for non-motorized traffic that would likely otherwise utilize US Highway 98 received a score of two (2).

Improves Linkages Between Higher Density Housing and Important Destinations

Providing connectivity between areas with higher concentrations of population (i.e. high density housing) and destinations is an important function of an efficient multi-modal network. The higher density residential areas within the City include zoning districts: NHMU, SHMU, TCMU, GRMU, HIMU and HDR. The locations of these districts can be found on the City of Destin zoning map provided as **Exhibit C** in the Appendix. Planned improvements that provide direct pedestrian and bicycle linkages between higher density housing and important destinations (as identified on **Map D**) received a score of one (1).

Satisfies MMTD Mobility Needs

Destin's MMTD replaces the traditional concurrency requirements governing available road capacity and automobile tripmaking with a system that assesses concurrency based on pedestrian-oriented site design and multimodal infrastructure development. The MMTD identifies a system of collector roadways that serve the major mobility needs of the City. Planned improvements that include one of these segments within the concurrency network received a score of one (1). A map displaying these segments is provided as **Map G**.

Addresses a Recommendation from the 2000 Pathways Plan

The original pathways plan from 2000 generally consisted of a report including a detailed evaluation of potential pathway systems primarily based on mapping and inventory and a preferred, identified LOS. Planned improvements that include roadway segments identified as a part of the original plan received a score of one (1). Figures 61-A and 61-B from the 2000 Pathways Master Plan show the locations of the various priority rankings within the City. The two figures are identified as **Exhibit D** in the Appendix.

Functions as a Multi-Use Trail

Multi-use trails serve dual purpose by accommodating pedestrians and bicyclists on a single facility, thus reducing the need for both sidewalks and bicycle lanes. Planned improvements in the form of multi-use trails received a score of one (1).

B. RANKING AND PRIORITIZATION

Each of the 44 planned improvements were analyzed and scored among the nine factors described above. The highest possible score was 17 points. The total scores ranged from as low as zero (0) to as high as 15. The mean average score was nine (9); the median score was 10; and the mode score was 12. Table K, below, lists all 44 planned improvements in the order of their ranking based on their total prioritization factor score, from highest to lowest.

TABLE K. PLANNED IMPROVEMENT RANKINGS

PLANNED IMPROVEMENT		PRIORITIZATION FACTORS									SCORE	
MAP CODE	ROADWAY	FILLS GAP (4)	DESTIN- ATIONS (3)	REDUCE TRAVEL (2)	PUBLIC DESIRE (2)	PED SAFETY (2)	HIGH DENSITY (1)	MM SYSTEM (1)	2000 PLAN (1)	MULTI- USE (1)	TOTAL POINTS	RANK
BL-3	Hutchinson Street	*	*	*	*	*		*	*		15	1
SW-15	multiple roadways (see SW-15, P. 22)	*	*	*	*	*	*	*	*		14	2-4
MUT-9	Commons Drive	*	*		*	*		*	*	*	14	2-4
BL-12	multiple roadways (see BL-12, P. 25)	*	*	*	*	*	*	*	*		14	2-4
SW-8	Beach Drive	*	*		*	*		*	*		13	5
SW-13	US Highway 98	*	*	*	*	*		*			12	6-14
MUT-1	US Highway 98	*	*		*	*	*	*		*	12	6-14
MUT-4	Durango/Gulf Shore Drive	*	*		*	*	*	*	*	*	12	6-14
MUT-13	Gulf Power Easement	*		*	*	*		*	*	*	12	6-14
MUT-15	Crystal Beach Drive		*	*	*	*		*	*	*	12	6-14
MUT-16	Dolphin Street/Regatta Bay Boulevard		*	*	*	*		*	*	*	12	6-14
MUT-17	Hutchinson Street		*	*	*	*		*	*	*	12	6-14
BL-1	Sibert Avenue	*	*	*	*	*	*	*	*		12	6-14
BL-5	Beach Drive		*	*	*	*	*	*	*		12	6-14
SW-6	Sibert Avenue	*	*	*	*	*					11	15-18
MUT-2	Forest Street, easement	*	*		*	*		*		*	11	15-18
BL-4	Crystal Beach Drive		*	*	*	*		*	*		11	15-18

PLANNED IMPROVEMENT		PRIORITIZATION FACTORS									SCORE	
MAP CODE	ROADWAY	FILES GAP (4)	DESTINATIONS (3)	REDUCE TRAVEL (2)	PUBLIC DESIRE (2)	PED SAFETY (2)	HIGH DENSITY (1)	MM SYSTEM (1)	2000 PLAN (1)	MULTI-USE (1)	TOTAL POINTS	RANK
BL-10	Dolphin Street/ Regatta Bay Boulevard		*	*	*	*		*	*		11	15-18
MUT-3	Gulf Shore Drive	*			*		*	*	*	*	10	19-23
MUT-7	easement, Indian Trail	*		*	*				*	*	10	19-23
MUT-10	Commons Drive		*		*	*		*	*	*	10	19-23
MUT-11*	Commons Drive		*		*	*		*	*	*	10	19-23
BL-9	Henderson Beach Road		*	*	*	*		*			10	19-23
SW-12	US Highway 98		*	*	*			*	*		9	24-26
MUT-5**	Gulf Power Easement		*	*		*	*			*	9	24-26
MUT-8	Indian Bayou Trail	*		*			*		*	*	9	24-26
SW-3	Stahlman Avenue	*	*					*			8	27-31
MUT-12*	Matthew Boulevard		*		*	*				*	8	27-31
MUT-14	US Highway 98		*		*			*	*	*	8	27-31
BL-2	Gulf Shore Drive		*		*	*	*	*	*		8	27-31
BL-8	Scenic Highway 98/ Restaurant Road		*		*	*	*	*	*		8	27-31
SW-4	Hickory Street	*	*								7	32-34
MUT-6**	98 Palms Blvd, Gulf Shore Drive		*			*	*			*	7	32-34
BL-6	Stahlman Avenue	*		*				*			7	32-34
SW-1	Zerbe Street		*		*				*		6	35-37

PLANNED IMPROVEMENT		PRIORITIZATION FACTORS									SCORE	
MAP CODE	ROADWAY	FILLS GAP (4)	DESTN-ATIONS (3)	REDUCE TRAVEL (2)	PUBLIC DESIRE (2)	PED SAFETY (2)	HIGH DENSITY (1)	MM SYSTEM (1)	2000 PLAN (1)	MULTI-USE (1)	TOTAL POINTS	RANK
SW-7	Legion Drive	•						•	•		6	35-37
SW-10	Country Club Drive	•						•	•		6	35-37
SW-2	Stallman Avenue	•						•			5	38-40
SW-9	Indian Trail	•							•		5	38-40
SW-11	Paraiso Boulevard				•	•			•		5	38-40
SW-14**	Mattie Kelly Boulevard			•		•					4	41-42
BL-11**	Mattie Kelly Boulevard			•		•					4	41-42
BL-7	Indian Bayou Drive								•		1	43
SW-5	Pine Street										0	44

* Collectively, these planned improvements score 14 points.
 ** Collectively, these planned improvements score 11 points.

C. IMPLEMENTATION STRATEGY

This update to the Pathways Master Plan provides a holistic vision for the Destin pathways system. It provides a geographic catalog of existing and programmed pathway facilities as a baseline for determining future planned improvements. Such recommended improvements were evaluated, scored and ranked for their contributing usefulness to the system. The range of total scores was divided into three prioritization levels intended to give guidance to future capital improvement decisions.

The three prioritization levels will help planners and policy makers focus on subsets of improvements that can address the most issues and provide the highest public benefit. Specific planned improvements can be evaluated in greater detail individually under their present conditions and the City's ability to reasonably implement such improvements at that time.

In the future, the three prioritization levels can also be used to further measure the benefits of development-driven off-site multi-modal mitigation projects for their level of contribution. Tables L–N, below, are assortments of the planned improvements by prioritization level.

Level One

Level One prioritization includes the top 14 planned improvements with "above average" scores. The scores range from 12 to 15 and the projects consist of three sidewalks, seven multi-use trails and four bicycle lanes. Note that MUT-13* and MUT-14* (from Level Two) are contiguous projects and, if scored collectively, would total 14 points.

TABLE L. LEVEL ONE PRIORITY PLANNED IMPROVEMENTS

PLANNED IMPROVEMENT		PRIORITIZATION FACTORS									SCORE	
MAP CODE	ROADWAY	FILLS GAP (4)	DESTINATIONS (3)	REDUCE TRAVEL (2)	PUBLIC DESIRE (2)	PED SAFETY (2)	HIGH DENSITY (1)	MM SYSTEM (1)	2000 PLAN (1)	MULTI-USE (1)	TOTAL POINTS	RANK
BL-3	Hutchinson Street	*	*	*	*	*		*	*		15	1
SW-15	multiple roadways (see SW-15, P. 22)	*	*	*		*	*	*	*		14	2-4
MUT-9	Commons Drive	*	*		*	*		*	*	*	14	2-4
BL-12	multiple roadways (see BL-12, P. 25)	*	*	*		*	*	*	*		14	2-4
SW-8	Beach Drive	*	*		*	*		*	*		13	5
SW-13	US Highway 98	*	*	*	*			*			12	6-14
MUT-1	US Highway 98	*	*		*		*	*		*	12	6-14
MUT-4	Durango/Gulf Shore Drive	*	*		*		*	*	*	*	12	6-14
MUT-13*	Gulf Power Easement	*		*	*	*		*	*	*	12	6-14
MUT-15	Crystal Beach Drive		*	*	*	*		*	*	*	12	6-14
MUT-16	Dolphin Street/Regatta Bay Boulevard		*	*	*	*		*	*	*	12	6-14
MUT-17	Hutchinson Street		*	*	*	*		*	*	*	12	6-14
BL-1	Sibert Avenue	*	*	*		*	*	*	*		12	6-14
BL-5	Beach Drive		*	*	*	*	*	*	*		12	6-14

Level Two

Level Two prioritization includes 17 mid-range planned improvements with "average" scores. The scores range slightly from 8 to 11 and the projects consist of three sidewalks, nine multi-use trails and five bicycle lanes. Note that MUT-13* (from Level One) and MUT-14* are contiguous projects and, if scored collectively, would total 14 points. MUT-5**, and MUT-6**, SW-14** and BL-11** (from Level Three) are also contiguous projects and, if scored collectively, would total 11 points.

TABLE M. LEVEL TWO PRIORITY PLANNED IMPROVEMENTS

PLANNED IMPROVEMENT		PRIORITIZATION FACTORS									SCORE	
MAP CODE	ROADWAY	FILLS GAP (4)	DESTINATIONS (3)	REDUCE TRAVEL (2)	PUBLIC DESIRE (2)	PED SAFETY (2)	HIGH DENSITY (1)	MM SYSTEM (1)	2000 PLAN (1)	MULTI-USE (1)	TOTAL POINTS	RANK
SW-6	Sibert Avenue	*	*	*	*						11	15-18
MUT-2	Forest Street, easement	*	*			*		*		*	11	15-18
BL-4	Crystal Beach Drive		*	*	*	*		*	*		11	15-18
BL-10	Dolphin Street/ Regatta Bay Boulevard		*	*	*	*		*	*		11	15-18
MUT-3	Gulf Shore Drive	*			*		*	*	*	*	10	19-23
MUT-7	easement, Indian Trail	*		*	*			*	*	*	10	19-23
MUT-10	Commons Drive		*		*	*		*	*	*	10	19-23
MUT-11	Commons Drive		*		*	*		*	*	*	10	19-23
BL-9	Henderson Beach Road		*	*	*	*		*			10	19-23
SW-12	US Highway 98		*	*	*			*	*		9	24-26
MUT-5**	Gulf Power Easement		*	*		*	*			*	9	24-26
MUT-8	Indian Bayou Trail	*		*			*		*	*	9	24-26

PLANNED IMPROVEMENT		PRIORITIZATION FACTORS									SCORE	
MAP CODE	ROADWAY	FILLS GAP (4)	DESTINATIONS (3)	REDUCE TRAVEL (2)	PUBLIC DESIRE (2)	PED SAFETY (2)	HIGH DENSITY (1)	MM SYSTEM (1)	2000 PLAN (1)	MULTI-USE (1)	TOTAL POINTS	RANK
SW-3	Stahlman Avenue	•	•					•			8	27-31
MUT-12	Matthew Boulevard		•		•	•				•	8	27-31
MUT-14*	US Highway 98		•		•			•	•	•	8	27-31
BL-2	Gulf Shore Drive		•		•		•	•	•		8	27-31
BL-8	Scenic Highway 98/ Restaurant Road		•		•		•	•	•		8	27-31

Level Three

Level Three prioritization includes the lower 13 planned improvements with "below average" scores. The scores range from 0 to 7 and the projects consist of nine sidewalks, one multi-use trail and three bicycle lanes. Note that MUT-6**, SW-14** and BL-11**, and MUT-5** (from Level Two), are contiguous projects and, if scored collectively, would total 11 points.

TABLE N. LEVEL THREE PRIORITY PLANNED IMPROVEMENTS

PLANNED IMPROVEMENT		PRIORITIZATION FACTORS									SCORE	
MAP CODE	ROADWAY	FILLS GAP (4)	DESTINATIONS (3)	REDUCE TRAVEL (2)	PUBLIC DESIRE (2)	PED SAFETY (2)	HIGH DENSITY (1)	MM SYSTEM (1)	2000 PLAN (1)	MULTI-USE (1)	TOTAL POINTS	RANK
SW-4	Hickory Street	•	•								7	32-34
MUT-6**	98 Palms Blvd, Gulf Shore Drive		•			•	•			•	7	32-34
BL-6	Stahlman Avenue	•		•				•			7	32-34
SW-1	Zerbe Street		•		•				•		6	35-37
SW-7	Legion Drive	•						•	•		6	35-37
SW-10	Country Club Drive	•						•	•		6	35-37
SW-2	Stahlman Avenue	•						•			5	38-40
SW-9	Indian Trail	•							•		5	38-40
SW-11	Paraiso Boulevard				•	•			•		5	38-40
SW-14**	Mattie Kelly Boulevard			•		•					4	41-42
BL-11**	Mattie Kelly Boulevard			•		•					4	41-42
BL-7	Indian Bayou Drive								•		1	43
SW-5	Pine Street										0	44

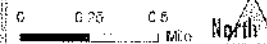
MAPS



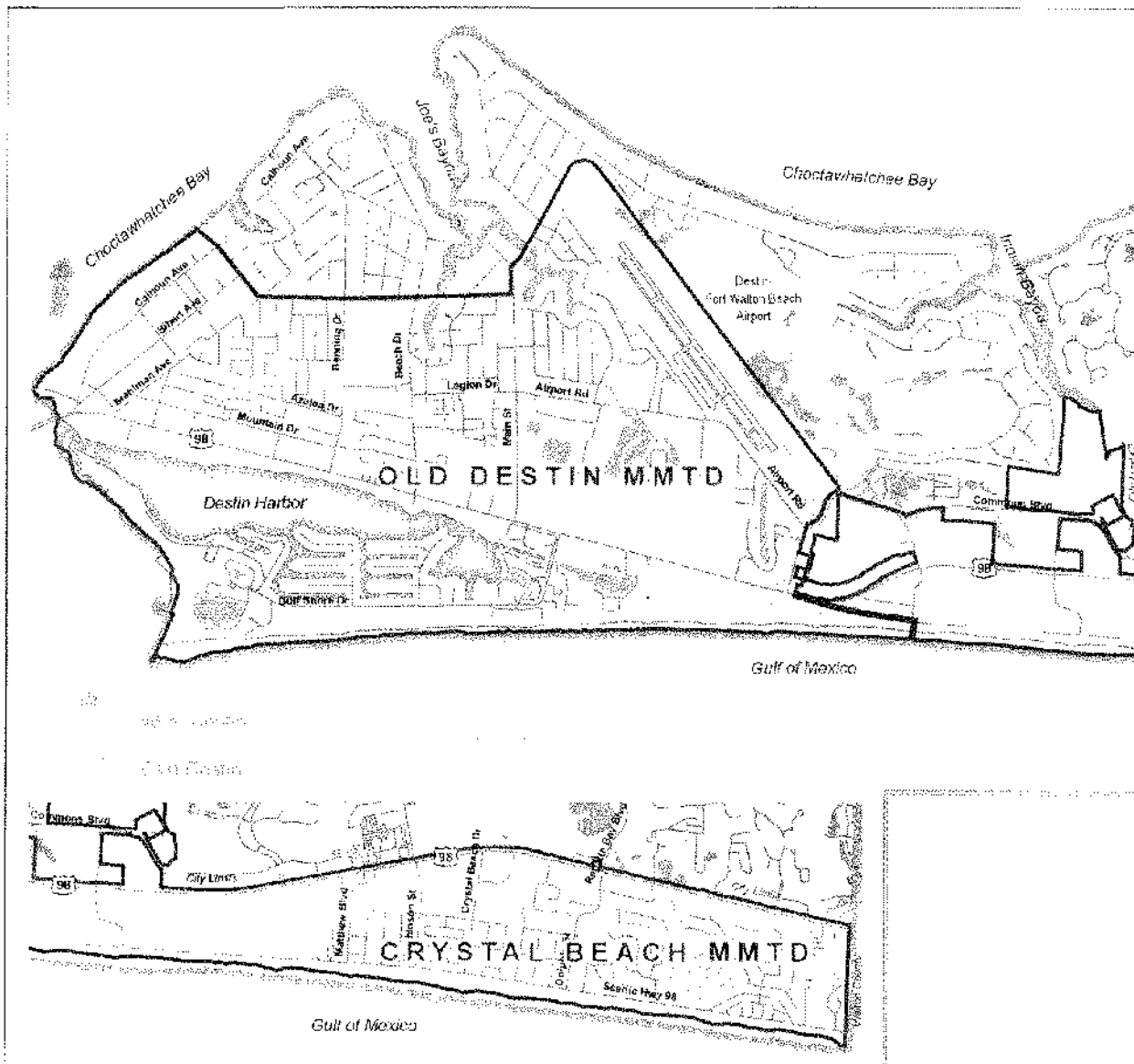
MAP A

Destin Multimodal Transportation District Boundaries 2009

- OLD DESTIN MMTD
- CRYSTAL BEACH MMTD



OFFICIAL CHARTERED BY AN ACT OF THE FLORIDA LEGISLATURE

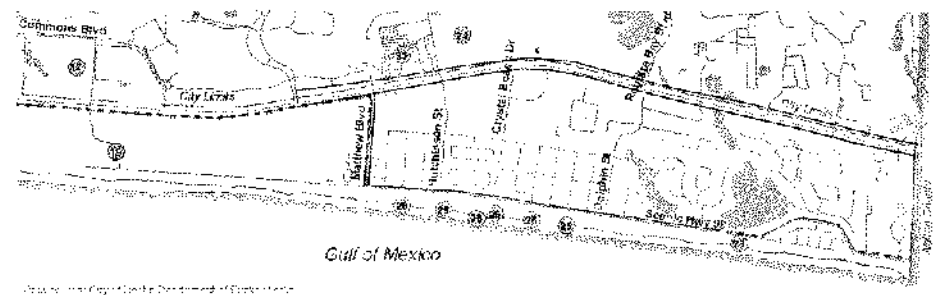
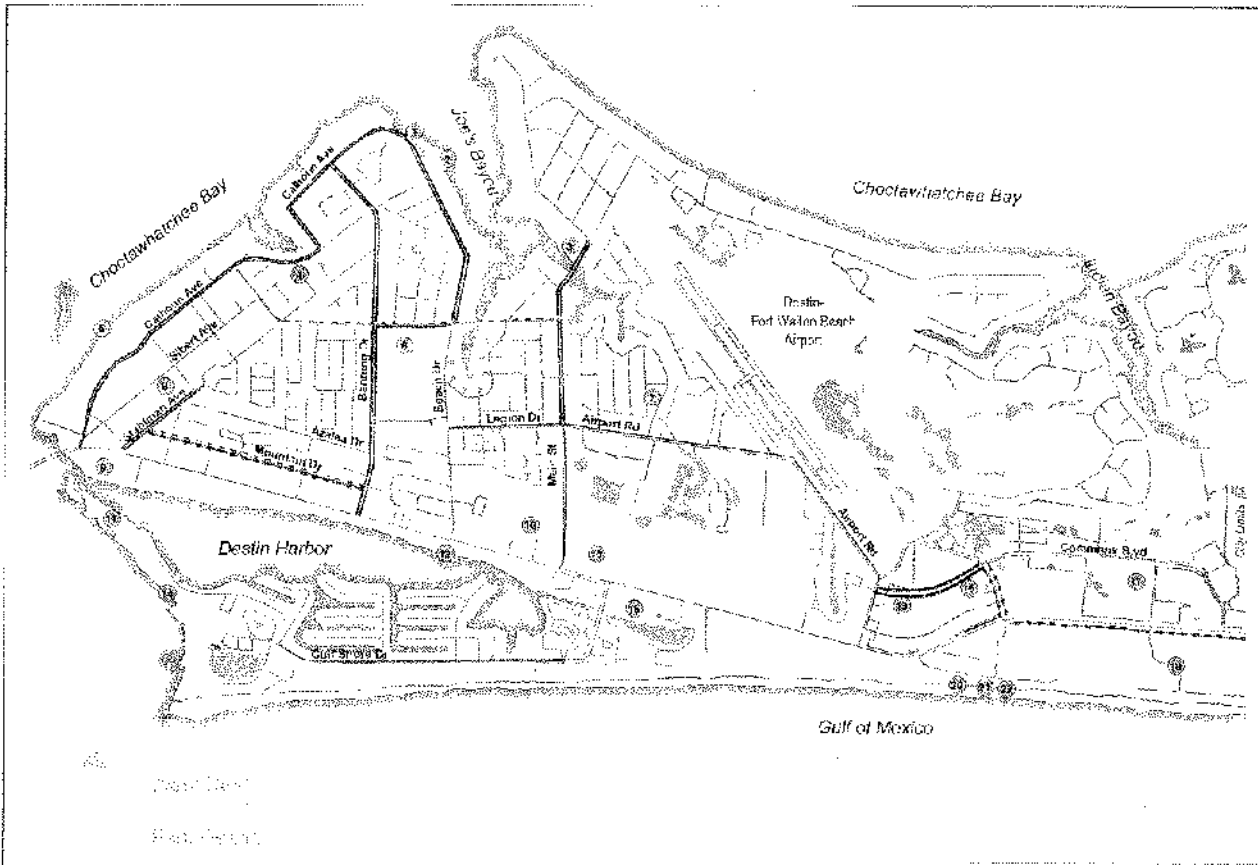
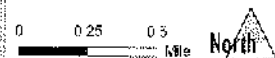




MAP C

Bicycle Facilities Existing & Programmed 2009

- ~ Existing Bicycle Lanes
- ~ Programmed Bicycle Lanes
- ~ Existing Multi-Use Trails
- ~ Existing Sidewalks Programmed for Multi-Use Trails
- ⊙ Destinations



- Destinations Key**
1. Mattie Kelly Park
 2. Joe's Bicyou Rest. Area
 3. Main Street Park
 4. Dulton Threadgill Park
 5. Clement Taylor Park
 6. Destin Elementary School
 7. Kell-Aire Park
 8. Library
 9. Harbor Walk
 10. Downtown Destin Shopping Center
 11. Northgate Point Beach Access
 12. Harbor View Park
 13. The Shores Shopping Center

14. O'Steen Beach Access
15. Shoreline Villages Mall
16. Destin City Mall
17. Wal-Mart
18. Morgan Sports Complex
19. Henderson Beach State Park
20. Calhoun Beach Access
21. Silver Shells Beach Access
22. June White Decker Park
23. Paradise Key Shopping Center
24. Destin Commons
25. Scenic Hwy 58 Beach Access Points
26. James Lee County Park

