MINUTES
BUDGET WORKSHOP
DESTIN CITY COUNCIL
JULY 12, 2021
ANNEX COUNCIL CHAMBERS
5:30 PM

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

Destin City Council

Mayor Pro Tem Dewey Destin
Councilmember Terésa Hebert
Councilmember Prebble Ramswell
Councilmember Johnny King

City of Destin Staff

City Manager Lance Johnson
City Clerk Rey Bailey
Public Services Director Michael Burgess
Principal Planner Steve O'Connor
Community Development Director Louis Zunguze
Code Compliance Manager Joey Forgione
City Attorney Kyle Bauman
Deputy City Manager Webb Warren
Finance Director Krystal Strickland
HR Manager Nichole De Vito
Grants/Program Manager Jeffrey Cozadd
Deputy Parks/Rec Director Ryan Reed
City Engineer Donald Smith

CALL TO ORDER

Mayor Pro Tem Dewey Destin called the meeting to order at 5:30 PM; followed by recitation of the Pledge of Allegiance.

WORKSHOP

A. Fiscal Year 2022-2026 Capital Budget

The City Manager presented the following information:

2022 Budget Process

- Visioning Session – January 2021
- Operational Budget Workshop – June 14, 2021
- Capital Budget Workshop – July 12, 2021
- Individual Sessions with Council for Capital and Operational Budgets – August 4-5, 2021
- Operational Budget Workshop – August 9, 2021
- Adoption of a Balanced Budget – September 2021

Strategic Planning Review

- In January 2021, Council participated in the annual visioning session which resulted in the following list of Projects, Improvements, and Initiatives:

Notes: Priority Definitions

1. Critical Priority – An objective that must be successfully accomplished within a specified amount of time (no matter what)
2. Important Priority – A priority that can have a significant impact on performance. Resources are fixed and the variable is either time or the objective.
3. Desirable Priority – A priority where both resources** and time are variables. The organization desires an outcome but cannot absolutely commit specific resources over any specifiable time period.

** Resources are fixed for all critical and important priorities, therefore, it may become necessary to transfer resources from DESIRABLE priorities to CRITICAL priorities.

Council Objectives FY 21/22

SECTION 1

- Critical Priorities
  - 1.1 Offer livable wages and benefits to attract and maintain high caliber, qualified staff
- Important Priorities
  - 1.2 Complete two-lane Crosstown Connector
  - 1.3 Public Beachfront Acquisition Initiative
  - 1.4 Underground Utilities
  - 1.5 Zerbe St./Calhoun Avenue Phase II – Design pedestrian pathway under Marler Bridge
- Desirable Priorities
  - 1.6 Research viability of Multi-use Convention/Sports/Community Center (Phase 1 Feasibility Study)
  - 1.7 Annexation of unincorporated enclaves
  - 1.8 Transit/Trolley System
  - 1.9 City Marina (Phase 1 Feasibility Study)
  - 1.10 Improve parking, explore options (i.e., garage, surface, etc.)
  - 1.11 Beach renourishment, planning and scheduling.

Management Objectives FY 21/22

SECTION 2

- Critical Priorities
  - 2.1 Balance resources (staffing, time, money) with mandatory and non-mandatory functions/projects/tasks
  - 2.2 Funding sources for beach acquisitions
  - 2.3 Funding sources for undergrounding utilities

- Important Priorities
  - 2.4 Develop and implement processes for consistent and streamlined application of codes and procedures; streamlined livery vessel regulations and permitting; streamlined, prompt, consistent building permitting.
  - 2.5 Improve communications with council/public/staff
  - 2.6 Continuous improvement of contract management process.
  - 2.7 Key functions/services: Continuous improvement of effectiveness and efficiency
- Desirable Priorities
  - 2.8 Establish a park foundation to assist with acquisitions, renovations, and maintenance