Map prepared by City of Destin, Florida

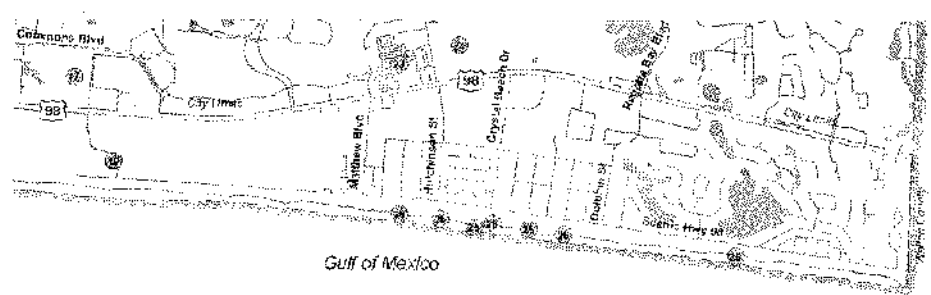
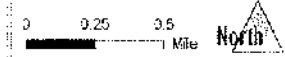
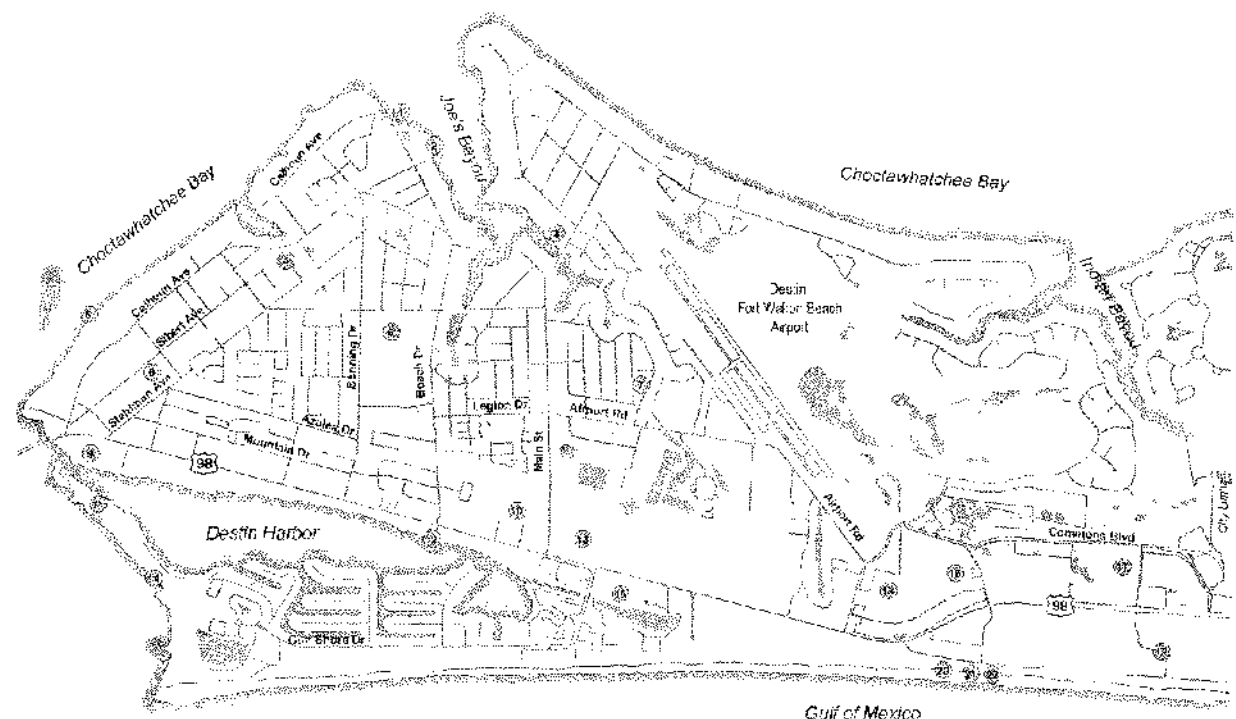


MAP D

Destinations

2009

Ⓢ Destinations



- Destinations Key**
- 1. Mattie Kelly Park
 - 2. Joe's Bayou Rec. Area
 - 3. Main Street Park
 - 4. Dalton Thruway Park
 - 5. Clement Taylor Park
 - 6. Destin Elementary School
 - 7. Keil-Ara Park
 - 8. Library
 - 9. Harbor Walk
 - 10. Downtown Destin Shopping Center
 - 11. Nantigny Palm Beach Access
 - 12. Harbor View Park
 - 13. The Shores Shopping Center

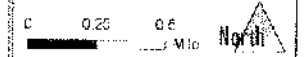
- 14. O'Steen's Beach Access
- 15. Seaside Village Mall
- 16. Destin City Hall
- 17. Wal-Mart
- 18. Morgan Sports Complex
- 19. Henderson Beach State Park
- 20. Calhoun Beach Access
- 21. Silver Shells Beach Access
- 22. Juno White Decker Park
- 23. Paradise Key Shopping Center
- 24. Destin Commons
- 25. Scenic Hwy 98 Beach Access Points
- 26. James Lee County Park



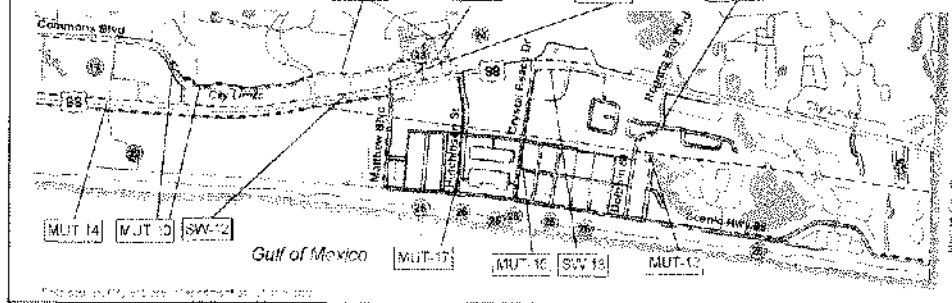
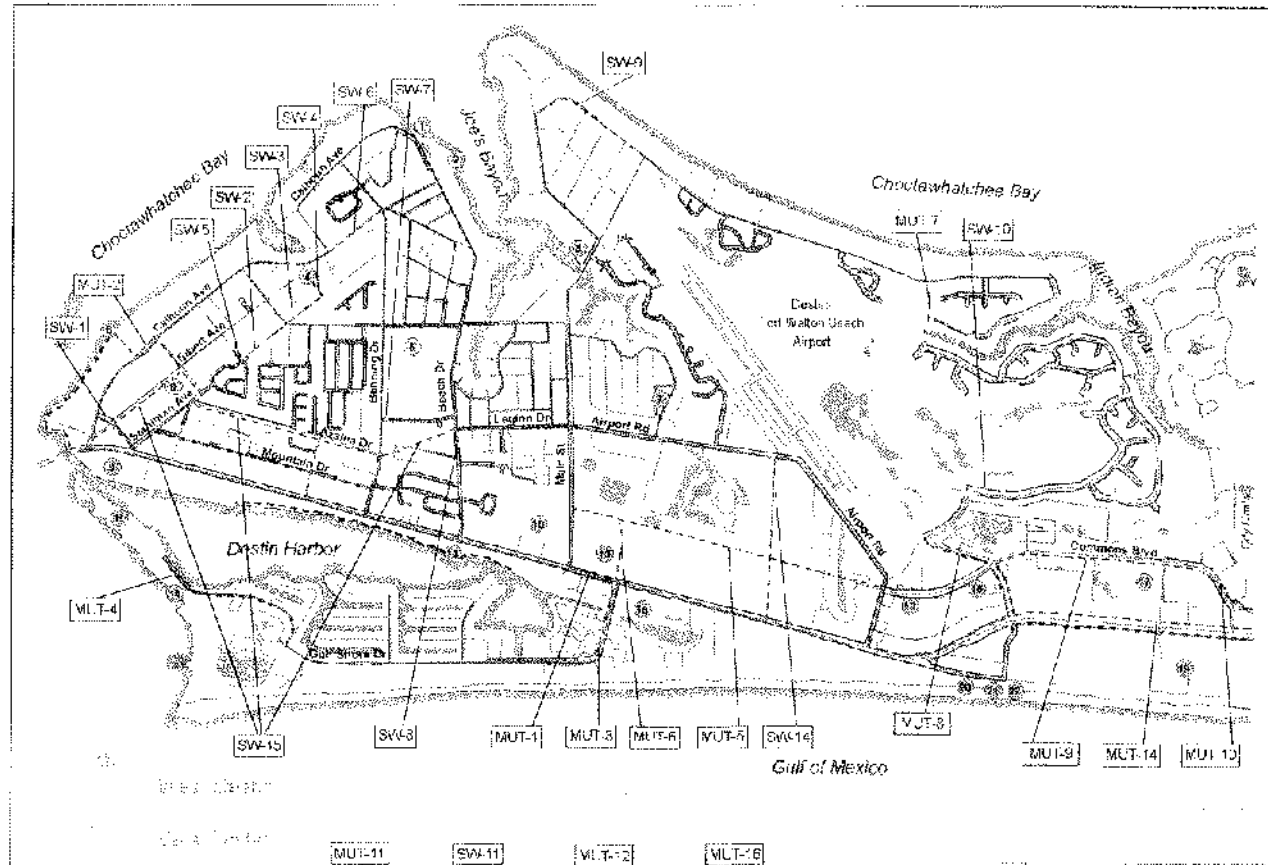
MAP E

Pedestrian Facilities Existing/Programmed & Planned 2009

- ~ Existing/Programmed Sidewalks
- ~ Planned Sidewalks
- ~ Existing Multi-Use Trails
- ~ Planned Multi-Use Trails
- ~ Existing Sidewalks Programmed for Multi-Use Trails
- ~ Existing Sidewalks Planned for Multi-Use Trails
- SW Planned Sidewalk Plan/Map Reference
- MUT Planned Multi-Use Trail Plan/Map Reference
- ~ Boardwalk Phase 1
- ~ Boardwalk Phase 2
- ⊙ Destinations



DESTIN, FLORIDA PLANNING GROUP



- Destinations Key**
1. Mollie Kelly Park
 2. Joe's Bayou Rec. Area
 3. Main Street Park
 4. Dalton Threadgill Park
 5. Clement Taylor Park
 6. Destin Elementary School
 7. Kell-Aire Park
 8. Library
 9. Harbor Walk
 10. Downtown Destin Shopping Center
 11. Noriega Point Beach Access
 12. Harbor View Park
 13. The Shores Shopping Center
 14. O'Steen Beach Access
 15. Shoreline Village Mall
 16. Destin City Hall
 17. Wal-Mart
 18. Morgan Sports Complex
 19. Henderson Beach State Park
 20. Calhoun Beach Access
 21. Silver Shells Beach Access
 22. June White Decker Park
 23. Paradise Key Shopping Center
 24. Destin Commons
 25. Scenic Hwy 88 Beach Access Points
 26. James Lee County Park

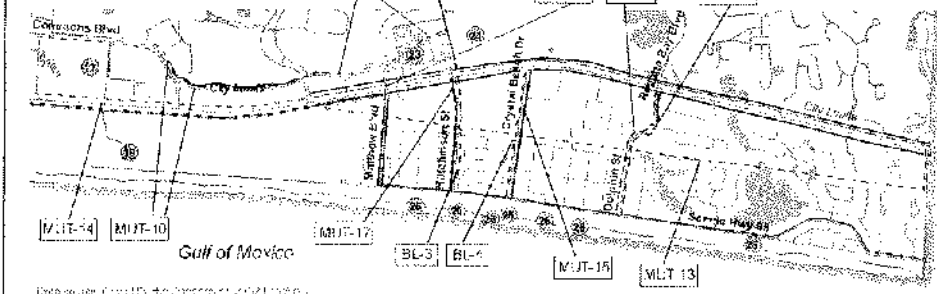
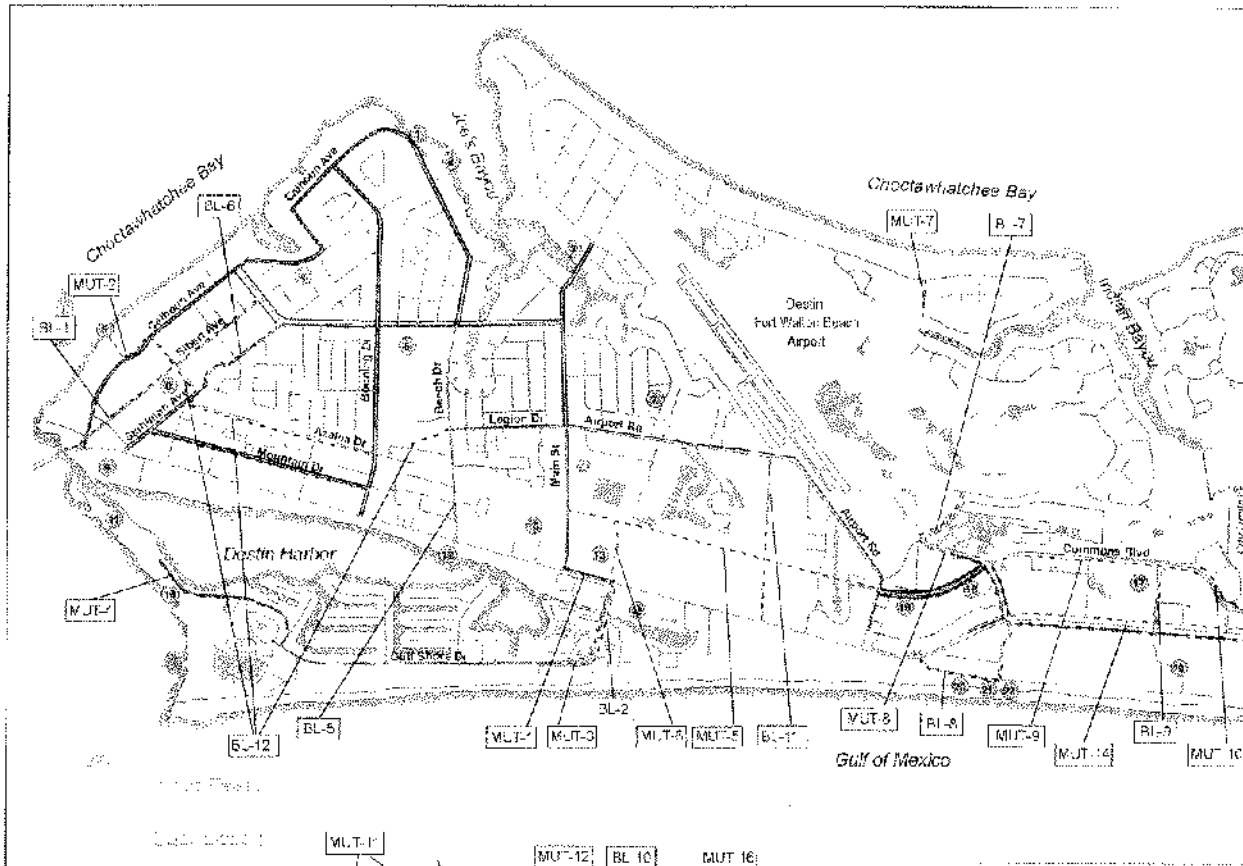
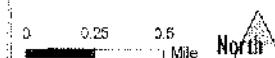
FIGURE E-1: Pedestrian Facilities



MAP F Bicycle Facilities

Existing/Programmed & Planned
2009

- Existing/Programmed Bicycle Lanes
- Planned Bicycle Lanes
- Existing Multi-Use Trails
- Planned Multi-Use Trails
- Existing Sidewalks Programmed for Multi-Use Trails
- Existing Sidewalks Planned for Multi-Use Trails
- Planned Bicycle Lane Plan/Map Reference
- Planned Multi-Use Trail Plan/Map Reference
- Destinations



- Destinations Key**
1. Mattie Kelly Park
 2. Joe's Bayou Rec. Area
 3. Main Street Park
 4. Dalton Threadgill Park
 5. Clement Taylor Park
 6. Destin Elementary School
 7. Kell-Aire Park
 8. Library
 9. Harbor Walk
 10. Downtown Destin Shopping Center
 11. Nonhego Point Beach Access
 12. Harbor View Park
 13. The Shore Shopping Center
 14. O'Steen Beach Access
 15. Shoreline Village Mall
 16. Destin City Hall
 17. Wal-Mart
 18. Morgan Sports Complex
 19. Henderson Beach State Park
 20. Calhoun Beach Access
 21. Silver Shells Beach Access
 22. June White Decker Park
 23. Paradise Key Shopping Center
 24. Destin Commons
 25. Scenic Hwy 98 Beach Access Points
 26. James Lee County Park

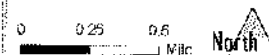
Database for City of Destin, Florida, 2009



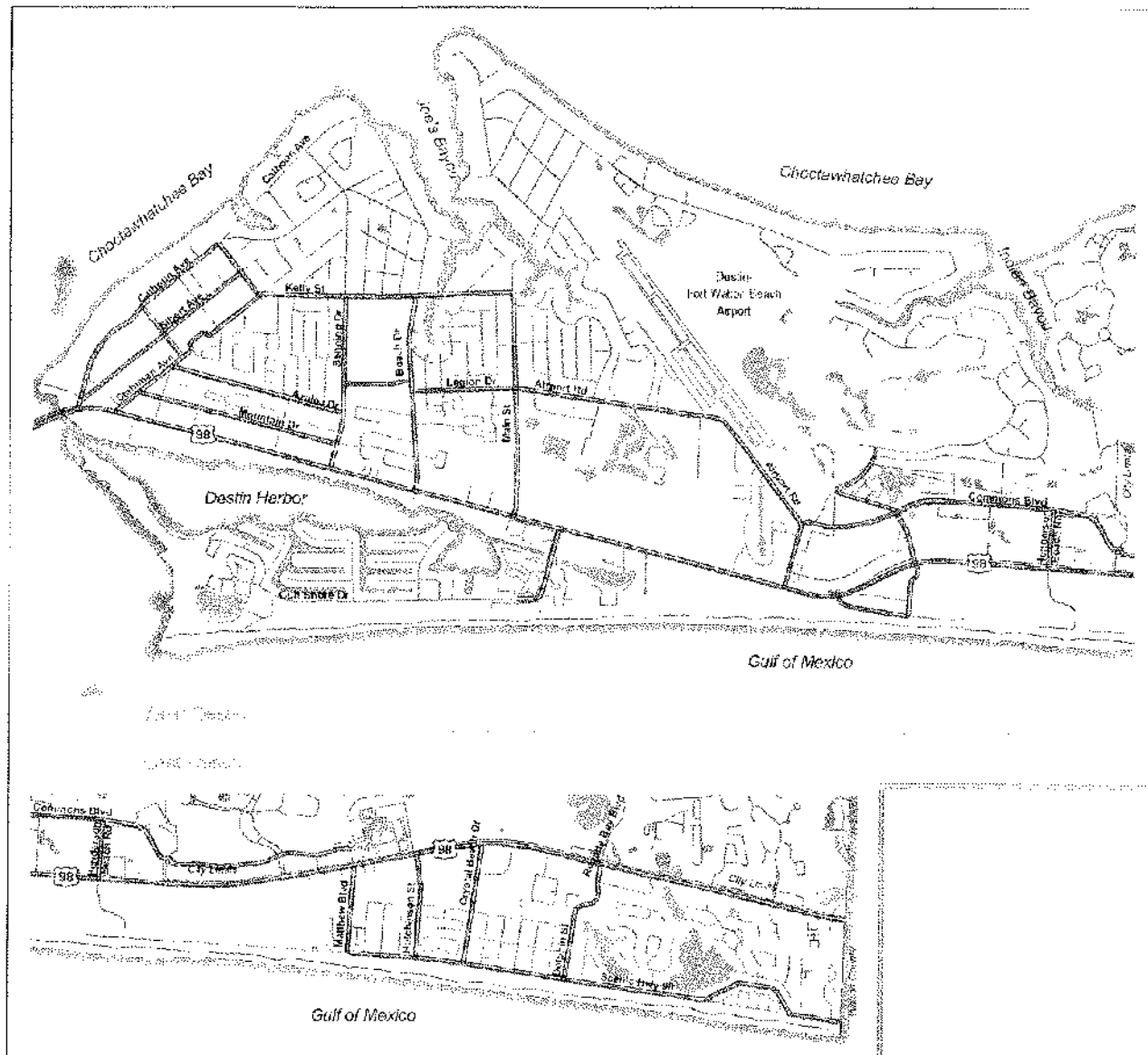
MAP G

Concurrency Management System Roadway Segments

- Links
- Future Links
- City Limits



STRATEGIC PLANNING DEPT



APPENDIX

GOAL 2-1: MULTIMODAL TRANSPORTATION SYSTEM. MAINTAIN AND CONTINUE TO IMPROVE UPON AN EFFICIENT, HIGH QUALITY, MULTIMODAL TRANSPORTATION SYSTEM THAT BALANCES COMMUNITY CIRCULATION NEEDS WITH REGIONAL TRAVEL DEMAND.

Policy 2-1.1.3: Maintain New Road Corridor Alignments. The City shall continue to implement the multimodal corridor management plan that identifies alignment opportunities and challenges for all modes of transportation, including parallel facilities for Harbor Boulevard/Emerald Coast Parkway and Main Street shown on Maps 2-1 and 2-2 of this Transportation Element.

Policy 2-1.1.4: Rights-of-Way (ROW) for Additional Access Road. The City shall acquire the necessary ROW east of Azalea Drive/Mountain Drive to complete the east/west route and north-south connections referenced in Policy 2-1.1.1 above. Nothing in this policy shall prohibit the City from accepting or obtaining the necessary rights-of-way in advance of 2020

8.01.00. - Right-of-way (ROW) protection.

Starting in Section E

Transportation corridor management plan map. the intent of this ordinance is to preserve, protect, and/or acquire rights-of-way and transportation corridors that are necessary to provide future transportation facilities and facility improvements to meet the needs of growth projected in the City of Destin's Comprehensive Plan and to coordinate land use and transportation planning. These rights-of-way and corridors are part of a network of transportation facilities and systems, which provide mobility between and access to businesses, homes, and other land uses throughout the jurisdiction, the region and the state. The city council recognizes that the provision of an adequate transportation network is an essential public service. The plan for that transportation network is described in the city's comprehensive plan, and implemented through a capital improvements program, other policies and procedures, and through regulations on land use and development as well as regulations to preserve and protect the corridors and rights-of-way for the transportation network. The purpose of this ordinance is to foster and preserve public health, safety, comfort, and welfare and to aid in the harmonious, orderly, and beneficial development of Destin in accordance with the comprehensive plan.

1. *Consistency of proposed development with the transportation corridor management plan map.*

a. All development shall be consistent with the transportation corridor management plan map.

b. Site plans and subdivision plats submitted for review shall include information regarding the location of any corridors designated on the transportation corridor management plan map. All development shall be consistent with the transportation corridor management plan map. Improvements which cross, abut, or are within 1,000 feet of any transportation corridor shall be shown on the site plan.

c. Final approval of the development order shall include findings regarding the consistency of a proposed project with any transportation corridor, and shall note any impacts that may be anticipated from the proposed project, along with recommendations for mitigating such impacts. If the proposed project is inconsistent it will not be approved. However, it is intended that corridor locations shall have some flexibility so as to be compatible with proposed development, so long as the basic intent to provide continuity of the corridor is met.

2. Right-of-way dedication.

a. Projects proposed adjacent to or abutting a transportation corridor for which improvements are shown in the current five-year capital improvements program, shall, as a condition of approval, dedicate lands within the project site, which are necessary for that right-of-way to the City of Destin. Such dedication shall occur by recordation on the face of the plat, deed, grant of easement, or other method acceptable to the City of Destin. Land to be dedicated shall be only that shown to be necessary for the planned improvements. The amount of land required to be dedicated also shall not exceed the amount that is roughly proportionate to the transportation impacts to be generated by the proposed project unless the landowner is to be compensated in some fashion for any additional dedicated land.

b. If the cost of right-of-way acquisition is included in the impact fee structure, the value of dedicated right-of-way may be a credit against transportation impact fees assessed to the proposed project. In the event that the impact fees calculated for the proposed project are greater than the lands within the project site (the site prior to any dedication or other set-aside) needed for future right-of-way, only the amount of land representing a value approximately equal to the impact fee shall be required to be dedicated.

3. Right-of-way and Corridor Preservation.

a. Corridors designated in the Transportation Corridor Management Plan Map shall be protected from encroachment by structures, parking areas, or drainage facilities except as otherwise allowable in this ordinance and the comprehensive plan.

b. The setbacks as described in Section 7.12.02 of the Land Development Code shall be considered sufficient for preservation of the right-of-way.

c. Where the exact alignment of a transportation corridor has not been determined through an engineering study, the location of the roadway right-of-way shall be established during the review of proposed projects in proximity to transportation corridors. Alignments shall be continuous so as to provide for a continuous travel corridor of a width consistent with that specified on the Transportation Corridor Management Plan Map.

d. Transportation Corridor Management Plan Map East-West alignments are generally described as follows:

Section 1 Alignments:

a. The primary east-west alignment shall begin at the intersection of Airport Road and U.S. Highway 98 and extend north and west along the centerline of the existing Airport Road right-of-way to Main Street.

b. The secondary east-west alignment shall begin where 98 Palms Boulevard currently ends and extend eastward to connect with the future extension of Mattie M. Kelly Boulevard. The exact alignment for this roadway shall be established pursuant to Section 8.01.00.E.3.c. The width of the right-of-way for this alignment shall be a minimum of 80 feet.

[Section 2](#) Alignment:

a. The east-west alignment shall begin where centerline of the existing Legion Drive right-of-way at its intersection with Main Street currently ends and extend westward across Beach Drive to connect with the future extension of Azalea Drive at its intersection with Benning Drive. The exact alignment for this roadway shall be established pursuant to Section 8.01.00.E.3.c. The width of the right-of-way for the portion of the alignment between Main Street and Beach Drive shall not exceed 66 feet. The width of the right-of-way for the portion of the alignment between Beach Drive and Benning Drive shall not exceed 80 feet.

[Section 3](#) Alignment:

a. The east-west alignment shall begin where Azalea Drive intersects with Benning Drive and extend westward to connect with Stahlman Avenue. The east-west alignment shall then extend southwest to U.S. Highway 98. The exact alignment for this roadway shall follow and lie totally within the existing right-of-way of Azalea Drive. However, Stahlman Avenue will require an additional 20 feet of right-of-way in the southeast section of its intersection with Mountain Drive.

Transportation Corridor Management Plan Map North-South alignments are generally described from as follows:

[Section 1](#) Alignments:

a. The Mattie M. Kelly Boulevard alignment shall begin at the intersection of Mattie M. Kelly Boulevard and Airport Road and extend south to where that roadway currently ends. Between where it currently ends and U.S. Highway 98 the alignment for Mattie M. Kelly Boulevard shall be established pursuant to Section 8.01.00.E.3.c. The width of the right-of-way for this alignment shall be a minimum of 80 feet.

b. The westward most access road shown on the plat of Twin Lakes Subdivision shall begin at the centerline of the Twin Lakes subdivision driveway intersection with Airport Road and follow the western property boundary to connect with the westward extension of 98 Palms Boulevard. The width of the right-of-way for this alignment shall be a minimum of 80 feet.

c. The Palms Street alignment shall extend north to connect with the extension of 98 Palms Boulevard. This alignment shall be established pursuant to Section 8.01.00.E.3.c. The width of the right-of-way for this alignment shall be a minimum of 80 feet.

[Section 2](#) Alignment: None.

[Section 3](#) Alignment: None.

The following techniques shall be administered for protecting the corridor from encroachment:

Site plans or subdivision plats shall show all designated transportation corridors (future right-of-way) on the project site plan.

The alignment shall be the basis for applying normal setbacks as specified in Section 8.01.00.E.3.b. Should the alignment be adjusted due to findings of an engineering study the setback may be reduced through administrative approval by the City Engineer up to, but not exceeding, ten percent of the otherwise required setback, provided that such reduction is necessitated solely by the final alignment of the right-of-way.

Reduction of required setbacks adjacent to the corridor (future right-of-way) may be considered in order to ensure that the location of structures do not encroach into future corridors (future right-of-way). A reduction of up to, but not exceeding, ten percent of the otherwise required setback may be approved administratively by the City Engineer, provided such reduction is necessitated solely by the proposed alignment of the corridor (future right-of-way). Setback reductions of greater than ten percent must be approved by the Board of Adjustments.

Multimodal Transportation District (MMTD)



Historical Perspective



What is the History of the MMTD?

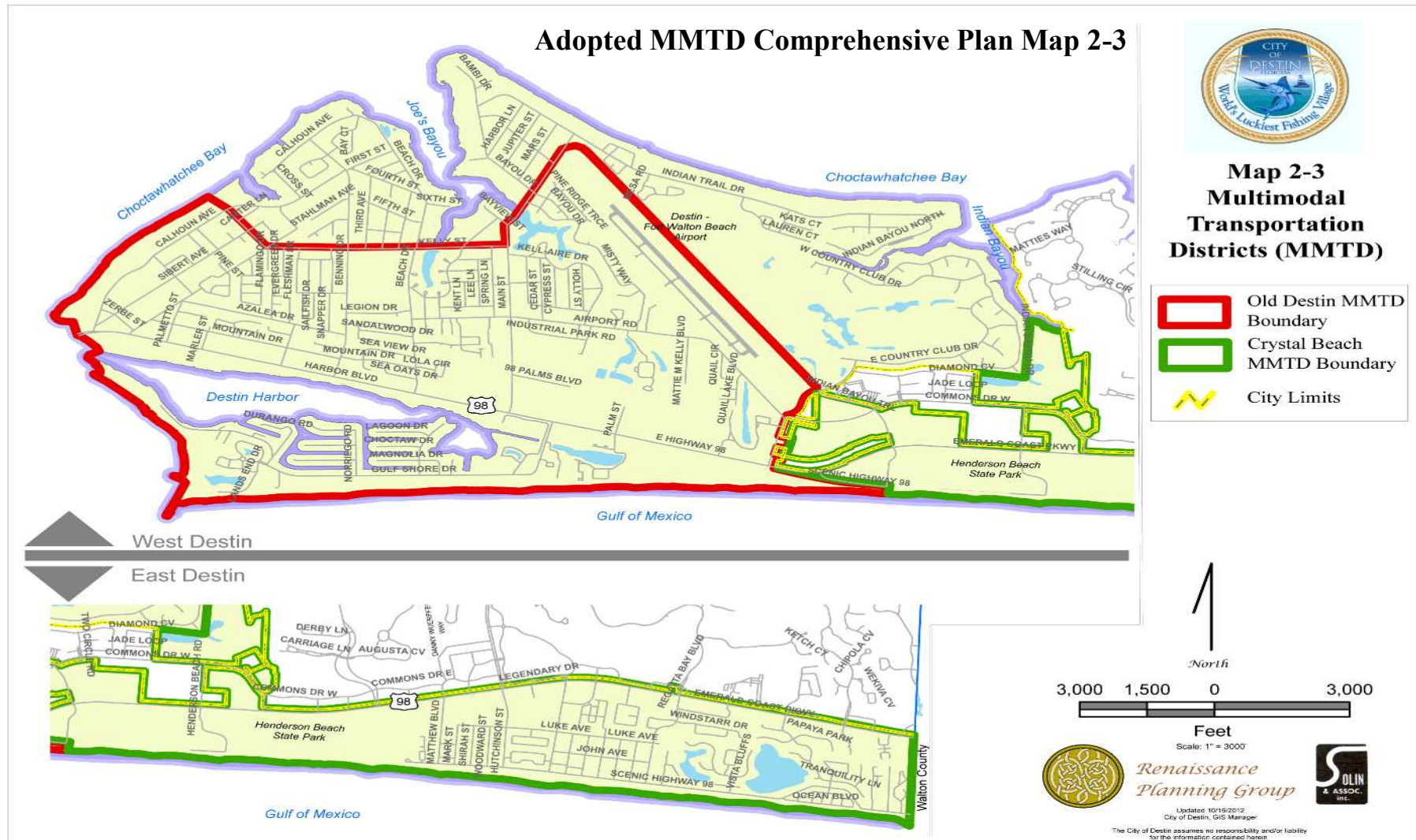
- The MMTD has been a **state mandated policy** requirement that transportation facilities be available concurrent with the impacts of development. *Chapter 163.3180(15)(d), F.S. (1999)*
- The MMTD **concurrency** is based on the development of a multimodal environment, rather than the traditional approach of addressing automobile capacity through road widening. As such, this encourages communities to reinforce development design elements that support walking, bicycling and transit use.
- The City **adopted the MMTD** through Comprehensive Plan amendment in 2005 to address the capacity constraints on Highway 98. Since then, it has been implemented through Land Development Code. Many municipalities throughout Florida have also adopted MMTDs.
- **However, in 2011 the State has now made transportation concurrency optional.**

Operation of the MMTD

Where in the City is the MMTD applied and how?

Applies to areas of the City conducive to development and redevelopment to support multimodal transportation and options when adding automobile capacity is limited.

- **Old Destin** – generally south of Kelly Street and west of Airport Road
- **Crystal Beach** – generally south Country Club Drive within the City limits east of Airport Road



What are the obligations of the Private Sector under the MMTD?

Requirements of the MMTD

- Comply with requirements designed to **promote pedestrian, bicycle, and transit use including:**
 - Pedestrian-oriented building design
 - Diverse and complementary land uses
 - Shorter block lengths for easier access and better-quality pedestrian environment
 - Pedestrian amenities
 - Transit stops.
 - Bicycle parking
- **Provide on-site and off-site (adjacent) multimodal facilities identified in the Pathways Master Plan and Transportation Corridor Management Plan including:**
 - ROW dedication
 - Roadway improvements
 - External and internal sidewalks
 - Bicycle lanes
 - Multiuse trails
 - Transit stops.

Requirements of the MMTD

What are the obligations of the Local Government under the MMTD?

- **Require development to comply with requirements designed to promote pedestrian, bicycle, and transit use** (flexible point system and multimodal mitigation fees up until 2018)
- **Develop an interconnected multimodal transportation network** through implementation of the:
 - Pathways Master Plan
 - Transportation Corridor Management Plan
- **Collect multimodal impact fees to fund the transportation improvements necessary to accommodate new development.**
- **Prioritize community parking over on-site parking.**
 - Establish parking districts where on-site parking is discouraged and the construction and use of off-site community parking structures is encouraged.
 - Explore parking and parking garage site identification and acquisition through funding options such as tax increment financing, various bond options, and public-private partnerships.
- **Monitor the MMTD** – Annual Transportation Concurrency Report (ATCA) and Biennial MMTD Monitoring Report

What has been the impact of MMTD?

Benefits and Challenges

BENEFITS of the MMTD:

Consistent with the **Comprehensive Plan Policy 2-1.3.1: Reduce Automobile Mobility**. The MMTD shall emphasize the reduction of automobile mobility and vehicle miles traveled per person, in addition to the reduction of greenhouse gas emissions, while promoting accessibility by all modes through redevelopment of the built environment through improvement of cycling, pedestrian, and transit networks the following are examples of benefits:

- a. **Multi-Modal level of service (LOS) scores since 2005 have improved for bicyclist and pedestrians**
- b. **Multimodal facility constructed between 2005-17**
(Biennial MMTD Monitoring Reports (2007-17)
 - Sidewalks – 11.6 miles
 - Bicycle lanes – 6.36 miles
 - Multiuse trails – 16.4 miles
- c. **Multimodal improvements programed in the Capital Improvement Program (CIP) for expenditure from 2009 to 15 totaled \$13,199,770.**
(Multimodal Regulations Audit (2015)
- d. **Transportation Corridor Management Plan**
 - Mattie Kelly Boulevard
 - North extension complete
 - South extension – ROW dedicated and partial construction underway with The Charles development
 - 98 Palms Boulevard
 - Portion of the ROW dedicated with the Vintage Destin development.
 - Sunchase Boulevard (future road north of the Airport)
 - Alignment through the Indian Bayou West DO currently under review.
 - Four mid-block signalized pedestrian crosswalks were constructed on Highway 98 in 2016
- e. **Community parking status:**
 - Marler Street Parking Lot completed in 2013
 - Zerbe Street Parking Lot improvements needed
 - Regulations for in-lieu parking fees established in the LDC but have not been taken advantage of yet.
- f. **Annual Transportation Concurrency Report (ATCA) and Biennial MMTD Monitoring Report were last completed in 2018.**

**What has been the
impact of MMTD?**

Benefits and Challenges

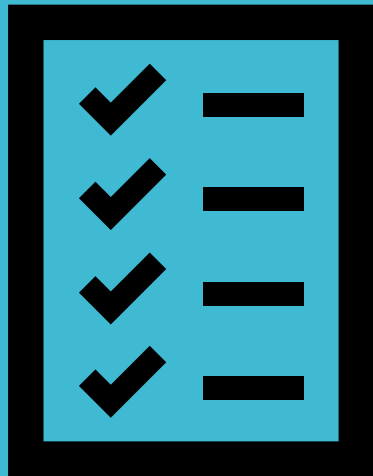
CHALLENGES of the MMTD:

Many of the on-site requirements designed to promote pedestrian, bicycle, and transit use were not implemented due to:

- a. Multimodal Transportation Currency Evaluation Certificate (CEC) flexible point scoring system based on the project location, size, and traffic impact allows developers to pick and choose what design elements would be provided (up to 2018).
- b. De minimis thresholds that exempt many expansion/redevelopment projects from providing any MMTD design requirements.
- c. Multimodal impact fee was adopted at roughly 30% of amount required to fund projects to offset impacts from new development.
Multimodal Regulations Audit (2015)
- d. Impact and mitigation fees collected from development projects completed from 2009 to 2015 totaled \$225,828.99 – only 2% of programed improvements.
(Multimodal Regulations Audit (2015))
- e. Transit ridership on routes serving Destin decreased by 41% from 2007-2017.
(Biennial MMTD Monitoring Reports (2007-17))

What are the options available to the City?

Options



- 1. Continue with the current transportation concurrency framework (MMTD).**
 - All projects pay multimodal impact fee (last updated in 2008)
 - Projects within the MMTD must also meet design standards as well as provide on-site and adjacent off-site multimodal improvements.
 - Projects outside the MMTD are subject to proportionate fair-share which only requires mitigation if the project impacts a facility outside the MMTD where a capacity issue is created by the development.
- 2. Remove transportation concurrency and require no impact fees (Revised MMTD).**
 - No mitigation required for new development.
 - City still responsible for ensuring acceptable LOS is maintained on the transportation network.
 - Design standards and on-site improvements could be still required.
- 3. Replace transportation concurrency (MMTD) with a mobility fee-based plan.**
 - Fees are shared by all developments creating the need for transportation system investments.
 - City defines the network and implementation schedule.
 - Design standards and on-site improvements will be required.

What other cities have adopted Mobility Plan and Fee?

Cities with Mobility Plan and Fee

The current Florida Statute 163.3180 (5) encourages communities to adopt mobility fee-based funding systems and disincentivizes any other transportation mitigation strategies.

Any alternative system that is not **mobility fee-based**, shall not be applied in a manner that imposes upon new development any responsibility for funding any existing transportation deficiency.

To comply with the State legislation and effectively mitigate impacts from development, **municipalities throughout Florida have been adopting a mobility plan and fee**. Examples are:

- **Panama City**
- **Jacksonville Beach**
- **Ormond Beach**
- **Gainesville**
- **Kissimmee**

Benefits of Mobility Plan and Fee



What are the reasons for considering Mobility Plan and Fee

Staff recommends that the City Council replace the MMTD with a Mobility Fee-Based Plan for the following reasons:

1. Allows greater flexibility in the collection and use of funds.
2. Promotes desired development patterns. For example, density and where to locate infrastructure facilities, such as, parking structures.
3. Mobility fees are shared by all developments creating the need for transportation system investments.
4. Current Florida Statutes, 163.3180(5), encourages a mobility fee-based plan with six tools and techniques to complement the fee.

Benefits of Mobility Plan and Fee



5. The City of Destin has already adopted four of the six policies outlined in the legislation. These include:

- **Provide long-term strategies to facilitate development patterns** that support multimodal solutions, including urban design, and appropriate land use mixes, including intensity and density. Currently implemented through **Comp Plan Policy 2-1.3.5**.
- **Adopt areawide level of service not dependent on any single road segment function.** Currently implemented through **Comp Plan Policy 2-1.2.3**.
- **Assigning secondary priority to vehicle mobility** and primary priority to ensuring a safe, comfortable, and attractive pedestrian environment, with convenient interconnection to transit. Currently implemented through **Comp Plan Policy 2-1.1.12**.
- **Establish multimodal level of service standards** that rely primarily on nonvehicular modes of transportation where existing or planned community design will provide adequate level of mobility. Currently implemented through **Comp Plan Policy 2-1.2.2**.
- The other two policies listed in the legislation relate to **exempting or discounting fees for locally desired development**, such as development in urban areas, redevelopment, job creation, and mixed uses on the transportation system. The current impact fees were adopted, in 2008, at discounted rates citywide to encourage continued development and have never been updated.

Any
Questions

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 1, 2021
TYPE OF AGENDA ITEM: Announcement

TO: City Council

THRU:

FROM:

DATE:

SUBJECT: Beach Cleaning - Status Update

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



AGENDA ITEM

COUNCIL MEETING DATE: March 1, 2021

TYPE OF AGENDA ITEM: City Manager Report

TO: City Council

THRU:

FROM:

DATE:

SUBJECT: Announcements

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



AGENDA ITEM

COUNCIL MEETING DATE: March 1, 2021

TYPE OF AGENDA ITEM: Public Hearing

TO: City Council

THRU: Lance Johnson, City Manager

FROM: Louis Zunguze, Community Development Director
Kimberly Kopp, Land Use Attorney

DATE: February 23, 2021

SUBJECT: First reading of Ordinance 21-01-LC - Amending Article 7, zoning and regulatory controls of the Land Development Code, permitting residential uses in the South Harbor Mixed Use zoning district in structures pre-dating incorporation of the City of Destin (1984)

I. BACKGROUND: At a public hearing during the regularly scheduled Local Planning Agency meeting on February 18, 2021, the LPA voted unanimously that the City Council approve proposed **Ordinance 21-01-LC**.

Policy 1-2.4.3(3) of the City's Comprehensive Plan, identifies the South Harbor Mixed Use future land use as designed to accommodate a festive marketplace, and encourage tourist commercial development designed to preserve waterfront views and water dependent activities. Additionally, long-term residential uses shall be prohibited within this area unless a minimum of 4,500 sq. ft. of "publicly leasable commercial space" is incorporated. Furthermore, the Land Development Code shall implement urban design principles that achieve a harmonious general appearance.

On February 18, 2021, the LPA unanimously recommended approval of the proposed ordinance.

II. DISCUSSION: The Land Development Code implements the intent of the **Comprehensive Plan Policy 1-2.4.3(3)** and includes additional design requirements to provide for a harmonious appearance and the health, safety and welfare of its citizens.

Proposed **Ordinance 21-01-LC** exempts structures built prior to the City's incorporation (1984), from this specific requirement regarding publicly leasable space due to the nonconforming nature of those properties, and potential compatibility issues with established long-term residential uses. However, any structures built after 1984 shall be

required to provide 4,500 sq. ft. of publicly leasable space.

A. Link to Strategic Goals / Objectives:

B. Effect on Budget (EOB):

C. Level of Service (LOS):

III. CONCLUSION:

Proposed **Ordinance 21-01-LC** exempts structures built prior to the City of Destin's incorporation (1984), located in the **South Harbor Mixed Use** zoning district, from providing a minimum of 4,500 sq. ft. of publicly leasable commercial space.

The proposed change to the ordinance is consistent with **Policy 1-2.4.3(3) of the City's Comprehensive Plan.**

IV. RECOMMENDED MOTION: I move to approve Ordinance 20-01-LC on first reading.

Attachments:

1. SHMU Commercial Component 2021

ORDINANCE NO. 21-01-LC

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING ARTICLE 7, ZONING AND REGULATORY CONTROLS, OF THE LAND DEVELOPMENT CODE; PERMITTING RESIDENTIAL USES IN THE SOUTH HARBOR MIXED USE ZONING DISTRICT IN STRUCTURES PRE-DATING INCORPORATION OF THE CITY OF DESTIN (1984); 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.

SECTION 1. AUTHORITY.

The authority for enactment of this Ordinance is Article 1, Section 1.01 (b) of the City Charter, Section 166.021, Florida Statutes and Chapter 163, Part II, Florida Statutes.

SECTION 2. FINDINGS OF FACT.

WHEREAS, the South Harbor Mixed Use zoning district is intended to preserve the area as a world-class fishing village that is open to the public and accommodates a mixed use festive market place; and

WHEREAS, the SHMU is intended to encourage commercial hotel, motel, bed and breakfast establishments, other commercial transient living accommodations, and short-term residential uses; and

WHEREAS, it is also the purpose of this zoning district to develop and maintain appropriate settings and environments for buildings, sites, and areas to enhance property values, stabilize the Harbor area, promote the tourist trade and interest, and foster knowledge of the city's living heritage; and

WHEREAS, the City Council in providing for the health, safety and welfare of its citizens finds that the City should allow residential uses without a commercial component in structures built before incorporation of the City in 1984, only; and

WHEREAS, the City Council has determined that this ordinance is consistent with the adopted comprehensive plan and is in the best interests of the City and its citizens; and

WHEREAS, a public hearing has been conducted after due public notice by the Local Planning Agency and its recommendations reported to the City Council; and

WHEREAS, a public hearing has been conducted by the City Council after due public notice.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DESTIN, FLORIDA, AS FOLLOWS:

NOTE: Language in all sections of this ordinance that is ~~strike-thru~~ is language proposed to be deleted, underline language is language to be added, language that is not in strike-thru or underlined is not to be changed. The symbol *** represents sections of the Land Development Code that have been skipped and remain unchanged.

SECTION 3. AMENDMENT TO TABLE 7-2 “TABLE OF ALLOWABLE USES”

S. *South Harbor Mixed Use (SHMU)*. The South Harbor Mixed Use zoning district implements Future Land Use Element Policy 1-2.4.3(3), South Harbor Mixed Use of the Comprehensive Plan.

1. Purpose and intent. The South Harbor Mixed Use zoning district is intended to preserve SHMU area as a world-class fishing village that is open to the public and accommodates a mixed use festive market place. The SHMU zoning district accomplishes these goals by encouraging tourist commercial development designed to preserve waterfront views, preserve water dependent activity, foster a pedestrian-oriented environment, and promote convenient public access to the harbor boardwalk and charter fishing opportunities for the public. It is the intent of the this zoning district to encourage commercial hotel, motel, bed and breakfast establishments, other commercial transient living accommodations, and short-term residential uses. Residential uses shall be prohibited within the SHMU area, unless such residential developments incorporate a minimum of 4,500 square feet of "publicly leasable commercial space" (e.g. retail, office, restaurant, etc...). However, residential uses shall be permitted within structures constructed prior to 1984 (incorporation of the City of Destin) and shall be exempt from this requirement for 4,500 square feet of “publicly leasable commercial space.” The term "publicly leasable commercial space" shall mean: a space that is open to the public to lease and use; not a space or use that is exclusively for the owners or guest of the residential development in question; shall be heated and cooled square footage; and shall not constitute that portion of the harbor boardwalk that is reserved for ingress and egress for public use. The purpose of requiring this minimum publicly leasable commercial space is to foster and encourage access by the public to the development and the harbor boardwalk. Additionally, parcels⁴ having frontage on the Harbor shall provide in their development a commercial storefront equal to a minimum of 50% of the width of the property along the harbor front. Such commercial storefront may be distributed between the first three floors of the building facing the harbor and all three floors must be accessible by pedestrians from the Harbor side of the development.

SECTION 4. INCORPORATION INTO LAND DEVELOPMENT CODE. This ordinance shall be incorporated into the City of Destin's Land Development Code and any section or paragraph number or letter and any heading may be changed or modified as necessary to effectuate the foregoing.

SECTION 5. CONFLICTING PROVISIONS. Special Acts of the Florida Legislature applicable to the incorporated area of the City of Destin, City Ordinances and City Resolutions, or parts, thereof, in conflict with the provisions of this ordinance are hereby superseded by this ordinance to the extent of such conflict.

SECTION 6. SEVERABILITY. If any section, phase, sentence, or portion of this Ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

SECTION 7. EFFECTIVE DATE. This ordinance shall become effective upon its adoption by the City Council and signature by the Mayor.

ADOPTED THIS ____ DAY OF MARCH, 2021.

By: _____
Gary Jarvis, Mayor

ATTEST:

The form and legal sufficiency of the foregoing has been reviewed and approved by the City Land Use Attorney for the City of Destin, only.

Rey Bailey, City Clerk

Kimberly Kopp, City Land Use Attorney

First Reading: _____
Second Reading: _____

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 1, 2021

TYPE OF AGENDA ITEM: Action Item

TO: City Council

THRU: Kyle Bauman, City Attorney
 Matthew Pace, IT Manager
 Michael Burgess, Public Services Director
 Joey Forgione, Code Compliance Manager
 Louis Zunguze, Community Development Director
 Lance Johnson, City Manager

FROM: Webb Warren, Deputy City Manager

DATE: 2/22/2021

SUBJECT: Passport Contract Amendment

I. BACKGROUND: In 2017, the City of Destin began to use the Passport Paid Parking System to manage parking in City parking lots in the Harbor District. In 2019, Paid parking was later expanded to beach area parking in Crystal Beach and Holiday Isle.

The purpose of the paid parking system is:

- 1.) To provide public parking throughout the city
- 2.) Help manage non-intended use of public parking spaces (aka - use of Community Center parking lot, long-term parking, overflow short-term rental parking consuming beach parking spaces)
- 3.) Improve availability of public parking spaces in high-use areas
- 4.) A dedicated revenue source to maintain public parking spaces

II. DISCUSSION: The City of Destin uses the Passport App to manage paid parking in Destin. It eliminates the expensive cost of installing and maintaining traditional parking meters. Users can use a smartphone app or call a number to pay for parking spots in the paid parking areas. Residents have the ability to receive a free parking pass for the beach paid parking lots. Code Compliance also has the ability to enforce paid parking through the Passport app. The app is an efficient way to manage a paid parking system and drastically reduces the manpower required to maintain a traditional paid parking system.

Passport is expanding the ability of their system to incorporate additional ways to pay for paid parking. Some of these capabilities include paying through car navigation systems and

other existing payment applications commonly found on smartphones. In order to utilize these features, the City will have to agree to a contract amendment (Att1)

A. Link to Strategic Goals / Objectives: Management Objectives

Balance staffing resources with expectations

Strategic Focus 2025

Financially Sound City Providing Service Value

Council Objectives FY20

Improve parking: Explore options, garage, surface

B. Effect on Budget (EOB): None

C. Level of Service (LOS): Improve

III. CONCLUSION: This passport contract amendment comes at no additional cost to the City of Destin. It improves the ability for customers to easily pay for parking within paid parking districts by expanding the number of smartphone apps, car in-dash systems and other digital platforms that are able to access the passport system.

IV. RECOMMENDED MOTION: I move that Council direct the City Manager to execute the second amendment to the Passport Contract.

Attachments:

1. Att1 - Destin FL - Second Amendment - Passport Inc - clean
2. Att2 - Passport Contract Amend - Citation Mgmt Feb 5 2018
3. Att3 - Passport Parking, Inc 2017 Marler Street Parking Lot



Second Amendment to Agreement

Reference is made to that certain Agreement (the “Agreement”) by and between Passport Labs, Inc. (formerly known as PassportParking, Inc.) by (“Passport”) and the City of Destin, Florida (“Provider”) dated February 2, 2017 (Passport and Provider are collectively referred to as the “Parties”), as amended by that certain First Amendment dated February 8, 2018 (the “First Amendment”). This Second Amendment to Agreement dated March __, 2021, shall hereinafter be referred to as the “Second Amendment.”

In order to expand the management data available to Provider and to improve access and the user experience for a broader group of individuals wishing to pay for parking and engage in related transactions via channels other than the mobile payments for parking platform provided by Passport, the Parties desire to amend the Agreement and First Amendment as follows, which shall be effective as of the last date specified below the Parties’ signatures:

1. The following language is added to the Agreement with respect to mobile payment for parking (“MPP”) terms:

Third Party Providers:

Passport may, at its option, allow the use of third-party providers (each a “Third Party Provider”) interfaces for initiating parking transactions or to enhance the mobility experience, including any and all possible methods available to parkers to request the right to access and occupy a parking space or otherwise-denominated curb space for any period of time (in accordance with Provider’s applicable rates, rules, ordinances, and regulations). Such interfaces will include, but not be limited to, in-dash vehicle systems, navigation systems (whether in-dash or smartphone-based), business intelligence solutions, and mobile payments for parking applications other than Passport’s MPP (each an “Interface”).

Should Passport exercise this option, such Third Party Provider(s) shall contract directly with Passport to establish the integrations necessary for Passport to facilitate all mobile payments for parking sessions and related transactions for the Third Party Provider(s) and its end users. The term “facilitate” includes, but is not limited to: providing software that performs (a) all tasks related to parking rights management, including the calculation of parking session prices, (b) the management of rates, rules, and restrictions and zones, spaces, or other units of parking or curbside inventory; (c) transactional reporting; (d) tasks related to transmission of parking rights data to parking enforcement systems and any data processing systems; (e) tasks related to refund issuance, parking rule management, reconciliation of funds, invoicing, and other administrative functions; and (f) all back-office management interfacing necessary to manage the foregoing and all other tasks necessary or desirable for Passport to effectively manage the issuance and processing of parking rights on behalf of Provider (the “Shared Services”). For parking transactions initiated via a Third Party Provider’s Interface, payment processing must be conducted and processed by Passport.

The Parties acknowledge and agree that a Third Party Provider may configure and control the feature set of its own Interface so long as it is capable of performing the functions required to interact with Passport's platform and execute parking transactions as designated in the scope of work in the base agreement, as applicable. The Provider further acknowledges and agrees that certain data received from Third Party Providers may be more limited than what Passport can provide to Provider via Passport's MPP and may need to be provided, if at all, in an aggregated and/or anonymized basis; Passport shall, however, use commercially reasonable efforts to supply such data as may be reasonably requested by Provider for its internal purposes.

To utilize the Shared Services, each Third Party Provider will be required to integrate with application programming interface endpoints provided by Passport, which cannot be accessed or utilized by such Third Party Provider prior to the execution of a standalone contract with Passport governing the access, use, pricing, disclosure, and governance of the Shared Services consistent with the foregoing paragraphs and as otherwise determined by Passport in its sole discretion.

Except in the case of Third-Party Providers pursuant to the foregoing paragraphs, Passport shall be the exclusive mobile payments for parking service provider for Provider during the term of this Agreement.

2. Notwithstanding any existing data rights in the Agreement, the following data rights are applicable only with respect to Third Party Provider transactions facilitated on Passport's platform:

Operational data is data specific to the Provider's operation that is provided by Provider to Passport to be used in the providing of services. Operational data is specific to the Provider's operation, which is not available to Passport publicly or by other means. Operational data may include, but is not limited to, zone information, rate information, operational schedules, business metrics, relevant details of partner agreements. In each case, Operational data may refer to past, present, or future states of such items.

Operational data is the sole and exclusive property of the Provider. The Provider grants Passport a perpetual, irrevocable, royalty-free, non-exclusive, non-assignable, and non-transferable license to Operational data, provided that Passport may share such Operational data with Third Party Providers only to the extent necessary to enable the Shared Services.

3. Section I. General Terms, Termination Section is amended as follows: sixty-days written notice shall be replaced with ninety (90) days written notice.
4. The following language is added to Section II. Mobile Payment for Parking Terms, "Equipment Provided by Passport" section:

All signs must remain in place through the official end date of the Agreement.

5. Except as expressly amended herein, the remainder of the Agreement and First Amendment remain in full force and effect.

Agreed to and accepted by:

Passport Labs, Inc.

City of Destin, FL

By: _____

Printed Name: Khristian Gutierrez

Title: CRO

Date : _____

By: _____

Printed Name: _____

Title: _____

Date: _____

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: February 5, 2018
TYPE OF AGENDA ITEM: Consent

TO: Mayor and City Council
THRU: City Manager, Carisse LeJeune *CLJ*
FROM: Deputy City Manager, Steven Schmidt
DATE: January 23, 2018
SUBJECT: Passport Contract Amendment for Citation Management

I. BACKGROUND: At the request of Council, staff investigated various parking payment applications and reported back on the styles of paid parking systems. At its regular meetings on November 15, 2015, April 18, 2016, and August 5, 2016, staff provided comprehensive overview of paid parking systems and potential locations. At its regular meeting on November 21, 2016, Council requested that staff solicit proposals/bids from companies competing with Passport Parking, Inc., the company that originally reached out to the city regarding its services, and staff made a considerable effort to find and research comparable companies in order to find the best fit for the City's trial of paid parking for the Marler Street parking lot. The result, based on their size, experience, market position, and local experience, was the selection of Passport for the mobile pay for parking system at the Marler Street lot, approved by Council at its meeting on January 3, 2017.

Passport has recently received an injection of \$43 million dollars from Bain Capital Ventures and is poised to be a market leader in the quickly-growing mobile pay-for-parking industry. Staff has also been exploring Passport's parking enforcement software system, which appears to offer significant benefits and lends a certain simplicity to parking enforcement for the city, not just in the pay for parking lots, but also for right-of-way parking violations throughout the city.

II. DISCUSSION: At its regular meeting on December 4, 2017, Council voted unanimously to expand paid parking to the Zerbe Street lot, and staff is working on preparing the lot and coordinating with Passport to create the necessary signage for inclusion in the program prior to spring break. This work can be completed under the current contract with Passport. At that time, staff was still evaluating the Passport enforcement program and did not include that option for parking enforcement in the report. It has recently been determined that the Passport enforcement system offers compelling advantages over the City's current method of issuing parking citations and processing them through the County Clerk of Court system.

Under the Passport enforcement system, parking (code) enforcement officers will be issued Android-based handheld device "kits" (phone and printer) for on-site recording and issuance of printed tickets. Four kits (including setup) would be provided at a cost of \$850 each, plus the cost of waterproof thermal print paper and shipping. With these kits, code enforcement officers can identify parking violations and issue citations on-the-spot. Violators have the option of paying for their citations utilizing the same mobile pay system as is used to pay for parking. Response in this manner is reportedly very high, averaging (among municipal clients) 80% of all citations in immediate payments. Passport charges a three dollar (\$3.00) fee to the city for voluntary

payment of the ticket in this manner, which results in a much higher return for the city, per \$30 ticket, than is realized using the Clerk of Court. For any non-paying violators, Passport will handle collection, charging \$1.25 per notification letter and, if that's not successful, will receive 30% of the escalated (original ticket amount plus any penalties) collection amount. This system can be employed for parking enforcement throughout the city, not just for paid parking lots. If a parker appeals a citation online, Passport will notify the Clerk's office. From there, the Clerk's office can email the parker using Passport's backend system, and continue its normal process in hearing appeals of citations.

The benefits to this system are obvious; it frees code enforcement officers from the responsibility for collections, allowing them to focus on other duties. It results in a quicker resolution and higher return of the citation fees to the city, as it eliminates any administrative responsibilities and any fees or costs for the sheriff's department or Clerk of Court. It provides a uniform method of issuing citations and collecting fines throughout the city. In short, it reduces the difficulty of issuing and administering citations while simultaneously increasing the percentage of citation fees received by the city.

- A. **Link to Strategic Priority:** Goal 3A1, Increase and optimize harbor area parking; explore city parking regulations and requirements; expand pay-to-park.
 - B. **Effect on Budget (EOB):** Paid parking can provide an additional income stream for the City, which can be earmarked for additional parking acquisitions and improvements. Expenses for expanding the program to the Zerbe lot and for the Citation Management Platform can be gleaned from existing parking fee revenues and/or quickly recovered from future parking and citation revenues.
 - C. **Level of Service (LOS):** Selected private parking lots in the Harbor District are already beginning to charge for parking. Charging for parking in City lots helps to establish consistency throughout the district, and provides an opportunity for future income that can be dedicated to parking improvements, thereby increasing the level of service.
- III. **CONCLUSION:** Expanding the existing mobile pay for parking system to include the Zerbe lot will not require a modification of the existing Passport Agreement; however, implementation of Passport's Citation Management Platform requires an amendment to the agreement and up to four thousand dollars (\$4,000.00) in the expense of equipment for enforcement. As noted above, the expenses can be utilized from existing or recovered from future parking and citation revenues.
- IV. **RECOMMENDED MOTION(S):** "I move that City Council approve utilization of the Passport Citation Management Platform, and authorize the City Manager to execute the Amendment to the Agreement with Passport Parking, Inc. to enable Platform to be utilized for parking enforcement by the city."



First Amendment to Agreement

Reference is made to that certain Software License and Service Agreement (the "Agreement") dated February 2, 2017 by and between Passport Labs, Inc. (formerly known as PassportParking, Inc.) ("Passport") and City of Destin ("Provider") (Passport and Provider are collectively referred to as the "Parties"), a copy of which is attached hereto as Exhibit A.

The Parties desire to amend the Agreement as follows, which shall be effective as of the last date specified below the Parties' signatures:

1. A new Section III to the Agreement, as follows, shall be added:

III. CITATION MANAGEMENT PLATFORM (CMP) TERMS

Equipment:

- a) Provider must purchase a sufficient number of Android-based handheld devices for each parking enforcement officer to have access to one device while conducting parking enforcement activities
- b) Passport will provide custom setup for Android devices, including installing and configuring the Software and pairing the device with a Bluetooth-enabled printer for an additional fee of \$300.00
- c) Provider shall purchase from Passport four citation managements kits, each consisting of an Android-based handheld device and Bluetooth-enabled printer (including setup), for \$850/per kit
- d) Provider must maintain at its sole cost one wireless data plan for each Android device
- e) Provider must possess at least one Bluetooth-enabled printer per Android device described above
- f) If Provider chooses to purchase additional Bluetooth-enabled printers through Passport, the price for a Zebra zq320 (or substantial equivalent) is \$600.00 with charger
- g) In addition to the unit costs per Bluetooth-enabled printer above, Provider will be responsible for paying all shipping costs and printer paper costs
- h) If Provider orders custom printer paper through Passport, Provider will be responsible for paying the costs of creating, printing, and shipping such custom paper plus a 12% service fee to Passport. Passport is unable to provide estimated costs until specific details of Provider's order have been confirmed due to the variable costs of its 3rd Party.

Collection Support (Passport will Provide the Selected Services):

- a) Passport will provide an online payment portal through which parking violators may pay outstanding parking citations
- b) After 15 days, parking citations issued by Provider will escalate in price and Passport will automatically generate and send a letter to each parking citation recipient for which Passport has necessary state licensure authorization to perform a driver record lookup informing such parking citation recipient that there is an outstanding parking citation and that the citation amount has increased

c) Passport will send a second letter 30 days after issuance for each applicable citation that remains unpaid at that time

2. Section III. Fees of the Agreement shall be renumbered to: Section IV. Fees

3. Additional fees shall be added to the fee table in Section IV. Fees, as follows:

CMP Service and License Fee Per Ticket Paid	\$3.00
Additional CMP Service and License Fee Per Ticket Paid After Citation Amount Escalation	30% of escalated citation amount
Cost Per Notification Letter Sent by Passport	\$1.25

4. MPP and CMP fees shall accrue toward the Monthly Minimum specified in Section IV. Fees.

5. Except as expressly amended herein, the remainder of the Agreement remains in full force and effect.

Agreed to and accepted by:

Passport Labs, Inc.

City of Destin

By: _____
Printed Name: _____
Title: _____
Date: _____

By: _____
Printed Name: _____
Title: _____
Date: _____

EXHIBIT A

SOFTWARE LICENSE AND SERVICE AGREEMENT

The following terms, including the terms and conditions found in all Exhibits (the "Agreement"), represent the full understanding of PassportParking, Inc. ("Passport") and the Party named below ("Provider" and with Passport, the "parties" and each individually a "Party"). In exchange for the mutual covenants herein and other good and valuable consideration, the Parties agree and intend to be bound as follows:

I. GENERAL TERMS

Provider Legal Name: City of Destin		Contact: Steven R. Schmidt	
Email: sschmidt@cityofdestin.com		Phone: (850) 837-4242	
Provider Contact Address: City of Destin 4200 Indian Bayou Trail Destin, Florida 32541		Provider Billing Contact Address: City of Destin 4200 Indian Bayou Trail Destin, Florida 32541	
Offer Expiration:		If not accepted by Provider, this offer will expire on February 16, 2016	
Effective Date: <i>FEBRUARY 2, 2017</i>			
Launch Delays: If Provider fails to launch the MPP, as applicable, within ninety (90) days after the Effective Date above, Provider will pay a monthly platform fee to Passport equal to the lesser of \$1,500.00 or any applicable monthly fee per platform (MPP) for which the launch has been delayed beyond ninety (90) days from the Effective Date.			
Services: Passport will provide services (the "Services") and license all software, including all web and mobile applications and related documentation, (the "Software") necessary for Provider to operate: a mobile payment for parking program ("MPP") which allows all parking customers in any parking facilities owned or managed by Provider (the "Premises") the ability to pay for parking using a smartphone application or mobile web application;			
Governing State Law:		Florida	
Termination: This Agreement will continue from the Effective Date on a month-to-month basis unless either Party terminates this Agreement for convenience by providing sixty-days written notice to the non-terminating Party.			

II. MOBILE PAYMENT FOR PARKING TERMS

Equipment Provided by Passport:	Initial Signs: 10	Initial Decals: 0
<p>Installation: Provider will be solely responsible for installing all signs and decals in the Premises. This obligation includes the responsibility to provide all hardware necessary to affix and display signs and decals, including without limitation, all hooks, poles, posts, brackets, screws, bolts, and nuts</p>		
<p>Marketing Services: Passport will provide the marketing services described in Exhibit C for the fees listed therein.</p>		
<p>Ancillary Fees:</p> <ul style="list-style-type: none"> a) Zone setup fees of three dollars (\$3.00) per space have been <i>WAIVED</i> b) Initial Signage and Sticker fees have been waived up to unit prices of twenty dollars (\$20.00) per sign and three dollars (\$3.00) per decal c) Provider will pay a ten dollar (\$10.00) administrative fee over sign and shipping costs per sign for any replacement signs purchased through Passport d) Provider will pay a one dollar (\$1.00) administrative fee over decal and shipping costs per decal for any replacement decals purchased through Passport e) Passport will provide a design file to allow Provider to print replacement signs and decals f) Provider will reimburse Passport for any and all reasonable travel, lodging, and food expenses incurred by Passport employees while traveling at Provider's request. g) Provider will pay a custom design fee of one thousand five hundred dollars (\$1,500.00) for changes to the design of Passport's signs and decals. h) All other fees and charges contained in all other Exhibits 		
<p>Merchant Validation Program: Passport will provide the option for local merchants to validate parking in the Premises. Each merchant that wishes to issue validation codes to parking customers in the Premises will be required to create a prepaid account out of which validation payments will be made. Passport will be the merchant of record for these accounts, and any parking fees (excluding Passport per transaction fees) paid through validation by local merchants will be transferred to Provider in the form of bill credits each month</p>		

III. FEES

Per Transaction MPP Service and License Fee	\$0.25
Maximum Convenience Fee Passed through to Parking Customers:	\$0.25
Monthly Minimum MPP Fees:	\$250.00
<p>Monthly Minimum: If the total per transaction fees paid to Passport as a result of Provider's use of the MPP during any month are less than the monthly minimum fees, then, in addition to the fees above, the Provider will pay the difference between the amount actually collected ("Paid") and the monthly minimum MPP fees ("Minimum") as follows:</p> <p><i>Additional Amount Payable to Passport = Minimum - Paid</i></p>	
<p>Merchant Processing Costs: Provider will be responsible for paying all merchant processing costs, including, without limitation, settlement fees, payment gateway fees, chargeback fees, and interchange reimbursement fees.</p>	
Merchant of Record for Transactions:	X Passport Provider
Passport Merchant Processing Rate Per Transaction:	2.9% + \$0.30
Payment Gateway Provider:	X Passport Other
Passport Gateway Fee Per Transaction:	\$0.05

This Software License and Service Agreement ("Agreement") is entered into, as of the Effective Date first written above, between PassportParking, Inc. and the Provider named above. This Agreement includes and incorporates the terms and conditions found in this document, the Standard Terms and Conditions found in Exhibit A, and the terms and conditions found in all other Exhibits hereto. There shall be no force or effect to any different terms of any related purchase order or similar form even if signed by the parties after the date hereof.

PassportParking, Inc:

Provider:

By: _____

By: _____

Name: Christina Gutierrez

Name: Carisse LeJeune

Title: CBDO

Title: City Manager

STANDARD TERMS AND CONDITIONS ATTACHMENT

SERVICE LEVELS

PASSPORT WILL PROVIDE HOSTING FOR THE SOFTWARE IN ACCORDANCE WITH ALL LOCAL LAWS AND REGULATIONS. PASSPORT'S SOLE AND EXCLUSIVE OBLIGATION IN THE EVENT OF AN ERROR OR INTERRUPTION OF THE SOFTWARE IS TO USE PASSPORT'S BEST EFFORTS TO RESTORE OR REPAIR THE SOFTWARE AS QUICKLY AS PRACTICABLE.

SYSTEM UPTIME

PASSPORT WILL PROVIDE THE SOFTWARE WITH UPTIME OF AT LEAST NINETY-NINE PERCENT (99%) CALCULATED OVER A ROLLING SIX-MONTH PERIOD ("UPTIME GUARANTEE"). FOR ANY MONTH DURING WHICH SYSTEM UPTIME DROPS BELOW THE UPTIME GUARANTEE, PASSPORT WILL PROVIDE A BILLING CREDIT IN AN AMOUNT EQUAL TO: THE PERCENTAGE DIFFERENCE BETWEEN A) THE LOWEST UPTIME REACHED AT ANY POINT DURING THE MONTH (CALCULATED ON A ROLLING SIX MONTH PERIOD) AND B) THE UPTIME GUARANTEE MULTIPLIED BY THE TOTAL FEES PAYABLE TO PASSPORT FOR SUCH MONTH. FOR EXAMPLE, IF DURING A GIVEN MONTH THE SOFTWARE UPTIME FELL AS LOW AS NINETY-FIVE PERCENT (95%) AND DURING THAT MONTH, THE FEES PAYABLE TO PASSPORT WERE ONE HUNDRED DOLLARS (\$100.00), PASSPORT WOULD ISSUE A BILLING CREDIT OF FOUR DOLLARS (\$4.00). FOR THE PURPOSES OF THIS AGREEMENT, UPTIME IS DEFINED AS ANY PERIOD OF TIME DURING WHICH END USERS OF THE SOFTWARE CAN USE THE SOFTWARE TO PAY FOR PARKING, PAY FOR MOBILE TICKETS, OR ISSUE PARKING CITATIONS, AS APPLICABLE.

DATA OWNERSHIP

PASSPORT HEREBY ACQUIRES A PERPETUAL LICENSE, SUBJECT TO REVOCATION BY END USERS, TO STORE, DISPLAY, TRANSMIT, AND USE ALL DATA PROVIDED BY PARKING CUSTOMERS AND ALL DATA STORED, CREATED, OR TRANSMITTED BY PASSPORT AS A RESULT OF ANY END USER'S USE OF ANY COMPONENT OF THE SOFTWARE, STRICTLY IN ACCORDANCE WITH PASSPORT'S PRIVACY POLICY, WHICH PASSPORT WILL PROVIDE UPON PROVIDER'S REQUEST AND WHICH PASSPORT RESERVES THE RIGHT TO UPDATE OR MODIFY FROM TIME TO TIME. PASSPORT HEREBY ACQUIRES A

NON-REVOCABLE PERPETUAL LICENSE TO STORE AND USE ANY DATA CREATED AS A RESULT OF THE PROVIDER'S USE OF THE SOFTWARE FOR ITS INTERNAL BUSINESS PURPOSES. UPON THE EXPIRATION OR TERMINATION OF THIS AGREEMENT, PASSPORT WILL PROVIDE A COPY OF ALL DATA ASSOCIATED WITH END USERS AND THEIR ASSOCIATED TRANSACTIONS IN THE PREMISES TO PROVIDER IN A MUTUALLY AGREED MACHINE-READABLE FORMAT WITHIN THIRTY (30) DAYS AFTER RECEIPT OF A WRITTEN REQUEST FOR SUCH DATA FROM PROVIDER.

INTELLECTUAL PROPERTY

- (a) PROVIDER HEREBY ACQUIRES A REVOCABLE, NON-EXCLUSIVE, NON-ASSIGNABLE, NON-TRANSFERRABLE, AND NON-SUBLEASEABLE RIGHT AND LICENSE TO USE AND ACCESS THE SOFTWARE FOR ITS INTERNAL BUSINESS PURPOSES. ALL INTELLECTUAL PROPERTY RIGHTS INCLUDING, WITHOUT LIMITATION, TRADE NAMES, SOURCE CODE, TRADEMARKS, COPYRIGHTS, PATENTS, AND TRADE SECRETS, NOT EXPLICITLY GRANTED TO PROVIDER IN THIS AGREEMENT ARE RESERVED TO PASSPORT.
- (b) PROVIDER WILL NOT, DIRECTLY, INDIRECTLY, ALONE, OR WITH ANOTHER PARTY, (I) COPY, DISASSEMBLE, REVERSE ENGINEER, OR DECOMPILER THE SOFTWARE OR ANY SUBPART THEREOF; (II) MODIFY, CREATE DERIVATIVE WORKS BASED UPON, OR TRANSLATE THE SOFTWARE OR SOURCE CODE; (III) TRANSFER OR OTHERWISE GRANT ANY RIGHTS IN THE SOFTWARE OR SOURCE CODE IN ANY FORM TO ANY OTHER PARTY; (IV) ATTEMPT TO DO ANY OF THE FOREGOING OR CAUSE OR PERMIT ANY THIRD PARTY TO DO OR ATTEMPT TO DO ANY OF THE FOREGOING, EXCEPT AS EXPRESSLY PERMITTED HEREUNDER.

TECHNICAL SUPPORT

PROVIDER WILL FIELD ALL SUPPORT CALLS AND EMAILS FROM END-USERS. PASSPORT WILL PROVIDE SECOND TIER TECHNICAL SUPPORT TO END USERS WHERE PROVIDER'S SUPPORT REPRESENTATIVE IS UNABLE TO PROVIDE A SATISFACTORY RESOLUTION TO A END-USER SUPPORT INQUIRY AND REQUIRES ESCALATED TECHNICAL SUPPORT FROM PASSPORT. IN THIS CAPACITY AS PROVIDER'S ESCALATED TECHNICAL SUPPORT RESOURCE, PASSPORT WILL PROVIDE LIVE TELEPHONE SUPPORT MONDAY-FRIDAY FROM 9AM-5PM ET. PASSPORT WILL ALSO PROVIDE EMAIL SUPPORT. ALL EMAIL SUPPORT INQUIRIES WILL BE ANSWERED WITHIN TWO (2) HOURS DURING BUSINESS HOURS AND TWENTY-FOUR (24) HOURS DURING NON-BUSINESS HOURS. THESE HOURS APPLY ON ALL PASSPORT HOLIDAYS.

CUSTOM DESIGN REVISION FEES

FOR ANY CUSTOM DESIGN OR CONTENT ALTERATION SERVICES REQUESTED BY PROVIDER, INCLUDING WITHOUT LIMITATION, CUSTOMIZED SIGNAGE, CUSTOMIZED DECALS, CUSTOMIZED LOGOS, CUSTOMIZED WEBSITE CONTENT, CUSTOMIZED NOTIFICATION LETTER LANGUAGE, CUSTOMIZED PARKING CITATION LANGUAGE, OR ANY CUSTOM DESIGN WITHIN THE SOFTWARE PLATFORM, PASSPORT WILL PROVIDE A PROOF OF CONCEPT DESIGN, FOR NO ADDITIONAL FEE. PASSPORT WILL ALSO PROVIDE ONE REVISED VERSION OF THAT INITIAL PROOF OF CONCEPT BASED ON PROVIDER'S INPUT. PROVIDER WILL PAY A ONE THOUSAND DOLLAR (\$1,000.00) FEE PER PROOF OF CONCEPT REVISION FOR EACH REQUESTED REVISION THEREAFTER. AFTER PROVIDER'S ACCEPTANCE OF THE PROOF OF CONCEPT, PASSPORT WILL CREATE A FINAL DESIGN DRAFT, FOR NO ADDITIONAL FEE, PASSPORT WILL ALSO PROVIDE ONE REVISED VERSION OF THAT FINAL DESIGN DRAFT BASED ON PROVIDER'S INPUT. PROVIDER WILL PAY A ONE THOUSAND DOLLAR (\$1,000.00) FEE PER FINAL DESIGN REVISION THEREAFTER. THE FEES IN THIS SECTION WILL NOT NEGATE THE APPLICABILITY OF ANY OTHER FEE PAYABLE FOR CUSTOM DESIGN SERVICES, INCLUDING ANY PRIVATE LABEL FEES, CUSTOM DEVELOPMENT FEES, OR CUSTOM SIGNAGE FEES.

TRANSLATION SERVICES

IF PROVIDER REQUESTS THAT PASSPORT PROVIDE A VERSION OF ANY MOBILE APPLICATION OR MOBILE WEB

APPLICATION INCLUDED IN THE SOFTWARE IN ANY LANGUAGE OTHER THAN ENGLISH, PROVIDER WILL PAY A ONE THOUSAND FIVE HUNDRED DOLLAR FEE (\$1,500.00) FOR PASSPORT TO PERFORM OR SUBCONTRACT THE NECESSARY TRANSLATION SERVICES. PASSPORT WILL PROVIDE AN INITIAL VERSION OF ALL TRANSLATED TEXT. FOR NO ADDITIONAL FEE, PASSPORT WILL ALSO PROVIDE ONE REVISED VERSION OF SUCH TRANSLATION BASED ON PROVIDER'S INPUT. PROVIDER WILL PAY A ONE THOUSAND DOLLAR (\$1,000.00) FEE PER REVISION FOR EACH REQUESTED REVISION THEREAFTER.

WALLET SERVICES

PROVIDER MAY ELECT TO PROVIDE PARKING CUSTOMERS WITH A VIRTUAL WALLET (A "WALLET PROGRAM"). WITH A WALLET PROGRAM, PARKING CUSTOMERS WOULD BE REQUIRED TO PREPAY FUNDS INTO A WALLET ACCOUNT FOR THE PAYMENT OF FUTURE PARKING FEES AND/OR TRANSIT TICKET FARES.

MARKETING SERVICES

THE MARKETING AND PUBLIC RELATIONS SERVICES AND MATERIALS, IF ANY, PROVIDED BY PASSPORT AND ANY OPTIONAL MARKETING SERVICES, INCLUDING ASSOCIATED FEES, CAN BE FOUND IN EXHIBIT C OF THIS AGREEMENT. THE MARKETING SERVICES TO BE PERFORMED BY PROVIDER AT PROVIDER'S SOLE COST, IF ANY, CAN BE FOUND IN EXHIBIT D.

PUBLIC RELATIONS COOPERATION

THE PARTIES HEREBY AGREE THAT EACH PARTY WILL HAVE THE RIGHT TO DISCUSS AND DISPLAY QUALITATIVE INFORMATION REGARDING THE PARTIES' RELATIONSHIP. THE PARTIES FURTHER AGREE THAT PRIOR TO ANY DISCLOSURE OF ANY QUANTITATIVE INFORMATION REGARDING THE PARTIES' RELATIONSHIP, THE UTILIZATION OF THE SOFTWARE, OR ANY OTHER ELEMENT OF THE PARTIES' RELATIONSHIP, THE DISCLOSING PARTY MUST OBTAIN THE WRITTEN PERMISSION OF THE NON-DISCLOSING PARTY.

PAYMENT GATEWAY

PROVIDER MUST SUPPLY A PAYMENT GATEWAY FOR THE PAYMENT OF ALL FEES BY END USERS, AND PROVIDER WILL BEAR ALL COSTS ASSOCIATED WITH PROVIDING SUCH PAYMENT GATEWAY, INCLUDING ALL PER TRANSACTION COSTS. PASSPORT CAN PROVIDE SUCH GATEWAY SERVICES TO

PROVIDER. EXHIBIT B CONTAINS A LIST OF PAYMENT GATEWAYS SUPPORTED BY PASSPORT. FOR ALL OTHER PAYMENT GATEWAYS, PASSPORT WILL CHARGE A TWO HUNDRED AND FIFTY DOLLAR (\$250.00) PER DEVELOPMENT HOUR NECESSARY TO PERFORM NECESSARY INTEGRATIONS.

REFUNDS AND DISCOUNTS

PASSPORT AGREES TO FOREGO OR RETURN, AS APPLICABLE, ITS PER TRANSACTION FEES FOR ANY REFUND GRANTED BY PROVIDER. PROVIDER WILL BE RESPONSIBLE FOR REIMBURSING PASSPORT FOR ALL MERCHANT PROCESSING FEES, INCLUDING WITHOUT LIMITATION PAYMENT GATEWAY FEES, SETTLEMENT FEES, AND INTERCHANGE REIMBURSEMENT FEES, IF ANY, INCURRED BY PASSPORT FOR ALL TRANSACTIONS, INCLUDING REFUNDED TRANSACTIONS.

INVOICING

PASSPORT WILL SEND MONTHLY INVOICES TO PROVIDER BY THE TENTH DAY OF EACH MONTH FOR ALL FEES PAYABLE TO PASSPORT THAT ACCRUED DURING THE PRECEDING MONTH. IF PROVIDER FAILS TO REMIT PAYMENT ACCORDING TO SUCH INVOICES WITHIN THIRTY (30) DAYS AFTER THE DATE ON THE INVOICE, PASSPORT WILL HAVE THE RIGHT TO SUSPEND PROVIDER'S ACCESS TO THE SOFTWARE.

SCHEDULED MAINTENANCE

IF PASSPORT PLANS TO PERFORM ANY SCHEDULED MAINTENANCE DURING BUSINESS HOURS, PASSPORT WILL PROVIDE NOTICE TO PROVIDER AT LEAST TWENTY-FOUR (24) HOURS IN ADVANCE OF THE COMMENCEMENT OF SUCH SCHEDULED MAINTENANCE. FOR THE PURPOSE OF THIS SECTION, "BUSINESS HOURS" MEANS MONDAY THROUGH FRIDAY BETWEEN 9 AM EASTERN TIME AND 5 PM EASTERN TIME.

PRODUCT UPDATES

ANY SYSTEM-WIDE IMPROVEMENTS OR MODIFICATIONS MADE BY PASSPORT TO THE SOFTWARE PLATFORM WILL BE PROMPTLY PROVIDED TO PROVIDER AND WILL AUTOMATICALLY BE SUBJECT TO THE TERMS OF THIS AGREEMENT. THE PROVIDER MAY REQUEST NEW FEATURES OR FUNCTIONALITY TO BE BUILT INTO THE SYSTEM, AND, TO THE EXTENT THAT PASSPORT PLANS TO INCORPORATE SUCH REQUESTED NEW FEATURES OR FUNCTIONALITY INTO THE SOFTWARE, PASSPORT WILL DEVELOP SUCH FEATURES AND FUNCTIONALITY AT NO COST

TO THE PROVIDER. IF THE PROVIDER DESIRES TO EXPEDITE SUCH DEVELOPMENT, PASSPORT MAY, AT ITS SOLE DISCRETION, CHARGE PROVIDER AN EXPEDITE FEE OF TWO HUNDRED DOLLARS (\$200.00) PER DEVELOPMENT HOUR NECESSARY TO DEVELOP THE REQUESTED FEATURES OR FUNCTIONALITY. IF THE PROVIDER'S REQUESTED FEATURES OR FUNCTIONALITY ARE CREATED FOR THE PROVIDER'S USE AND NOT INCORPORATED INTO THE SOFTWARE, PASSPORT MAY, AT ITS SOLE DISCRETION, CHARGE PROVIDER CUSTOM DEVELOPMENT FEE OF TWO HUNDRED AND FIFTY DOLLARS (\$250.00) PER HOUR FOR THE DEVELOPMENT OF SUCH FEATURES OR FUNCTIONALITY AND A MONTHLY MAINTENANCE FEE THAT WILL BE MUTUALLY AGREED BETWEEN THE PARTIES AND REDUCED TO A WRITTEN ADDENDUM TO THIS AGREEMENT THAT THE PARTIES MUST EXECUTE.

THE PARTIES AGREE THAT PROVIDER MAY REQUEST A CHANGE TO THE SOFTWARE THAT INVOLVES THE ADDITION OF FUNCTIONALITY ALREADY AVAILABLE AS A COMPONENT OF ANOTHER PRODUCT WITHIN PASSPORT'S GENERAL TECHNOLOGY, INCLUDING CITATION MANAGEMENT TECHNOLOGY, AND IN THE EVENT THAT PASSPORT RECEIVES SUCH A REQUEST FROM PROVIDER, PASSPORT WILL PROVIDE AN ADDENDUM HERETO INCLUDING THE INCREASE IN FEES ATTRIBUTABLE TO THE ADDITION OF SUCH ADDITIONAL FUNCTIONALITY AND ANY APPLICABLE SERVICE OR LEGAL TERMS. PROVIDER AGREES THAT IT HAS THE RIGHT TO MAKE SUCH A REQUEST AND EXECUTE SUCH ADDENDUM WITHOUT THE NEED FOR FURTHER COMPETITIVE BIDDING.

PIGGYBACK PROCUREMENTS

PROVIDER WILL ALLOW ANY PUBLIC AGENCY LOCATED IN THE UNITED STATES TO PURCHASE, AND PASSPORT TO OFFER TO THOSE PUBLIC AGENCIES, A SUBSTANTIALLY SIMILAR MOBILE PAY PROGRAM AT THE SAME PRICE AND UNDER THE SAME CONDITIONS AGREED UPON IN THIS AGREEMENT BETWEEN THE PARTIES, WITHOUT ANY FURTHER COMPETITIVE BIDDING, TO THE EXTENT PERMITTED BY LAW. EACH PUBLIC AGENCY WILL EXECUTE ITS OWN CONTRACT WITH PASSPORT FOR ITS REQUIREMENTS, FUNDING SUCH SERVICE OUT OF ITS OWN FUNDING SOURCES. PROVIDER SHALL NOT INCUR ANY FINANCIAL RESPONSIBILITY IN CONNECTION

WITH PASSPORT'S CONTRACTING WITH SUCH OTHER PUBLIC AGENCIES FOR SUCH SERVICES.

CAPACITY

PROVIDER REPRESENTS AND WARRANTS THAT IT HAS OBTAINED OR WILL OBTAIN ALL LICENSES AND AUTHORIZATIONS NECESSARY TO LICENSE THE SOFTWARE. PROVIDER FURTHER REPRESENTS AND WARRANTS THAT THE SIGNER OF THIS DOCUMENT HAS THE AUTHORITY TO BIND PROVIDER TO THE TERMS HEREIN.

CONFIDENTIALITY.

PROVIDER AND PASSPORT AGREE TO TREAT ALL INFORMATION FURNISHED, OR TO BE FURNISHED, BY OR ON BEHALF OF THE OTHER PARTY AND INFORMATION ANALYSES, SUMMARIES AND OTHER WORK PRODUCT DERIVED FROM SUCH INFORMATION (COLLECTIVELY, THE "INFORMATION") IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION AND TO TAKE, OR ABSTAIN FROM TAKING, ALL ACTIONS SET FORTH HEREIN. THE INFORMATION WILL BE USED SOLELY IN CONNECTION WITH THE CONSUMMATION OF THIS AGREEMENT BETWEEN PASSPORT AND PROVIDER AND PROVIDER'S USE AND OPERATION OF THE SOFTWARE, AND WILL BE KEPT CONFIDENTIAL BY THE PROVIDER AND PASSPORT AND EACH PARTY'S OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS AND ADVISORS; PROVIDED, HOWEVER, THAT

- (a) ANY OF SUCH INFORMATION MAY BE DISCLOSED TO OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS AND ADVISORS WHO NEED TO KNOW SUCH INFORMATION TO EXECUTE THIS AGREEMENT AND/OR EFFECTIVELY USE THE SOFTWARE (SO LONG AS SUCH PERSONS ONLY USE OR DISCLOSE SUCH INFORMATION IN THE MANNER PERMITTED IN THIS SECTION), AND
- (b) SUCH INFORMATION MAY BE DISCLOSED TO THE EXTENT REQUIRED BY LAW, INCLUDING ANY OPEN RECORDS LAW, OPEN MEETINGS LAW, OR ANY OTHER LOCAL PUBLIC DISCLOSURE LAW APPLICABLE TO PROVIDER, AND
- (c) UPON THE REQUEST OF PROVIDER OR PASSPORT, THE OTHER PARTY WILL DESTROY OR RETURN TO PASSPORT ALL MATERIAL CONTAINING OR REFLECTING THE

INFORMATION, TO THE EXTENT PERMITTED BY LAW.

Public Records

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN:

A. IF PASSPORT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO PASSPORT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT THE OFFICE OF THE CITY CLERK, (850)837-4242, 4200 INDIAN BAYOU DRIVE, DESTIN, FLORIDA 32541, RBAILLY@CITYOFDESTIN.COM. SPECIFICALLY, PASSPORT MUST:

I. UPON REQUEST FROM THE CITY'S CUSTODIAN OF PUBLIC RECORDS, PROVIDE THE CITY WITH A COPY OF THE REQUESTED RECORDS OR ALLOW THE RECORDS TO BE INSPECTED OR COPIED WITHIN A REASONABLE TIME AT A COST THAT DOES NOT EXCEED THE COST PROVIDED IN THIS FS CHAPTER 119 OR AS OTHERWISE PROVIDED BY LAW.

II. ENSURE THAT PUBLIC RECORDS THAT ARE EXEMPT OR CONFIDENTIAL AND EXEMPT FROM PUBLIC RECORDS DISCLOSURE REQUIREMENTS ARE NOT DISCLOSED EXCEPT AS AUTHORIZED BY LAW FOR THE DURATION OF THE CONTRACT TERM AND FOLLOWING COMPLETION OF THE CONTRACT IF PASSPORT DOES NOT TRANSFER THE RECORDS TO THE PUBLIC AGENCY.

III. UPON COMPLETION OF THE CONTRACT, TRANSFER, AT NO COST, TO THE CITY ALL PUBLIC RECORDS IN POSSESSION OF PASSPORT OR KEEP AND MAINTAIN PUBLIC RECORDS REQUIRED BY THE CITY TO PERFORM THE SERVICE. ALL RECORDS STORED ELECTRONICALLY MUST BE PROVIDED TO THE CITY, UPON REQUEST FROM THE CITY'S CUSTODIAN OF PUBLIC RECORDS, IN A FORMAT THAT IS COMPATIBLE WITH THE INFORMATION TECHNOLOGY SYSTEMS OF THE CITY."

LABOR STRIKES

IN THE EVENT THAT PASSPORT IS UNABLE TO PROVIDE SERVICE OR PROVIDER CEASES TO OPERATE IN THE ORDINARY COURSE OF BUSINESS DUE TO A LABOR STRIKE OF PROVIDER'S EMPLOYEES OR THE EMPLOYEES OF ANY OF PROVIDER'S SUBCONTRACTORS OR AFFILIATES

(COLLECTIVELY, "PROVIDER'S EMPLOYEES) AND SUCH INABILITY OF PASSPORT TO PROVIDE SERVICES OR CESSATION OF OPERATIONS IN THE ORDINARY COURSE OF BUSINESS BY PROVIDER HAS A MATERIAL NEGATIVE IMPACT ON THE FEES DUE TO PASSPORT FOR ANY MONTH, PROVIDER WILL COMPENSATE PASSPORT IN AN AMOUNT EQUAL TO THE AVERAGE FEES PAID TO PASSPORT DURING THE THREE (3) MOST RECENT MONTHS DURING WHICH THERE WAS NO MATERIAL NEGATIVE IMPACT OF ANY LABOR STRIKE ON THE FEES PAID BY PROVIDER TO PASSPORT. FOR THE PURPOSES OF THIS SECTION, A MATERIAL NEGATIVE IMPACT WILL BE DEFINED AS ANY DIMINUTION OF MONTHLY FEES PAYABLE TO PASSPORT OF AT LEAST FIFTEEN PERCENT (15%) COMPARED TO THE FEES PAID BY PROVIDER TO PASSPORT FOR SERVICES AND SOFTWARE PROVIDED DURING THE MOST RECENT MONTH DURING WHICH THERE WAS NO ACTIVE LABOR STRIKE OF PROVIDER'S EMPLOYEES. A MATERIAL NEGATIVE IMPACT WILL BE CONSTRUED TO HAVE OCCURRED DUE TO A LABOR STRIKE IF A MATERIAL NEGATIVE IMPACT OCCURS DURING A MONTH DURING WHICH PROVIDER'S EMPLOYEES ARE PARTICIPATING IN A LABOR STRIKE.

VENUE

THE PARTIES AGREE THAT ANY CLAIM OR DISPUTE THAT MAY ARISE OUT OF THIS AGREEMENT MUST BE RESOLVED BY THE CIRCUIT COURT OF OKALOOSA COUNTY, FLORIDA. THE PARTIES AGREE TO SUBMIT TO THE PERSONAL JURISDICTION OF THE CIRCUIT COURT OF OKALOOSA COUNTY FOR THE PURPOSE OF LITIGATING ALL SUCH CLAIMS OR DISPUTES.

FORCE MAJEURE

NEITHER PASSPORT NOR PROVIDER WILL BE HELD LIABLE FOR ANY DELAY OR OMISSION IN PERFORMANCE OF THEIR DUTIES UNDER THIS AGREEMENT CAUSED BY CAUSES BEYOND THEIR REASONABLE CONTROL, INCLUDING WITHOUT LIMITATION, ACTS OF GOD, ACTS OF THE PUBLIC ENEMY, FIRES, NATURAL DISASTERS, WARS, OR RIOTS (EACH A "FORCE MAJEURE EVENT").

EFFECT OF TERMINATION

IN THE EVENT THAT THIS AGREEMENT IS TERMINATED BY EITHER PARTY AS SET FORTH ABOVE, PROVIDER WILL PAY ALL FEES ESTABLISHED ABOVE FOR SERVICES RENDERED BY PASSPORT PRIOR TO TERMINATION.

DISCLAIMER

THE SOFTWARE IS PROVIDED TO PROVIDER BY PASSPORT "AS IS" AND WITH ALL FAULTS. PROVIDER ACKNOWLEDGES AND AGREES THAT PASSPORT BEARS NO LIABILITY FOR ANY ERROR, OMISSION, DEFECT, DEFICIENCY, OR NONCONFORMITY WITHIN THE SOFTWARE EXCEPT AS EXPLICITLY PROVIDED IN THIS AGREEMENT. OTHER THAN AS SPECIFICALLY SET FORTH HEREIN, NEITHER OF THE PARTIES MAKES ANY REPRESENTATIONS, WARRANTIES, OR GUARANTEES, EXPRESS OR IMPLIED, DIRECTLY OR INDIRECTLY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF CONDITION, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR USE, WITH RESPECT TO, ARISING OUT OF, OR IN CONNECTION WITH THE SOFTWARE AND RELATED SERVICES TO BE PERFORMED PURSUANT TO THIS AGREEMENT.

SEVERABILITY.

WHENEVER POSSIBLE, EACH PROVISION OF THIS AGREEMENT WILL BE INTERPRETED AND CONSTRUED TO BE VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THE AGREEMENT IS FOUND TO VIOLATE APPLICABLE LAW, THE VIOLATING PROVISION WILL BE INEFFECTIVE ONLY TO THE EXTENT THAT IT VIOLATES THE LAW, WITHOUT INVALIDATING THE REMAINDER OF THE SECTION CONTAINING THE VIOLATING PROVISION OR ANY OTHER PROVISIONS OR SECTIONS OF THIS AGREEMENT.

ASSIGNMENT

THIS AGREEMENT AND ALL OF ITS PROVISIONS WILL BE BINDING UPON AND INURE TO THE BENEFIT OF THE PARTIES AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNEES. NEITHER PASSPORT NOR PROVIDER MAY ASSIGN ANY RIGHTS, INTERESTS, OR OBLIGATIONS HEREUNDER WITHOUT PRIOR WRITTEN CONSENT OF THE OTHER PARTY, PROVIDED, HOWEVER, THAT PASSPORT MAY, WITHOUT SUCH WRITTEN CONSENT, ASSIGN THIS AGREEMENT AND ITS RIGHTS AND DELEGATE ITS OBLIGATIONS HEREUNDER IN CONNECTION WITH THE TRANSFER OR SALE OF ALL OR

SUBSTANTIALLY ALL OF ITS ASSETS OR BUSINESS RELATED TO THIS AGREEMENT, OR IN THE EVENT OF ITS MERGER, CONSOLIDATION, CHANGE IN CONTROL OR SIMILAR TRANSACTION. ANY PERMITTED ASSIGNEE SHALL ASSUME ALL ASSIGNED OBLIGATIONS OF ITS ASSIGNOR UNDER THIS AGREEMENT. ANY PURPORTED ASSIGNMENT IN VIOLATION OF THIS SECTION SHALL BE VOID AND OF NO EFFECT.

CONTRACTUAL SILENCE

IF THE AGREEMENT FAILS TO ADDRESS A CONDITION, OBLIGATION, BENEFIT, OR OTHER TERM NECESSARY TO SUFFICIENTLY DEFINE THE RELATIONSHIP BETWEEN THE PARTIES OR RESOLVE A DISAGREEMENT OR CONFLICT REGARDING THE INTERPRETATION OR CONSTRUCTION OF THIS AGREEMENT, THE PARTIES AGREE TO REASONABLY COOPERATE TO DRAFT A MUTUALLY AGREEABLE AMENDMENT THAT CLARIFIES THE DUTIES, RIGHTS, AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT.

AMENDMENTS

THE PARTIES MAY NOT AMEND OR MODIFY THIS AGREEMENT EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY THE PARTIES (AN "AMENDMENT").

CURRENCY

UNLESS OTHERWISE SPECIFIED IN THE AGREEMENT, ALL FEES AND OTHER MONETARY AMOUNTS ARE IN UNITED STATES DOLLARS.

WHERE ANY MONETARY AMOUNT IN THE CONTRACT IS EXPLICITLY STATED IN A CURRENCY OTHER THAN UNITED STATES DOLLARS, THE EXCHANGE RATE WILL BE FIXED AT THE FOREIGN EXCHANGE RATE PUBLISHED BY THE UNITED STATES FEDERAL RESERVE FOR THE EFFECTIVE DATE (THE "INITIAL EXCHANGE RATE"). IN THE EVENT THAT THE APPLICABLE EXCHANGE RATE PUBLISHED BY THE UNITED STATES FEDERAL RESERVE FOR ANY DAY DURING THE TERM (THE "CURRENT INTEREST RATE") DEVIATES BY MORE THAN TEN PERCENT (10%) FROM THE INITIAL EXCHANGE RATE, THE PARTIES AGREE THAT THE INITIAL RATE WILL BE ADJUSTED BY FIVE PERCENTAGE TOWARDS THE CURRENT INTEREST RATE. THE EXCHANGE RATE UNDER THIS AGREEMENT AFTER SUCH ADJUSTMENT (THE "ADJUSTED RATE") WILL REMAIN IN EFFECT UNLESS AND UNTIL THE CURRENT INTEREST RATE AND THE ADJUSTED INTEREST RATE DIFFER BY MORE THAN TEN

PERCENT (10%), IN WHICH CASE THE ADJUSTED RATE WILL BE ADJUSTED ACCORDING TO THE PROCESS SET FORTH ABOVE FOR ADJUSTING THE INITIAL EXCHANGE RATE.

COOPERATE

IF EITHER PROVIDER OR PASSPORT HAS A CLAIM, DISPUTE, OR OTHER MATTER IN QUESTION FOR BREACH OF DUTY, OBLIGATIONS, SERVICES RENDERED OR ANY WARRANTY THAT ARISES UNDER THIS AGREEMENT, THE PARTIES AGREE TO COOPERATE TO ACHIEVE A MUTUALLY BENEFICIAL RESOLUTION OF SUCH MATTER. IF AFTER SIXTY (60) DAYS THE DISPUTE REMAINS UNRESOLVED, THE PARTIES MAY PURSUE OTHER REMEDIES.

INDEPENDENT CONTRACTOR

PASSPORT IS AN INDEPENDENT CONTRACTOR AND NOT AN AGENT OR EMPLOYEE OF PROVIDER. NO AGENCY, PARTNERSHIP, FRANCHISE, JOINT VENTURE, OR EMPLOYMENT RELATIONSHIP EXISTS BETWEEN PASSPORT AND PROVIDER. PASSPORT'S EMPLOYEES AND AGENTS WILL NOT BE EMPLOYEES OR AGENTS OF PROVIDER. PASSPORT SHALL BE FULLY AND SOLELY RESPONSIBLE FOR THE SUPERVISION, CONTROL, PERFORMANCE, COMPENSATION, BENEFITS (INCLUDING, WITHOUT LIMITATION, ALL FORMS OF INSURANCE) WITHHOLDINGS, HEALTH AND SAFETY OF ALL OF ITS EMPLOYEES AND AGENTS. PROVIDER WILL NOT BE RESPONSIBLE OR LIABLE FOR ANY WITHHOLDING TAXES OR CONTRIBUTIONS TO STATE WORKER'S COMPENSATION, UNEMPLOYMENT OR OTHER FUNDS OR PROGRAMS.

LIMITATION OF LIABILITY

IN NO EVENT WILL PASSPORT BE LIABLE TO PROVIDER FOR ANY LOST PROFITS, LOST SAVINGS, OR INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF PROVIDER USE OR INABILITY TO USE THE PRODUCT OR THE BREACH OF THIS AGREEMENT, EVEN IF PASSPORT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

NOTICES

ALL NOTICES, CONSENTS, AND COMMUNICATIONS REQUIRED HEREUNDER SHALL BE GIVEN IN WRITING AND DELIVERED VIA ELECTRONIC MAIL OR MAIL, SHALL BE DEEMED TO BE GIVEN UPON RECEIPT THEREOF, AND SHALL BE SENT TO THE ADDRESS BELOW:

PASSPORT
1300 S. MINT STREET
SUITE 200
CHARLOTTE, NC 28203

EMAIL: BEN.WINOKUR@GOPASSPORT.COM

ENTIRE AGREEMENT

THIS AGREEMENT REPRESENTS THE FULL AND COMPLETE UNDERSTANDING OF THE PARTIES AND SUPERSEDES ANY AND ALL PRIOR AGREEMENTS.

EXHIBIT B

SUPPORTED PAYMENT GATEWAYS

1. Authorize.net
2. Converge
 - Elavon Gateway Product
3. FirstData Direct Connect
4. Internet Secure
5. Moneris
6. Point and Pay

EXHIBIT C

Marketing Packages

Passport offers various marketing packages to augment the launch of your mobile app. Please review carefully and choose the option that best fits your needs.

- **Standard** **\$0**
 - Media press release
 - Social media posts from Passport accounts
 - Market subscription to our "The Latest from Passport" newsletter to stay up-to-date on industry news and best practices from others in the industry
 - Includes a feature in Passport client newsletter
 - Transition services from alternative mobile payment provider (if applicable)
 - E-mail blast to 10,000 users included (additional bands of 10,000 users: \$250)
 - 1,000 transition fliers for on-site distribution

- **Bronze** **\$1,000**
 - *Includes Standard Package plus:*
 - 2,000 Marketing handout flyers (5x3) (additional 500 flyers: \$250)
 - 2,000 Marketing flyer (8.5x11) (additional 500 flyers: \$250)
 - 2 Social media image ad concepts
 - National Press distribution
 - 1,000 promotional code handouts (promotional budget not included)

- **Silver** **\$2,500**
 - *Includes Bronze Package plus:*
 - Promotional landing web page
 - 1 specialty item design (ex: coaster, koozies, t-shirt, etc)
 - Order cost not included
 - 2 Email image concepts + body text
 - Design of (1) print ad (placement not included)

- **Gold** **\$5,000**
 - *Includes Silver Package plus:*
 - Street team coordination (festivals, concerts, etc)
 - Geo targeted digital advertising coordination
 - Podcast with city official (to be chosen / selected by the city)
 - Additional specialty item design
 - Order cost not included
 - How-to video

- **Platinum** **\$7,500**
 - *Includes Gold Package plus:*

- Promotional video
- Multi-page website
- Ongoing local media and blogger outreach (max 12 months)
- Any out of home design (billboards, sandwich boards, etc)

All materials and services provided hereunder are subject to the terms, limitations, and costs found in the Custom Design Revision Fees section of Exhibit A. For any additional services requested beyond the services provided under the Provider's chosen marketing package, Passport will charge a marketing services fee of one hundred and twenty-five dollars (\$125.00) per hour necessary to fulfill such Provider request. The minimum number of hours for the purpose of calculating the marketing services fee for any request is one hour.

EXHIBIT D

MARKETING SERVICES PROVIDED BY PROVIDER

- Distribute information handouts that speak to the flow of the application for the first thirty (30) days after launch.
- Distribute promotional materials, which may include parking fee discount codes
- Incorporate Passport information on Provider's website, specifically in any section that concerns parking.
- Add information around the system to all internal and external Provider newsletters or publications.
- Inform all Provider staff about the application so that they can field questions on the program and spread awareness.
- Include a prompt to download the Passport Parking application on all citations issued through the Provider's citation management provider.

SOFTWARE LICENSE AND SERVICE AGREEMENT

The following terms, including the terms and conditions found in all Exhibits (the "Agreement"), represent the full understanding of PassportParking, Inc. ("Passport") and the Party named below ("Provider" and with Passport, the "parties" and each individually a "Party"). In exchange for the mutual covenants herein and other good and valuable consideration, the Parties agree and intend to be bound as follows:

I. GENERAL TERMS

Provider Legal Name: City of Destin		Contact: Steven R. Schmidt	
Email: sschmidt@cityofdestin.com		Phone: (850) 837-4242	
Provider Contact Address: City of Destin 4200 Indian Bayou Trail Destin, Florida 32541		Provider Billing Contact Address: City of Destin 4200 Indian Bayou Trail Destin, Florida 32541	
Offer Expiration:		If not accepted by Provider, this offer will expire on February 16, 2016	
Effective Date: <i>FEBRUARY 2, 2017</i>			
Launch Delays: If Provider fails to launch the MPP, as applicable, within ninety (90) days after the Effective Date above, Provider will pay a monthly platform fee to Passport equal to the lesser of \$1,500.00 or any applicable monthly fee per platform (MPP) for which the launch has been delayed beyond ninety (90) days from the Effective Date.			
Services: Passport will provide services (the "Services") and license all software, including all web and mobile applications and related documentation, (the "Software") necessary for Provider to operate: <ul style="list-style-type: none"> a mobile payment for parking program ("MPP") which allows all parking customers in any parking facilities owned or managed by Provider (the "Premises") the ability to pay for parking using a smartphone application or mobile web application; 			
Governing State Law:		Florida	
Termination: This Agreement will continue from the Effective Date on a month-to-month basis unless either Party terminates this Agreement for convenience by providing sixty-days written notice to the non-terminating Party.			

II. MOBILE PAYMENT FOR PARKING TERMS

Equipment Provided by Passport:	Initial Signs: 10	Initial Decals: 0
<p>Installation: Provider will be solely responsible for installing all signs and decals in the Premises. This obligation includes the responsibility to provide all hardware necessary to affix and display signs and decals, including without limitation, all hooks, poles, posts, brackets, screws, bolts, and nuts</p>		
<p>Marketing Services: Passport will provide the marketing services described in Exhibit C for the fees listed therein.</p>		
<p>Ancillary Fees:</p> <ul style="list-style-type: none"> a) Zone setup fees of three dollars (\$3.00) per space have been <i>WAIVED</i> b) Initial Signage and Sticker fees have been waived up to unit prices of twenty dollars (\$20.00) per sign and three dollars (\$3.00) per decal c) Provider will pay a ten dollar (\$10.00) administrative fee over sign and shipping costs per sign for any replacement signs purchased through Passport d) Provider will pay a one dollar (\$1.00) administrative fee over decal and shipping costs per decal for any replacement decals purchased through Passport e) Passport will provide a design file to allow Provider to print replacement signs and decals f) Provider will reimburse Passport for any and all reasonable travel, lodging, and food expenses incurred by Passport employees while traveling at Provider's request. g) Provider will pay a custom design fee of one thousand five hundred dollars (\$1,500.00) for changes to the design of Passport's signs and decals. h) All other fees and charges contained in all other Exhibits 		
<p>Merchant Validation Program: Passport will provide the option for local merchants to validate parking in the Premises. Each merchant that wishes to issue validation codes to parking customers in the Premises will be required to create a prepaid account out of which validation payments will be made. Passport will be the merchant of record for these accounts, and any parking fees (excluding Passport per transaction fees) paid through validation by local merchants will be transferred to Provider in the form of bill credits each month</p>		

III. FEES

Per Transaction MPP Service and License Fee	\$0.25
Maximum Convenience Fee Passed through to Parking Customers:	\$0.25
Monthly Minimum MPP Fees:	\$250.00
<p>Monthly Minimum: If the total per transaction fees paid to Passport as a result of Provider's use of the MPP during any month are less than the monthly minimum fees, then, in addition to the fees above, the Provider will pay the difference between the amount actually collected ("Paid") and the monthly minimum MPP fees ("Minimum") as follows:</p> <p><i>Additional Amount Payable to Passport = Minimum - Paid</i></p>	
<p>Merchant Processing Costs: Provider will be responsible for paying all merchant processing costs, including, without limitation, settlement fees, payment gateway fees, chargeback fees, and interchange reimbursement fees.</p>	
Merchant of Record for Transactions:	X Passport Provider
Passport Merchant Processing Rate Per Transaction:	2.9% + \$0.30
Payment Gateway Provider:	X Passport Other
Passport Gateway Fee Per Transaction:	\$0.05

This Software License and Service Agreement ("Agreement") is entered into, as of the Effective Date first written above, between PassportParking, Inc. and the Provider named above. This Agreement includes and incorporates the terms and conditions found in this document, the Standard Terms and Conditions found in Exhibit A, and the terms and conditions found in all other Exhibits hereto. There shall be no force or effect to any different terms of any related purchase order or similar form even if signed by the parties after the date hereof.

PassportParking, Inc:

Provider:

By: _____

By:  _____

Name:
Title:

Name: Carisse LeJeune
Title: City Manager

STANDARD TERMS AND CONDITIONS ATTACHMENT

SERVICE LEVELS

PASSPORT WILL PROVIDE HOSTING FOR THE SOFTWARE IN ACCORDANCE WITH ALL LOCAL LAWS AND REGULATIONS. PASSPORT'S SOLE AND EXCLUSIVE OBLIGATION IN THE EVENT OF AN ERROR OR INTERRUPTION OF THE SOFTWARE IS TO USE PASSPORT'S BEST EFFORTS TO RESTORE OR REPAIR THE SOFTWARE AS QUICKLY AS PRACTICABLE.

SYSTEM UPTIME

PASSPORT WILL PROVIDE THE SOFTWARE WITH UPTIME OF AT LEAST NINETY-NINE PERCENT (99%) CALCULATED OVER A ROLLING SIX-MONTH PERIOD ("UPTIME GUARANTEE"). FOR ANY MONTH DURING WHICH SYSTEM UPTIME DROPS BELOW THE UPTIME GUARANTEE, PASSPORT WILL PROVIDE A BILLING CREDIT IN AN AMOUNT EQUAL TO: THE PERCENTAGE DIFFERENCE BETWEEN A) THE LOWEST UPTIME REACHED AT ANY POINT DURING THE MONTH (CALCULATED ON A ROLLING SIX MONTH PERIOD) AND B) THE UPTIME GUARANTEE MULTIPLIED BY THE TOTAL FEES PAYABLE TO PASSPORT FOR SUCH MONTH. FOR EXAMPLE, IF DURING A GIVEN MONTH THE SOFTWARE UPTIME FELL AS LOW AS NINETY-FIVE PERCENT (95%) AND DURING THAT MONTH, THE FEES PAYABLE TO PASSPORT WERE ONE HUNDRED DOLLARS (\$100.00), PASSPORT WOULD ISSUE A BILLING CREDIT OF FOUR DOLLARS (\$4.00). FOR THE PURPOSES OF THIS AGREEMENT, UPTIME IS DEFINED AS ANY PERIOD OF TIME DURING WHICH END USERS OF THE SOFTWARE CAN USE THE SOFTWARE TO PAY FOR PARKING, PAY FOR MOBILE TICKETS, OR ISSUE PARKING CITATIONS, AS APPLICABLE.

DATA OWNERSHIP

PASSPORT HEREBY ACQUIRES A PERPETUAL LICENSE, SUBJECT TO REVOCATION BY END USERS, TO STORE, DISPLAY, TRANSMIT, AND USE ALL DATA PROVIDED BY PARKING CUSTOMERS AND ALL DATA STORED, CREATED, OR TRANSMITTED BY PASSPORT AS A RESULT OF ANY END USER'S USE OF ANY COMPONENT OF THE SOFTWARE, STRICTLY IN ACCORDANCE WITH PASSPORT'S PRIVACY POLICY, WHICH PASSPORT WILL PROVIDE UPON PROVIDER'S REQUEST AND WHICH PASSPORT RESERVES THE RIGHT TO UPDATE OR MODIFY FROM TIME TO TIME. PASSPORT HEREBY ACQUIRES A

NON-REVOCABLE PERPETUAL LICENSE TO STORE AND USE ANY DATA CREATED AS A RESULT OF THE PROVIDER'S USE OF THE SOFTWARE FOR ITS INTERNAL BUSINESS PURPOSES. UPON THE EXPIRATION OR TERMINATION OF THIS AGREEMENT, PASSPORT WILL PROVIDE A COPY OF ALL DATA ASSOCIATED WITH END USERS AND THEIR ASSOCIATED TRANSACTIONS IN THE PREMISES TO PROVIDER IN A MUTUALLY AGREED MACHINE-READABLE FORMAT WITHIN THIRTY (30) DAYS AFTER RECEIPT OF A WRITTEN REQUEST FOR SUCH DATA FROM PROVIDER.

INTELLECTUAL PROPERTY

- (a) PROVIDER HEREBY ACQUIRES A REVOCABLE, NON-EXCLUSIVE, NON-ASSIGNABLE, NON-TRANSFERRABLE, AND NON-SUBLEASEABLE RIGHT AND LICENSE TO USE AND ACCESS THE SOFTWARE FOR ITS INTERNAL BUSINESS PURPOSES. ALL INTELLECTUAL PROPERTY RIGHTS INCLUDING, WITHOUT LIMITATION, TRADE NAMES, SOURCE CODE, TRADEMARKS, COPYRIGHTS, PATENTS, AND TRADE SECRETS, NOT EXPLICITLY GRANTED TO PROVIDER IN THIS AGREEMENT ARE RESERVED TO PASSPORT.
- (b) PROVIDER WILL NOT, DIRECTLY, INDIRECTLY, ALONE, OR WITH ANOTHER PARTY, (I) COPY, DISASSEMBLE, REVERSE ENGINEER, OR DECOMPILE THE SOFTWARE OR ANY SUBPART THEREOF; (II) MODIFY, CREATE DERIVATIVE WORKS BASED UPON, OR TRANSLATE THE SOFTWARE OR SOURCE CODE; (III) TRANSFER OR OTHERWISE GRANT ANY RIGHTS IN THE SOFTWARE OR SOURCE CODE IN ANY FORM TO ANY OTHER PARTY; (IV) ATTEMPT TO DO ANY OF THE FOREGOING OR CAUSE OR PERMIT ANY THIRD PARTY TO DO OR ATTEMPT TO DO ANY OF THE FOREGOING, EXCEPT AS EXPRESSLY PERMITTED HEREUNDER.

TECHNICAL SUPPORT

PROVIDER WILL FIELD ALL SUPPORT CALLS AND EMAILS FROM END-USERS. PASSPORT WILL PROVIDE SECOND TIER TECHNICAL SUPPORT TO END USERS WHERE PROVIDER'S SUPPORT REPRESENTATIVE IS UNABLE TO PROVIDE A SATISFACTORY RESOLUTION TO A END-USER SUPPORT INQUIRY AND REQUIRES ESCALATED TECHNICAL SUPPORT FROM PASSPORT. IN THIS CAPACITY AS PROVIDER'S ESCALATED TECHNICAL SUPPORT RESOURCE, PASSPORT WILL PROVIDE LIVE TELEPHONE SUPPORT MONDAY-FRIDAY FROM 9AM-5PM ET. PASSPORT WILL ALSO PROVIDE EMAIL SUPPORT. ALL EMAIL SUPPORT INQUIRIES WILL BE ANSWERED WITHIN TWO (2) HOURS DURING BUSINESS HOURS AND TWENTY-FOUR (24) HOURS DURING NON-BUSINESS HOURS. THESE HOURS APPLY ON ALL PASSPORT HOLIDAYS.

CUSTOM DESIGN REVISION FEES

FOR ANY CUSTOM DESIGN OR CONTENT ALTERATION SERVICES REQUESTED BY PROVIDER, INCLUDING WITHOUT LIMITATION, CUSTOMIZED SIGNAGE, CUSTOMIZED DECALS, CUSTOMIZED LOGOS, CUSTOMIZED WEBSITE CONTENT, CUSTOMIZED NOTIFICATION LETTER LANGUAGE, CUSTOMIZED PARKING CITATION LANGUAGE, OR ANY CUSTOM DESIGN WITHIN THE SOFTWARE PLATFORM, PASSPORT WILL PROVIDE A PROOF OF CONCEPT DESIGN. FOR NO ADDITIONAL FEE, PASSPORT WILL ALSO PROVIDE ONE REVISED VERSION OF THAT INITIAL PROOF OF CONCEPT BASED ON PROVIDER'S INPUT. PROVIDER WILL PAY A ONE THOUSAND DOLLAR (\$1,000.00) FEE PER PROOF OF CONCEPT REVISION FOR EACH REQUESTED REVISION THEREAFTER. AFTER PROVIDER'S ACCEPTANCE OF THE PROOF OF CONCEPT, PASSPORT WILL CREATE A FINAL DESIGN DRAFT. FOR NO ADDITIONAL FEE, PASSPORT WILL ALSO PROVIDE ONE REVISED VERSION OF THAT FINAL DESIGN DRAFT BASED ON PROVIDER'S INPUT. PROVIDER WILL PAY A ONE THOUSAND DOLLAR (\$1,000.00) FEE PER FINAL DESIGN REVISION THEREAFTER. THE FEES IN THIS SECTION WILL NOT NEGATE THE APPLICABILITY OF ANY OTHER FEE PAYABLE FOR CUSTOM DESIGN SERVICES, INCLUDING ANY PRIVATE LABEL FEES, CUSTOM DEVELOPMENT FEES, OR CUSTOM SIGNAGE FEES.

TRANSLATION SERVICES

IF PROVIDER REQUESTS THAT PASSPORT PROVIDE A VERSION OF ANY MOBILE APPLICATION OR MOBILE WEB

APPLICATION INCLUDED IN THE SOFTWARE IN ANY LANGUAGE OTHER THAN ENGLISH, PROVIDER WILL PAY A ONE THOUSAND FIVE HUNDRED DOLLAR FEE (\$1,500.00) FOR PASSPORT TO PERFORM OR SUBCONTRACT THE NECESSARY TRANSLATION SERVICES. PASSPORT WILL PROVIDE AN INITIAL VERSION OF ALL TRANSLATED TEXT. FOR NO ADDITIONAL FEE, PASSPORT WILL ALSO PROVIDE ONE REVISED VERSION OF SUCH TRANSLATION BASED ON PROVIDER'S INPUT. PROVIDER WILL PAY A ONE THOUSAND DOLLAR (\$1,000.00) FEE PER REVISION FOR EACH REQUESTED REVISION THEREAFTER.

WALLET SERVICES

PROVIDER MAY ELECT TO PROVIDE PARKING CUSTOMERS WITH A VIRTUAL WALLET (A "WALLET PROGRAM"). WITH A WALLET PROGRAM, PARKING CUSTOMERS WOULD BE REQUIRED TO PREPAY FUNDS INTO A WALLET ACCOUNT FOR THE PAYMENT OF FUTURE PARKING FEES AND/OR TRANSIT TICKET FARES.

MARKETING SERVICES

THE MARKETING AND PUBLIC RELATIONS SERVICES AND MATERIALS, IF ANY, PROVIDED BY PASSPORT AND ANY OPTIONAL MARKETING SERVICES, INCLUDING ASSOCIATED FEES, CAN BE FOUND IN EXHIBIT C OF THIS AGREEMENT. THE MARKETING SERVICES TO BE PERFORMED BY PROVIDER AT PROVIDER'S SOLE COST, IF ANY, CAN BE FOUND IN EXHIBIT D.

PUBLIC RELATIONS COOPERATION

THE PARTIES HEREBY AGREE THAT EACH PARTY WILL HAVE THE RIGHT TO DISCUSS AND DISPLAY QUALITATIVE INFORMATION REGARDING THE PARTIES' RELATIONSHIP. THE PARTIES FURTHER AGREE THAT PRIOR TO ANY DISCLOSURE OF ANY QUANTITATIVE INFORMATION REGARDING THE PARTIES' RELATIONSHIP, THE UTILIZATION OF THE SOFTWARE, OR ANY OTHER ELEMENT OF THE PARTIES' RELATIONSHIP, THE DISCLOSING PARTY MUST OBTAIN THE WRITTEN PERMISSION OF THE NON-DISCLOSING PARTY.

PAYMENT GATEWAY

PROVIDER MUST SUPPLY A PAYMENT GATEWAY FOR THE PAYMENT OF ALL FEES BY END USERS, AND PROVIDER WILL BEAR ALL COSTS ASSOCIATED WITH PROVIDING SUCH PAYMENT GATEWAY, INCLUDING ALL PER TRANSACTION COSTS. PASSPORT CAN PROVIDE SUCH GATEWAY SERVICES TO

PROVIDER. EXHIBIT B CONTAINS A LIST OF PAYMENT GATEWAYS SUPPORTED BY PASSPORT. FOR ALL OTHER PAYMENT GATEWAYS, PASSPORT WILL CHARGE A TWO HUNDRED AND FIFTY DOLLAR (\$250.00) PER DEVELOPMENT HOUR NECESSARY TO PERFORM NECESSARY INTEGRATIONS.

REFUNDS AND DISCOUNTS

PASSPORT AGREES TO FOREGO OR RETURN, AS APPLICABLE, ITS PER TRANSACTION FEES FOR ANY REFUND GRANTED BY PROVIDER. PROVIDER WILL BE RESPONSIBLE FOR REIMBURSING PASSPORT FOR ALL MERCHANT PROCESSING FEES, INCLUDING WITHOUT LIMITATION PAYMENT GATEWAY FEES, SETTLEMENT FEES, AND INTERCHANGE REIMBURSEMENT FEES, IF ANY, INCURRED BY PASSPORT FOR ALL TRANSACTIONS, INCLUDING REFUNDED TRANSACTIONS.

INVOICING

PASSPORT WILL SEND MONTHLY INVOICES TO PROVIDER BY THE TENTH DAY OF EACH MONTH FOR ALL FEES PAYABLE TO PASSPORT THAT ACCRUED DURING THE PRECEDING MONTH. IF PROVIDER FAILS TO REMIT PAYMENT ACCORDING TO SUCH INVOICES WITHIN THIRTY (30) DAYS AFTER THE DATE ON THE INVOICE, PASSPORT WILL HAVE THE RIGHT TO SUSPEND PROVIDER'S ACCESS TO THE SOFTWARE.

SCHEDULED MAINTENANCE

IF PASSPORT PLANS TO PERFORM ANY SCHEDULED MAINTENANCE DURING BUSINESS HOURS, PASSPORT WILL PROVIDE NOTICE TO PROVIDER AT LEAST TWENTY-FOUR (24) HOURS IN ADVANCE OF THE COMMENCEMENT OF SUCH SCHEDULED MAINTENANCE. FOR THE PURPOSE OF THIS SECTION, "BUSINESS HOURS" MEANS MONDAY THROUGH FRIDAY BETWEEN 9 AM EASTERN TIME AND 5 PM EASTERN TIME.

PRODUCT UPDATES

ANY SYSTEM-WIDE IMPROVEMENTS OR MODIFICATIONS MADE BY PASSPORT TO THE SOFTWARE PLATFORM WILL BE PROMPTLY PROVIDED TO PROVIDER AND WILL AUTOMATICALLY BE SUBJECT TO THE TERMS OF THIS AGREEMENT. THE PROVIDER MAY REQUEST NEW FEATURES OR FUNCTIONALITY TO BE BUILT INTO THE SYSTEM, AND, TO THE EXTENT THAT PASSPORT PLANS TO INCORPORATE SUCH REQUESTED NEW FEATURES OR FUNCTIONALITY INTO THE SOFTWARE, PASSPORT WILL DEVELOP SUCH FEATURES AND FUNCTIONALITY AT NO COST

TO THE PROVIDER. IF THE PROVIDER DESIRES TO EXPEDITE SUCH DEVELOPMENT, PASSPORT MAY, AT ITS SOLE DISCRETION, CHARGE PROVIDER AN EXPEDITE FEE OF TWO HUNDRED DOLLARS (\$200.00) PER DEVELOPMENT HOUR NECESSARY TO DEVELOP THE REQUESTED FEATURES OR FUNCTIONALITY. IF THE PROVIDER'S REQUESTED FEATURES OR FUNCTIONALITY ARE CREATED FOR THE PROVIDER'S USE AND NOT INCORPORATED INTO THE SOFTWARE, PASSPORT MAY, AT ITS SOLE DISCRETION, CHARGE PROVIDER CUSTOM DEVELOPMENT FEE OF TWO HUNDRED AND FIFTY DOLLARS (\$250.00) PER HOUR FOR THE DEVELOPMENT OF SUCH FEATURES OR FUNCTIONALITY AND A MONTHLY MAINTENANCE FEE THAT WILL BE MUTUALLY AGREED BETWEEN THE PARTIES AND REDUCED TO A WRITTEN ADDENDUM TO THIS AGREEMENT THAT THE PARTIES MUST EXECUTE.

THE PARTIES AGREE THAT PROVIDER MAY REQUEST A CHANGE TO THE SOFTWARE THAT INVOLVES THE ADDITION OF FUNCTIONALITY ALREADY AVAILABLE AS A COMPONENT OF ANOTHER PRODUCT WITHIN PASSPORT'S GENERAL TECHNOLOGY, INCLUDING CITATION MANAGEMENT TECHNOLOGY, AND IN THE EVENT THAT PASSPORT RECEIVES SUCH A REQUEST FROM PROVIDER, PASSPORT WILL PROVIDE AN ADDENDUM HERETO INCLUDING THE INCREASE IN FEES ATTRIBUTABLE TO THE ADDITION OF SUCH ADDITIONAL FUNCTIONALITY AND ANY APPLICABLE SERVICE OR LEGAL TERMS. PROVIDER AGREES THAT IT HAS THE RIGHT TO MAKE SUCH A REQUEST AND EXECUTE SUCH ADDENDUM WITHOUT THE NEED FOR FURTHER COMPETITIVE BIDDING.

PIGGYBACK PROCUREMENTS

PROVIDER WILL ALLOW ANY PUBLIC AGENCY LOCATED IN THE UNITED STATES TO PURCHASE, AND PASSPORT TO OFFER TO THOSE PUBLIC AGENCIES, A SUBSTANTIALLY SIMILAR MOBILE PAY PROGRAM AT THE SAME PRICE AND UNDER THE SAME CONDITIONS AGREED UPON IN THIS AGREEMENT BETWEEN THE PARTIES, WITHOUT ANY FURTHER COMPETITIVE BIDDING, TO THE EXTENT PERMITTED BY LAW. EACH PUBLIC AGENCY WILL EXECUTE ITS OWN CONTRACT WITH PASSPORT FOR ITS REQUIREMENTS, FUNDING SUCH SERVICE OUT OF ITS OWN FUNDING SOURCES. PROVIDER SHALL NOT INCUR ANY FINANCIAL RESPONSIBILITY IN CONNECTION

WITH PASSPORT'S CONTRACTING WITH SUCH OTHER PUBLIC AGENCIES FOR SUCH SERVICES.

INFORMATION, TO THE EXTENT PERMITTED BY LAW.

CAPACITY

PROVIDER REPRESENTS AND WARRANTS THAT IT HAS OBTAINED OR WILL OBTAIN ALL LICENSES AND AUTHORIZATIONS NECESSARY TO LICENSE THE SOFTWARE. PROVIDER FURTHER REPRESENTS AND WARRANTS THAT THE SIGNER OF THIS DOCUMENT HAS THE AUTHORITY TO BIND PROVIDER TO THE TERMS HEREIN.

CONFIDENTIALITY.

PROVIDER AND PASSPORT AGREE TO TREAT ALL INFORMATION FURNISHED, OR TO BE FURNISHED, BY OR ON BEHALF OF THE OTHER PARTY AND INFORMATION ANALYSES, SUMMARIES AND OTHER WORK PRODUCT DERIVED FROM SUCH INFORMATION (COLLECTIVELY, THE "INFORMATION") IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION AND TO TAKE, OR ABSTAIN FROM TAKING, ALL ACTIONS SET FORTH HEREIN. THE INFORMATION WILL BE USED SOLELY IN CONNECTION WITH THE CONSUMMATION OF THIS AGREEMENT BETWEEN PASSPORT AND PROVIDER AND PROVIDER'S USE AND OPERATION OF THE SOFTWARE, AND WILL BE KEPT CONFIDENTIAL BY THE PROVIDER AND PASSPORT AND EACH PARTY'S OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS AND ADVISORS; PROVIDED, HOWEVER, THAT

- (a) ANY OF SUCH INFORMATION MAY BE DISCLOSED TO OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES, AGENTS AND ADVISORS WHO NEED TO KNOW SUCH INFORMATION TO EXECUTE THIS AGREEMENT AND/OR EFFECTIVELY USE THE SOFTWARE (SO LONG AS SUCH PERSONS ONLY USE OR DISCLOSE SUCH INFORMATION IN THE MANNER PERMITTED IN THIS SECTION), AND
- (b) SUCH INFORMATION MAY BE DISCLOSED TO THE EXTENT REQUIRED BY LAW, INCLUDING ANY OPEN RECORDS LAW, OPEN MEETINGS LAW, OR ANY OTHER LOCAL PUBLIC DISCLOSURE LAW APPLICABLE TO PROVIDER, AND
- (c) UPON THE REQUEST OF PROVIDER OR PASSPORT, THE OTHER PARTY WILL DESTROY OR RETURN TO PASSPORT ALL MATERIAL CONTAINING OR REFLECTING THE

Public Records

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN:

A. IF PASSPORT HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO PASSPORT'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT THE OFFICE OF THE CITY CLERK, (850)837-4242, 4200 INDIAN BAYOU DRIVE, DESTIN, FLORIDA 32541, RBAILEY@CITYOFDESTIN.COM. SPECIFICALLY, PASSPORT MUST:

I. UPON REQUEST FROM THE CITY'S CUSTODIAN OF PUBLIC RECORDS, PROVIDE THE CITY WITH A COPY OF THE REQUESTED RECORDS OR ALLOW THE RECORDS TO BE INSPECTED OR COPIED WITHIN A REASONABLE TIME AT A COST THAT DOES NOT EXCEED THE COST PROVIDED IN THIS FS CHAPTER 119 OR AS OTHERWISE PROVIDED BY LAW.

II. ENSURE THAT PUBLIC RECORDS THAT ARE EXEMPT OR CONFIDENTIAL AND EXEMPT FROM PUBLIC RECORDS DISCLOSURE REQUIREMENTS ARE NOT DISCLOSED EXCEPT AS AUTHORIZED BY LAW FOR THE DURATION OF THE CONTRACT TERM AND FOLLOWING COMPLETION OF THE CONTRACT IF PASSPORT DOES NOT TRANSFER THE RECORDS TO THE PUBLIC AGENCY.

III. UPON COMPLETION OF THE CONTRACT, TRANSFER, AT NO COST, TO THE CITY ALL PUBLIC RECORDS IN POSSESSION OF PASSPORT OR KEEP AND MAINTAIN PUBLIC RECORDS REQUIRED BY THE CITY TO PERFORM THE SERVICE. ALL RECORDS STORED ELECTRONICALLY MUST BE PROVIDED TO THE CITY, UPON REQUEST FROM THE CITY'S CUSTODIAN OF PUBLIC RECORDS, IN A FORMAT THAT IS COMPATIBLE WITH THE INFORMATION TECHNOLOGY SYSTEMS OF THE CITY."

LABOR STRIKES

IN THE EVENT THAT PASSPORT IS UNABLE TO PROVIDE SERVICE OR PROVIDER CEASES TO OPERATE IN THE ORDINARY COURSE OF BUSINESS DUE TO A LABOR STRIKE OF PROVIDER'S EMPLOYEES OR THE EMPLOYEES OF ANY OF PROVIDER'S SUBCONTRACTORS OR AFFILIATES

(COLLECTIVELY, "PROVIDER'S EMPLOYEES) AND SUCH INABILITY OF PASSPORT TO PROVIDE SERVICES OR CESSATION OF OPERATIONS IN THE ORDINARY COURSE OF BUSINESS BY PROVIDER HAS A MATERIAL NEGATIVE IMPACT ON THE FEES DUE TO PASSPORT FOR ANY MONTH, PROVIDER WILL COMPENSATE PASSPORT IN AN AMOUNT EQUAL TO THE AVERAGE FEES PAID TO PASSPORT DURING THE THREE (3) MOST RECENT MONTHS DURING WHICH THERE WAS NO MATERIAL NEGATIVE IMPACT OF ANY LABOR STRIKE ON THE FEES PAID BY PROVIDER TO PASSPORT. FOR THE PURPOSES OF THIS SECTION, A MATERIAL NEGATIVE IMPACT WILL BE DEFINED AS ANY DIMINUTION OF MONTHLY FEES PAYABLE TO PASSPORT OF AT LEAST FIFTEEN PERCENT (15%) COMPARED TO THE FEES PAID BY PROVIDER TO PASSPORT FOR SERVICES AND SOFTWARE PROVIDED DURING THE MOST RECENT MONTH DURING WHICH THERE WAS NO ACTIVE LABOR STRIKE OF PROVIDER'S EMPLOYEES. A MATERIAL NEGATIVE IMPACT WILL BE CONSTRUED TO HAVE OCCURRED DUE TO A LABOR STRIKE IF A MATERIAL NEGATIVE IMPACT OCCURS DURING A MONTH DURING WHICH PROVIDER'S EMPLOYEES ARE PARTICIPATING IN A LABOR STRIKE.

VENUE

THE PARTIES AGREE THAT ANY CLAIM OR DISPUTE THAT MAY ARISE OUT OF THIS AGREEMENT MUST BE RESOLVED BY THE CIRCUIT COURT OF OKALOOSA COUNTY, FLORIDA. THE PARTIES AGREE TO SUBMIT TO THE PERSONAL JURISDICTION OF THE CIRCUIT COURT OF OKALOOSA COUNTY FOR THE PURPOSE OF LITIGATING ALL SUCH CLAIMS OR DISPUTES.

FORCE MAJEURE

NEITHER PASSPORT NOR PROVIDER WILL BE HELD LIABLE FOR ANY DELAY OR OMISSION IN PERFORMANCE OF THEIR DUTIES UNDER THIS AGREEMENT CAUSED BY CAUSES BEYOND THEIR REASONABLE CONTROL, INCLUDING WITHOUT LIMITATION, ACTS OF GOD, ACTS OF THE PUBLIC ENEMY, FIRES, NATURAL DISASTERS, WARS, OR RIOTS (EACH A "FORCE MAJEURE EVENT").

EFFECT OF TERMINATION

IN THE EVENT THAT THIS AGREEMENT IS TERMINATED BY EITHER PARTY AS SET FORTH ABOVE, PROVIDER WILL PAY ALL FEES ESTABLISHED ABOVE FOR SERVICES RENDERED BY PASSPORT PRIOR TO TERMINATION.

DISCLAIMER

THE SOFTWARE IS PROVIDED TO PROVIDER BY PASSPORT "AS IS" AND WITH ALL FAULTS. PROVIDER ACKNOWLEDGES AND AGREES THAT PASSPORT BEARS NO LIABILITY FOR ANY ERROR, OMISSION, DEFECT, DEFICIENCY, OR NONCONFORMITY WITHIN THE SOFTWARE EXCEPT AS EXPLICITLY PROVIDED IN THIS AGREEMENT. OTHER THAN AS SPECIFICALLY SET FORTH HEREIN, NEITHER OF THE PARTIES MAKES ANY REPRESENTATIONS, WARRANTIES, OR GUARANTEES, EXPRESS OR IMPLIED, DIRECTLY OR INDIRECTLY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF CONDITION, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OR USE, WITH RESPECT TO, ARISING OUT OF, OR IN CONNECTION WITH THE SOFTWARE AND RELATED SERVICES TO BE PERFORMED PURSUANT TO THIS AGREEMENT.

SEVERABILITY.

WHENEVER POSSIBLE, EACH PROVISION OF THIS AGREEMENT WILL BE INTERPRETED AND CONSTRUED TO BE VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THE AGREEMENT IS FOUND TO VIOLATE APPLICABLE LAW, THE VIOLATING PROVISION WILL BE INEFFECTIVE ONLY TO THE EXTENT THAT IT VIOLATES THE LAW, WITHOUT INVALIDATING THE REMAINDER OF THE SECTION CONTAINING THE VIOLATING PROVISION OR ANY OTHER PROVISIONS OR SECTIONS OF THIS AGREEMENT.

ASSIGNMENT

THIS AGREEMENT AND ALL OF ITS PROVISIONS WILL BE BINDING UPON AND INURE TO THE BENEFIT OF THE PARTIES AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNEES. NEITHER PASSPORT NOR PROVIDER MAY ASSIGN ANY RIGHTS, INTERESTS, OR OBLIGATIONS HEREUNDER WITHOUT PRIOR WRITTEN CONSENT OF THE OTHER PARTY, PROVIDED, HOWEVER, THAT PASSPORT MAY, WITHOUT SUCH WRITTEN CONSENT, ASSIGN THIS AGREEMENT AND ITS RIGHTS AND DELEGATE ITS OBLIGATIONS HEREUNDER IN CONNECTION WITH THE TRANSFER OR SALE OF ALL OR

SUBSTANTIALLY ALL OF ITS ASSETS OR BUSINESS RELATED TO THIS AGREEMENT, OR IN THE EVENT OF ITS MERGER, CONSOLIDATION, CHANGE IN CONTROL OR SIMILAR TRANSACTION. ANY PERMITTED ASSIGNEE SHALL ASSUME ALL ASSIGNED OBLIGATIONS OF ITS ASSIGNOR UNDER THIS AGREEMENT. ANY PURPORTED ASSIGNMENT IN VIOLATION OF THIS SECTION SHALL BE VOID AND OF NO EFFECT.

CONTRACTUAL SILENCE

IF THE AGREEMENT FAILS TO ADDRESS A CONDITION, OBLIGATION, BENEFIT, OR OTHER TERM NECESSARY TO SUFFICIENTLY DEFINE THE RELATIONSHIP BETWEEN THE PARTIES OR RESOLVE A DISAGREEMENT OR CONFLICT REGARDING THE INTERPRETATION OR CONSTRUCTION OF THIS AGREEMENT, THE PARTIES AGREE TO REASONABLY COOPERATE TO DRAFT A MUTUALLY AGREEABLE AMENDMENT THAT CLARIFIES THE DUTIES, RIGHTS, AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT.

AMENDMENTS

THE PARTIES MAY NOT AMEND OR MODIFY THIS AGREEMENT EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY THE PARTIES (AN "AMENDMENT").

CURRENCY

UNLESS OTHERWISE SPECIFIED IN THE AGREEMENT, ALL FEES AND OTHER MONETARY AMOUNTS ARE IN UNITED STATES DOLLARS.

WHERE ANY MONETARY AMOUNT IN THE CONTRACT IS EXPLICITLY STATED IN A CURRENCY OTHER THAN UNITED STATES DOLLARS, THE EXCHANGE RATE WILL BE FIXED AT THE FOREIGN EXCHANGE RATE PUBLISHED BY THE UNITED STATES FEDERAL RESERVE FOR THE EFFECTIVE DATE (THE "INITIAL EXCHANGE RATE"). IN THE EVENT THAT THE APPLICABLE EXCHANGE RATE PUBLISHED BY THE UNITED STATES FEDERAL RESERVE FOR ANY DAY DURING THE TERM (THE "CURRENT INTEREST RATE") DEVIATES BY MORE THAN TEN PERCENT (10%) FROM THE INITIAL EXCHANGE RATE, THE PARTIES AGREE THAT THE INITIAL RATE WILL BE ADJUSTED BY FIVE PERCENTAGE TOWARDS THE CURRENT INTEREST RATE. THE EXCHANGE RATE UNDER THIS AGREEMENT AFTER SUCH ADJUSTMENT (THE "ADJUSTED RATE") WILL REMAIN IN EFFECT UNLESS AND UNTIL THE CURRENT INTEREST RATE AND THE ADJUSTED INTEREST RATE DIFFER BY MORE THAN TEN

PERCENT (10%), IN WHICH CASE THE ADJUSTED RATE WILL BE ADJUSTED ACCORDING TO THE PROCESS SET FORTH ABOVE FOR ADJUSTING THE INITIAL EXCHANGE RATE.

COOPERATE

IF EITHER PROVIDER OR PASSPORT HAS A CLAIM, DISPUTE, OR OTHER MATTER IN QUESTION FOR BREACH OF DUTY, OBLIGATIONS, SERVICES RENDERED OR ANY WARRANTY THAT ARISES UNDER THIS AGREEMENT, THE PARTIES AGREE TO COOPERATE TO ACHIEVE A MUTUALLY BENEFICIAL RESOLUTION OF SUCH MATTER. IF AFTER SIXTY (60) DAYS THE DISPUTE REMAINS UNRESOLVED, THE PARTIES MAY PURSUE OTHER REMEDIES.

INDEPENDENT CONTRACTOR

PASSPORT IS AN INDEPENDENT CONTRACTOR AND NOT AN AGENT OR EMPLOYEE OF PROVIDER. NO AGENCY, PARTNERSHIP, FRANCHISE, JOINT VENTURE, OR EMPLOYMENT RELATIONSHIP EXISTS BETWEEN PASSPORT AND PROVIDER. PASSPORT'S EMPLOYEES AND AGENTS WILL NOT BE EMPLOYEES OR AGENTS OF PROVIDER. PASSPORT SHALL BE FULLY AND SOLELY RESPONSIBLE FOR THE SUPERVISION, CONTROL, PERFORMANCE, COMPENSATION, BENEFITS (INCLUDING, WITHOUT LIMITATION, ALL FORMS OF INSURANCE) WITHHOLDINGS, HEALTH AND SAFETY OF ALL OF ITS EMPLOYEES AND AGENTS. PROVIDER WILL NOT BE RESPONSIBLE OR LIABLE FOR ANY WITHHOLDING TAXES OR CONTRIBUTIONS TO STATE WORKER'S COMPENSATION, UNEMPLOYMENT OR OTHER FUNDS OR PROGRAMS.

LIMITATION OF LIABILITY

IN NO EVENT WILL PASSPORT BE LIABLE TO PROVIDER FOR ANY LOST PROFITS, LOST SAVINGS, OR INCIDENTAL, INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF PROVIDER USE OR INABILITY TO USE THE PRODUCT OR THE BREACH OF THIS AGREEMENT, EVEN IF PASSPORT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

NOTICES

ALL NOTICES, CONSENTS, AND COMMUNICATIONS REQUIRED HEREUNDER SHALL BE GIVEN IN WRITING AND DELIVERED VIA ELECTRONIC MAIL OR MAIL, SHALL BE DEEMED TO BE GIVEN UPON RECEIPT THEREOF, AND SHALL BE SENT TO THE ADDRESS BELOW:

PASSPORT
1300 S. MINT STREET
SUITE 200
CHARLOTTE, NC 28203

EMAIL: BEN.WINOKUR@GOPASSPORT.COM

ENTIRE AGREEMENT

THIS AGREEMENT REPRESENTS THE FULL AND COMPLETE UNDERSTANDING OF THE PARTIES AND SUPERSEDES ANY AND ALL PRIOR AGREEMENTS.

EXHIBIT B

SUPPORTED PAYMENT GATEWAYS

1. Authorize.net
2. Converge
 - Elavon Gateway Product
3. FirstData Direct Connect
4. Internet Secure
5. Moneris
6. Point and Pay

EXHIBIT C

Marketing Packages

Passport offers various marketing packages to augment the launch of your mobile app. Please review carefully and choose the option that best fits your needs.

Standard

\$0

- Media press release
- Social media posts from Passport accounts
- Market subscription to our "The Latest from Passport" newsletter to stay up-to-date on industry news and best practices from others in the industry
 - Includes a feature in Passport client newsletter
- Transition services from alternative mobile payment provider (if applicable)
 - E-mail blast to 10,000 users included (additional bands of 10,000 users: \$250)
 - 1,000 transition fliers for on-site distribution

Bronze

\$1,000

- *Includes Standard Package plus:*
 - 2,000 Marketing handout flyers (5x3) (additional 500 flyers: \$250)
 - 2,000 Marketing flyer (8.5x11) (additional 500 flyers: \$250)
 - 2 Social media image ad concepts
 - National Press distribution
 - 1,000 promotional code handouts (promotional budget not included)

Silver

\$2,500

- *Includes Bronze Package plus:*
 - Promotional landing web page
 - 1 specialty item design (ex: coaster, koozies, t-shirt, etc)
 - Order cost not included
 - 2 Email image concepts + body text
 - Design of (1) print ad (placement not included)

Gold

\$5,000

- *Includes Silver Package plus:*
 - Street team coordination (festivals, concerts, etc)
 - Geo targeted digital advertising coordination
 - Podcast with city official (to be chosen / selected by the city)
 - Additional specialty item design
 - Order cost not included
 - How-to video

Platinum

\$7,500

- *Includes Gold Package plus:*

- Promotional video
- Multi-page website
- Ongoing local media and blogger outreach (max 12 months)
- Any out of home design (billboards, sandwich boards, etc)

All materials and services provided hereunder are subject to the terms, limitations, and costs found in the Custom Design Revision Fees section of Exhibit A. For any additional services requested beyond the services provided under the Provider's chosen marketing package, Passport will charge a marketing services fee of one hundred and twenty-five dollars (\$125.00) per hour necessary to fulfill such Provider request. The minimum number of hours for the purpose of calculating the marketing services fee for any request is one hour.

EXHIBIT D

MARKETING SERVICES PROVIDED BY PROVIDER

- Distribute information handouts that speak to the flow of the application for the first thirty (30) days after launch.
- Distribute promotional materials, which may include parking fee discount codes
- Incorporate Passport information on Provider's website, specifically in any section that concerns parking.
- Add information around the system to all internal and external Provider newsletters or publications.
- Inform all Provider staff about the application so that they can field questions on the program and spread awareness.
- Include a prompt to download the Passport Parking application on all citations issued through the Provider's citation management provider.

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 1, 2021
TYPE OF AGENDA ITEM: Action Item

TO: City Council

THRU: Lance Johnson, City Manager

FROM: Louis Zunguze, Community Development Director
Noell Bell, Chief Building Official
Kimberly Kopp, Land Use Attorney

DATE: February 22, 2021

SUBJECT: Proposed Bert Harris Settlement Agreement for 627 Gulf Shore Drive

I. BACKGROUND: A proposed settlement agreement is attached for consideration by the City Council.

II. DISCUSSION: Staff has reviewed the requested occupancy of the structure, which was constructed in 2003, and recommends approval of the proposed settlement agreement.

Square footage of living space at the property is approx. 11,913 square feet, and the structure has eleven bedrooms. The staff-recommended maximum occupancy is 40.

The property remains subject to all other applicable City ordinances and codes.

- A. Link to Strategic Goals / Objectives:**
- B. Effect on Budget (EOB):**
- C. Level of Service (LOS):**

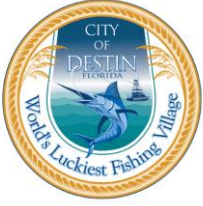
III. CONCLUSION: Staff recommends approval of the proposed settlement agreement based on the prior directives of the City Council and life safety inspection.

IV. RECOMMENDED MOTION:

Attachments:

1. 627 GSD Inspection Report of Building Official
2. 627 Gulf Shore Settlement Feb 22

2021



BHC-INSPECTION REPORT

**City of Destin
Building Department
4200 Indian Bayou Trail
Destin, Fl. 32541**

DATE OF INSPECTION: October 14, 2020
TYPE OF INSPECTOR: Code Compliance – Life Safety
PROJECT ADDRESS: 627 Gulf Shore Dr.
INSPECTOR: Noell Bell, CBO
INSPECTION RESULTS: 2 minor violations noted

OCCUPANCY RCOMMENDED: 40 provided the 2 minor violation are corrected and re-inspected for compliance.

This home has an 11,913 heated and cooled living area.

The owner is requesting an occupancy of 40. Current STR ordinance would allow an occupancy of 26 based on the property appraiser's bedroom count of 11 bedrooms, the Building Code would allow an occupancy of 59, calculated 11913/200 formula. The inspection of the home revealed it does contain 11 Bedrooms total and can comfortably sleep 40.

First Floor – 4 BR

BR/Game Room -1) 2 Dbl bunks w/trundle, Sleeps 12
BR-2) 2 Dbl Bunks, Sleeps 8
BR-3) King/Queen, Sleeps 2
BR-4) 2 single bunks, sleeps 4

Second Floor – 2 BR

BR-5) Maters Suite King, sleeps 2
BR-6) Queen, sleeps 2

Third Floor – 5 BR

BR-7) King/Queen, sleeps 2

BR-8) King/Queen, sleeps 2

BR-9) King/Queen, sleeps 2

BR-10) King/Queen, sleeps 2

BR-11) King/Queen, sleeps 2

Violations noted:

- 1) Exterior Gate/Door to pool area is not self-closing and latching as required for a code compliant pool barrier.**

R4501.17.1.8

Access gates, when provided, shall be self-closing and shall comply with the requirements of Sections R4501.17.1.1 through R4501.17.1.7 and shall be equipped with a self-latching locking device located on the pool side of the gate. Where the device release is located no less than 54 inches (1372 mm) from the bottom of the gate, the device release mechanism may be located on either side of the gate and so placed that it cannot be reached by a young child over the top or through any opening or gap from the outside. Gates that provide access to the swimming pool must open outward away from the pool. The gates and barrier shall have no opening greater than 1/2 inch (12.7 mm) within 18 inches (457 mm) of the release mechanism.

- 2) The garage closet containing the water heater contains a light fixture base with no bulb hang from the wires, this needs to be remounted to the electrical box and be provided a light bulb for illumination.**

**THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING RETURN TO:**

Kimberly Romano Kopp, Esq.
Romano Kopp Law, P.A.
P.O. Box 445
Destin, Florida 32541

<p>For Recording Purposes Only</p>

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into this ____ day of _____ 2021, ("Effective Date") by and between Scott R. Crowder, Sr. and Eileen S. Crowder, ("Owner") and the City of Destin ("City"), collectively referred to as the "Parties."

RECITALS

WHEREAS, on January 22, 2019, the City enacted Ordinance 18-29-CC, the Short-Term Rental Occupancy Ordinance ("Ordinance"), which limits the occupancy of short-term rental homes to two (2) people per bedroom plus an additional four (4) persons; and

WHEREAS, Owner owns the real property and improvements located at 627 Gulf Shore Drive, Destin, FL 32541, as more particularly described in the attached Exhibit "A" (the "Property"); and

WHEREAS, on October 11, 2019, Owner filed a claim with the City, pursuant to the provisions of §70.001, Florida Statutes, the Bert J. Harris, Jr., Private Property Rights Protection Act (the "Harris Act"), alleging that the Property had been inordinately burdened by the adoption of the Ordinance, (the "Claim"); and

WHEREAS, the Harris Act provides for the City to have the ability to enter into a settlement agreement which would have the effect of a modification or variance to the application of a regulation or ordinance as it would otherwise apply to the subject real property, provided the relief granted protects the public interest served by the regulations at issue and is the appropriate relief necessary to prevent the governmental regulatory effort from inordinately burdening the real property; and

WHEREAS, the City has determined that the modifications to the effect of the Ordinance effected by this Agreement protect the public interest served by the Ordinance and are the appropriate relief necessary to prevent the regulatory effect of the Ordinance from inordinately burdening the Property; and

WHEREAS, the Parties now desire to settle and finally resolve all disputes between and among them concerning the Claim.

NOW, THEREFORE, the Parties hereby agree as follows:

1. **Recitals.** The above recitals are true and correct and are incorporated herein by reference.

2. **Occupancy Allowable Under Ordinance.** Owner is hereby granted a variance from the provisions of the Ordinance so that the Owner shall have the right to apply under the Ordinance for a maximum occupancy of forty (40) overnight guests at the eleven (11) bedroom vacation rental property noted above and the City shall grant such occupancy. The right shall continue in perpetuity, regardless of any future changes in ownership, provided that this right shall expire permanently if the Property were to be voluntarily remodeled or voluntarily rebuilt in such a manner as to change the number of bedrooms that existed at the date of the Claim. Additionally, no future addition to the number bedrooms will increase the allowable occupancy at the Property.

3. **Development in Accordance with Code.** Notwithstanding any provisions contained herein, the Owner shall at any time have the right and option to remodel, develop, or use the Property in accordance with the applicable ordinances of the City of Destin in effect at the time of application therefor, and this variance shall not be construed as making the Property in any way non-conforming.

4. **Entire Agreement.** The Parties acknowledge that this Agreement constitutes the entire agreement between them regarding the settlement of their dispute and any prior statements, whether oral or written, are merged herein. This Agreement may not be modified or amended without a written instrument signed by the party against whom enforcement is sought.

5. **Duration of Agreement.** This Agreement shall be perpetual and deemed to run with the land, and shall be binding upon and the benefits shall inure to the parties hereto and their respective heirs, devisees, personal representatives, successors and assigns.

6. **Authority.** The signatories to this Agreement are expressly authorized to resolve their dispute as set forth herein and by their signatures here represent and affirm their authority to execute this Agreement.

7. **Governing Law.** The law of the State of Florida shall apply to this Agreement. Any dispute regarding this Agreement shall be litigated exclusively in the courts of Okaloosa County, Florida. The parties expressly consent to such agreed jurisdiction and venue, and waive any objections thereto.

8. **Notices.** Any notice required or permitted to be given hereunder shall be in writing and shall be (i) delivered by hand, (ii) delivered by reputable national or local courier (such as United Parcel Service or Federal Express), (iii) mailed by United States registered or certified mail, return receipt requested and postage prepaid, or (iv) sent by facsimile transmission provided a confirmation of such

facsimile transmission is sent the same day by one of the methods of delivery in (i), (ii), or (iii) above. Any notice shall be addressed to each party at its address as set forth below. Any such notice shall be considered given on the date of such hand delivery, deposit with such courier for same day or next business day delivery, upon receipt of return receipt of certified mail, or receipt of facsimile transmissions, as the case may be, and the time period (if any is provided herein) in which to respond to such notice shall commence on the date of receipt. Rejection or other refusal to accept or inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice. By giving to the other party at least ten (10) days' notice thereof, any party shall have the right from time to time to change the addresses thereof and to specify up to two (2) additional addresses within the United States of America to which copies of notices to it shall be sent. Notice may be given on behalf of any party by such party's counsel. In the event the subject property owner changes, notices shall be addressed to the current owner as indicated in the records of the Okaloosa County Property Appraiser. Otherwise, notices shall be sent as follows:

Each notice shall be addressed as follows:

To City: City of Destin, Florida
Attn: City Manager
4200 Indian Bayou Trail
Destin, Florida 32541

With a copy to:
City Land Use Attorney
Romano Kopp Law, PA
PO Box 445
Destin, Florida 32541

To: Scott R. Crowder, Sr. & Eileen S. Crowder
9602 W. Pedernales River Drive
Cypress, TX 77433

With a copy to: Matthews & Jones, LLP
Attn: C. Stephen Tatum
4475 Legendary Drive
Destin, Florida 32541

9. **Attorney's Fees**. In the event of any action, whether pre-suit, mediation, litigation or appellate proceeding to enforce the terms and conditions of this Agreement, each party to the action shall pay its own attorney's fees and costs incurred therein.

10. **Venue**. Venue over any action to enforce the terms and conditions of this Agreement, including mediation, shall lie solely in Okaloosa County, Florida.

OWNER:

Signature of Witness #1

Scott R. Crowder, Sr.

Print or type name

Signature of Witness # 2

Print or type name

STATE OF _____

COUNTY OF _____

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgments, by means of ____ physical presence or ____ online notarization, appeared _____, personally known to me or who has produced _____ as identification, to be the person described in and who executed the foregoing _____ and he/she acknowledged before me that he/she executed same.

Signature of Notary

(NOTARY SEAL)

Print or type name

Signature of Witness #1

Eileen S. Crowder

Print or type name

Signature of Witness #2

Print or type name

CITY OF DESTIN

By: _____
Gary Jarvis, Mayor

Date: _____

ATTEST:

Rey Bailey, City Clerk

Date: _____

STATE OF _____
COUNTY OF _____

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the state aforesaid and in the county aforesaid to take acknowledgments, by means of ____ physical presence or ____ online notarization, appeared _____, personally known to me or who has produced _____ as identification, to be the person described in and who executed the foregoing _____ and he/she acknowledged before me that he/she executed same.

Signature of Notary

(NOTARY SEAL)

Print or Type Name

Approved as to form and legality for use and reliance
by the City of Destin, Florida, only.

Kimberly Romano Kopp, Esq.
City Land Use Attorney

Exhibit "A"

Legal Description of Property

Lot 26, Block E, Holiday Isle on the Gulf of Mexico at Destin, Inc. Residential Section Number 2, according to the Plat thereof, recorded in Plat Book 3, Page(s) 57, of the Public Records of Okaloosa County, Florida.

CITY OF DESTIN



AGENDA ITEM

COUNCIL MEETING DATE: March 1, 2021

TYPE OF AGENDA ITEM: Presentation

TO: City Council

THRU:

FROM:

DATE:

SUBJECT: Draft Minutes of Standing Committee/Board Meetings

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:

1. 1-26-21 Parks&Rec
2. 2-18-21 LPA

**MINUTES OF THE
PARKS & RECREATION COMMITTEE
MEETING DESTIN CITY HALL BOARDROOM
JANUARY 26, 2021 MEETING - 4:00 PM**

1. CALL TO ORDER:

The Recreation Director, Lisa Firth called the meeting to order at 4:00 p.m. on Tuesday, January 26, 2021 in the Destin City Hall Annex Chambers with the Pledge of Allegiance immediately following.

2. ROLL CALL:

Members Present

Sandy Trammell
Matthew Sweetser
Barbara Telford
Nikki Johnson
Brian Liesveld
Danielle Piper
Leslie Schmidt

Staff Present

Kim Montgomery, Deputy City Clerk
Lisa Firth, Recreation Director
Ryan Reed,

3. CHAIRMAN & VICE CHAIRMAN:

Motion to nominate Committee member Trammell as Chairman was made by Committee member Sweetser and seconded by Committee member Telford. The motion passed with a 7-0.

Motion to nominate Committee member Sweetser as Vice Chairman was made by Chairwoman Trammell and seconded by Committee member Johnson. The motion passed with a 7-0.

4. APPROVAL OF MINUTES:

June 30, 2020

After discovering several errors, the agreement to pull the June 30, 2020 minutes from the agenda and table them to the next meeting.

October 27, 2020

Motion to approve the October 27, 2020 minutes as corrected was made by Committee member Johnson with Committee member Liesveld providing the second. A roll call vote of 7-0 was taken and the motion passed.

5. OLD BUSINESS:

- **Parks and Trails Reviews**

Since 2020 was so compromised from Covid, Mrs. Firth discussed with the members what all they need to review when going out to their assigned parks and trails. She informed the members that at the next meeting everyone will be reassigned parks and trails and ensured the standing members that theirs will not change.

- **Committee Handbook & Code of Ethics**

The members and staff reviewed the handbook and the Code of Ethics they are bound to uphold. Chairwoman Trammell emphasized how important it is for each member to remember if they go speak before Council on any topic pertaining to this committee that they first discuss the issue in this setting. Adding, if there is anything they want to speak to Council about on their own behalf, to make sure they inform Council beforehand that they are not representing the Committee.

- **Adopt-a-Street Program**

Mrs. Firth explained to the members that she is wanting up upgrade the program to an Adopt-a-Park and Adopt-a-Beach Trail. The members all agreed that this program should be under Parks & Rec instead of Public Services.

Marcie Bell 3 Gulf Breeze Ct. mentioned how she would like the program to allow single individuals to be able to adopt an area of a roadway, park, or beach access and not only groups. She also spoke of how she would like assurance that businesses that participate in the adopt-a-street program are cleaning up their designated areas and not using the signs as advertisement for business.

- **Adopt-a-Tree/Adopt-a-Bench Program**

Mrs. Firth spoke of how she would like to get the program going as well for anyone that would want to have a family member remembered by planting a tree or installing a bench in a city park.

The members also discussed the following:

- Little Free Library book boxes that randomly pop up and how there are a few installed in the city by homeowners.
 - Concern voiced to not infringe on the Destin Library and how they would like to hear from Wen Livingston, the Library Director if she is ok with those before going any further with the plan.
 - Mrs. Firth spoke of the one at the O'Steen Beach Trail that the Boy Scouts installed and how it has been damaged and not used properly. The suggestion was to have it taken down, repaired, and reinstalled in a city park. However, there was.
- Destin Dog Park and ideas to enhance the park.
 - Mrs. Firth informed the members that she and her staff have discussed options to improve the park where the sod gets destroyed.

- Destin Forward is willing to help and are considering building a gazebo project in the middle of the Dog Park.

6. NEW BUSINESS:

➤ **Destin Girl Scouts – Matthew Sweetser**

Discussed how the local chapter wants to get more involved in the community with ideas of creating rock gardens and donating and/or planting trees and plants at city parks. Adding they will attend the next scheduled meeting to discuss their ideas.

7. COMMITTEE MEMBER/STAFF COMMENTS:

Staff Comments:

Mrs. Firth explained to the members that the Beach Meetings are the third Thursday of the month at 10 a.m. working with conjunction with county, the Turtle Watchers and the beach cleaners to get the beaches properly scouted for turtles and cleaned before the beach umbrella and chair setups can start being put down. The members and staff discussed the need to have a couple of members who are willing to attend the beach meetings. And lastly, she spoke of the beach bins for people to reuse/leave beach chairs, umbrellas and how they are not being properly monitored and caused more debris after Hurricane Sally.

Mrs. Firth provided the members with the current update of the following parks:

➤ **Royal Melvin Heritage Park & Plaza**

The park now has the construction fencing around it and is under way for construction.

Committee member Sweetser spoke of how he knows the great grandson of Capt. Royal Melvin who would want to be there for the groundbreaking ceremony.

➤ **Clement Taylor Park**

The park reconstruction is still delayed because of the Indian Artifact Survey.

➤ **Joe's Bayou Concrete Plant Property**

The city is still waiting on the plans and will bring them before this committee when they are ready.

➤ **Harbor Lane ROW**

Provided the newly appointed members the status of this ROW.

➤ **Norriego Point**

They are still waiting on the last permit approval from the State and construction should start about the same time as the busy summer season.

Member Comments:

• **Committee member Sweetser** – Committee member Sweetser reported tire marks on his family’s headstones and how he noticed there were other headstones with them as well. Mr. Reed stated that he would get with the crew to inform them they need to be more careful when mowing. He also explained how they have been fighting a fungus in the grass for a couple years and how they are finally getting it under control.

• **Committee member Johnson** – Spoke of how the Martin House that was donated to the city is a nice house but feels the sign that was included seems more commercial and how the city should make sure that any similar future donations should just be about the product itself and nothing else.

• **Committee member Brian Liesveld** – Spoke of beach chair vendors commandeering the beach in the early morning hours and not leaving any space for the people not wanting to rent a beach chair setup. And would like to hear some solutions to this ongoing issue.

• **Committee member Piper** – Committee member Piper suggested that native plants be considered when anything needs to be planted in the parks and cemeteries, noting how they may be more expensive but in the long run, they will be a better value since they would not need as much watering.

• **Committee member Schmidt** – Committee member Schmidt spoke of how she would like the committee to get involved in landscaping Phase II of the Destin Cemetery. She spoke of a landscaping plan that was created by Cali Barker and questioned if it still exists.

• **Chairwoman Trammell** – Spoke of the potential Sports Center that has been discussed at the last couple of Council Visioning Sessions and the types of sports events that could be held to meet the needs of the city. She spoke of how she would also like to have a Visioning Session type workshop so they could discuss all the goals and objectives for the committee and ultimately the community.

➤ **Public Comment** –

Marcie Bell – 3 Gulf Breeze Ct. Stated that she would be glad to reach out to Callie Barker to find out if she still has her landscaping plan for the Phase II section of the cemetery. Spoke of the QR Codes that may be an idea to install at all the parks for the plant species identifications.

ADJOURNMENT:

Having no further discussions, the meeting adjourned at 6:30 PM.

Adopted and approved this ____ day of _____ 2021.

Sandy Trammell, Chairwoman

Kim Montgomery, Deputy City Clerk

**LOCAL PLANNING AGENCY
MEETING MINUTES
FEBRUARY 18, 2021 - 5:30 P.M.
DESTIN CITY HALL BOARDROOM**

1. CALL TO ORDER:

Chairman Wood called the Local Planning Agency Meeting to order on Thursday, February 18, 2021 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
Jason Klosterman
Don David
Karen Drexler

Members Absent

Marcie Bell

Staff Members Present

Kim Montgomery, Deputy City Clerk
Traci Goodhart, Stormwater Specialist/Planner
Daniel Butler, Planner
Kimberly Kopp, Land Use Attorney

3. APPROVAL OF MINUTES:

January 21, 2021

Motion by Agency member Shelton, seconded by Agency member David to approve the January 21, 2021 minutes as written. The motion passed 5-0.

NEW BUSINESS:

A. Ordinance 20-01-LC

The Land Use Attorney read the ordinance by title into the record.

ORDINANCE NO. 21-01-LC

AN ORDINANCE OF THE CITY OF DESTIN, FLORIDA, AMENDING ARTICLE 7, ZONING AND REGULATORY CONTROLS, OF THE LAND DEVELOPMENT CODE; PERMITTING RESIDENTIAL USES IN THE SOUTH HARBOR MIXED USE ZONING DISTRICT IN STRUCTURES PREDATING INCORPORATION OF THE CITY OF DESTIN (1984); 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.

Mr. Butler explained to the members that Policy 1-2.4.3 of the Comprehensive Plan requires long-term residential uses in the South Harbor Mixed Use Zoning District to have a minimum of 4,500 sq. feet of publicly leasable commercial space. And this proposed ordinance would exempt structures built prior

to the City's incorporation from this specific requirement regarding the publicly leased full space. He also explained that due to the non-conforming nature of the structures, any structures built after 1984 shall be required to provide the 4,500 square feet of the publicly leasable space will cut down on non-conformities within this zoning district and not to create any more non-conformities. And Staff recommends adoption of ordinance 21-01-LC by City Council.

The Chairman opened the hearing to the public, with no one coming forward he closed the public portion of the hearing and called on the members for comments or a motion.

Agency member Shelton made the motion for the Local Planning Agency to recommend City Council's approval Ordinance 21-01-LC, with Agency member David providing the second. A roll call vote of 5-0 was taken and the motion passed.

B. ORDINANCE NO. 21-02-LC

The Land Use Attorney read the ordinance by title into the record.

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 LOW DENSITY RESIDENTIAL - VILLAGE (LDR-V) TO RESIDENTIAL, OFFICE AND INSTITUTIONAL VILLAGE RESIDENTIAL (ROI-VR); 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. (Parcel ID Numbers: 00-2S-22-3091-000J-0200 & 00-2S-22-3091-000J-0190)

Mr. Butler explained to the Agency members that City Council directed staff to eliminate the inconsistencies between the Zoning Map and the Future Land Use Map adding the zoning designation between these two subject parcels are not consistent which currently, these parcels are zoned Low Density Residential Village. And the Future Land Use Map has these designated as Residential Office Institutional, which is for just commercial supportive uses. If approved, the zoning of these parcels would be consistent with the Future Land Use Map and staff recommends approval Ordinance 21-02-LC for these two parcels.

The Chairman opened the hearing to the public, with no one coming forward he closed the public portion of the hearing and called on the members for comment or a motion.

Chairman Wood asked staff if this was the last of the changes to correct the maps. According to Mr. Butler that is correct.

Agency member Shelton made the motion for the Local Planning Agency to recommend City Council's approval of Ordinance 21-02-LC, with Agency member Drexler providing the second. The

motion passed with a 5-0 vote for approval.

C. ORDINANCE NO. 20-16-LC

The Land Use Attorney read the ordinance by title into the record.

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

According to Mrs. Goodhart, this ordinance better defines short-term, long-term and special events. And that both ordinances, this one and the next, have previously come before them and were approved at their level. However, when they went before the Harbor and Town Center CRA, at the Harbor CRA recommended removing the May through September timeframe seeing that Destin’s season no longer has a definitive boundary.

The Chairman asked for clarification on what changes were made from the last time they reviewed and recommended this ordinance. According to Mrs. Goodhart, just the May to September timeframe for “seasonal” was omitted.

With no more comments, the Chairman opened the hearing to the public, with no one coming forward he closed the public portion of the hearing and called on the members for a motion.

Agency member Shelton made the motion for the Local Planning Agency to recommend City Council’s approval proposed Ordinance 20-16-LC with the following changes, the definition between the Code of Ordinance and the Land Development Code are clarified and the length of the season from May to September is removed. Agency member Drexler providing the second. The motion passed with a 5-0 vote for approval.

The Land Use Attorney clarified for the member that this ordinance amends the Code of Ordinance and the previous ordinance amends the Land Development Code. She then 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; AMENDING CHAPTER 13, ARTICLE IX OF THE CODE OF ORDINANCES TO EXCLUDE “MOBILE FOOD DISPENSING VEHICLES” FROM PERMITTING REQUIREMENTS FOR MOBILE VENDORS, DUE TO PREEMPTION BY THE STATE PURSUANT TO SECTION 509.102, FLORIDA STATUTES (2020); PROVIDING FOR INCORPORATION INTO THE CODE OF ORDINANCES; PROVIDING FOR CONFLICTING PROVISIONS, SEVERABILITY, AND

AN EFFECTIVE DATE.

Mrs. Goodhart explained to the LPA members that this Ordinance is bringing the city in line with the Florida State Statute where instead of the Mobile Vendors submitting a Mobile Vending Permit Application, they will now submit a Mobile Vending Zoning Verification. Explaining further that is just for staff to make sure that the Mobile Vendor has the authority to operate on the property in which they are operating and, to make sure that they're in the correct zoning districts. And staff recommends approval of this ordinance.

Chairman Wood opened the hearing to the public, with no one coming forward he closed the public portion of the hearing and called on the members for comments or a motion.

Agency member David made the recommended motion for the Local Planning Agency to recommend approval of Ordinance 20-17-CC by City Council. With Agency member Shelton providing the second. A roll call vote of 5-0 was taken and the motion passed.

6. DIRECTOR'S REPORT:

A. Harbor Capacity Study Update

The Land Use Attorney explained that the City has received the funds from the Federal Government for the study and the study is about to commence next month. There will be a meeting of the steering committee on February 24th at 5:30 at that time the committee will be introduced to their role and their scope of the project. They will also be meeting with the representative from the Army Corps of Engineers, Meredith Ledart and will be reviewing surveys and getting acquainted with the project as a whole.

B. Land Development Code Update

The Land Use Attorney explained to the members that at their last meeting they had asked how the Land Development Code revisions would be coming to them and staff will be bringing the chapters in increments and not all of it at once.

The Chairman asked when the final adoption comes up would they be recommending it in its entirety? According to the Land Use Attorney, it may not need to be done that way and may also be in sections. Adding that the city is hiring 3TP as a consultant to assist with most of the rewrite as well as working with staff.

The Chairman also asked if they would be reviewing One Gulf project request in the next few months. According to the Land Use Attorney that should be coming before them soon.

7. NEXT MEETING: March 18, 2020

8. ADJOURNMENT:

DRAFT

Having no further discussion at this time, the meeting adjourned at 5:50 p.m.

Adopted and approved this _____ day of _____ 2021.

James Wood, Jr. Chairman

Kim Montgomery, Destin City Clerk

DRAFT