Management in Progress FY 21/25

SECTION 3

- Critical Priorities
  - 3.1 Memorialize institutional knowledge.
  - 3.2 Plan for renewal and replacement of city facilities and Infrastructure
  - 3.3 Monitor Restore Act grants
- Important Priorities
  - 3.4 Implement enhanced signage control.
  - 3.5 Develop/Implement Wayfinding Program; improvement of the city's gateways; move "Welcome Sign" to east side of the bridge.
  - 3.6 Update Golf Cart/Low Speed Vehicle (LSV) rules
  - 3.7 Implement a roadway striping program.
  - 3.8 Provide training to board and committee members.
  - 3.9 Improve sidewalks (wider, more walkable)
  - 3.10 Enforce residential boat and RV parking regulations.
  - 3.11 Monitor beach cleaning with Okaloosa County
  - 3.12 Redevelopment (citywide)
- Desirable Priorities
  - 3.13 Reestablish Environmental Committee

Major Projects FY 21-25

SECTION 4

- Critical Priorities
  - 4.1 Implement and Manage COMPASS software
  - 4.2 Harbor Capacity Study (USACE)
  - 4.3 Land Development Code revision
  - 4.4 Impact Fee Study
  - 4.5 Building Permit Fee Study

- Important Priorities
  - 4.6 Update BTR Fee Schedule and processes
  - 4.7 Construct Capt Royal Melvin Heritage Park

- 4.8 Zerbe Street/Calhoun Avenue Phase II – Design pedestrian pathway under Marler Bridge
- 4.9 Hwy 98 Median Improvement Project
- 4.10 Norriego Point Phase III – Recreation Components
- 4.11 Renovate Clement Taylor Park
- 4.12 Redevelop Joe's Bayou Recreation Area
- 4.13 Continuity of streetlights/Conversion to LEDs
- 4.14 Implement prioritized stormwater improvements based on the Stormwater Master Plan

➢ Desirable Priorities
- 4.15 Design and construct Gulf Power Easement Trail/Linear Park
- 4.16 Design and construct pickleball courts

Finance Director Krystal Strickland presented the FY 2022-2016 Capital Improvement Project Budget. She stated that the strategic plan summary sheet/poster has been updated to expedite council's review. Matching their priorities with available funding is the key. Council's questions, comments, and recommended changes will help staff complete this document to meet the council's expectations. She further stated this is the council's plan and they should feel free to point out needed changes including re-prioritization or changing the funding levels of any of the projects. She then proceeded to review the different types of funding that will be applied to different types of projects and the actual details of each of the categories.

5-year Capital Budget Summary

Capital Projects	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Citizen/Council Directed	9,720,000	780,000	1,975,000	1,600,000	11,346,132	25,421,132
Renewal & Replacement	2,522,529	1,651,530	1,779,530	1,524,030	1,782,486	9,260,104
Growth Necessitated	776,000	85,000	220,000	-	-	1,081,000
Other Capital Projects	3,193,532	1,692,500	82,500	1,132,500	32,500	6,133,532
Total Projects	**$16,212,061**	**$4,209,030**	**$4,057,030**	**$4,256,530**	**$13,161,117**	**$41,895,767**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
TC CRA	$ -	$ 370,000	$ 50,000	$ 1,000,000	$ -	$ 1,420,000
Gas Taxes	590,000	509,000	509,000	509,000	509,000	2,626,000
General Fund	1,156,722	225,000	-	100,000	-	1,481,722
Grant	8,323,444	790,000	1,600,000	1,600,000	6,694,218	19,007,662
Half Cent	2,061,529	1,121,863	1,249,863	994,363	1,252,819	6,680,437
Harbor CRA	-	150,000	150,000	-	-	300,000
Impact Fees	888,800	42,500	152,500	32,500	32,500	1,148,800
Oka 1/2 Penny	2,990,566	780,000	225,000	-	4,651,914	8,647,480
Parking Fund	126,000	95,667	120,667	20,667	20,667	383,667
Tech Fund	75,000	125,000	-	-	-	200,000
Total Sources	**$16,212,061**	**$4,209,030**	**$4,057,030**	**$4,256,530**	**$13,161,117**	**$41,895,767**

Capital Improvement Programming

- Renewal and Replacement Fund (R&R)
  - Facilities Renewal and Replacement
  - Infrastructure Renewal and Replacement
- Capital Improvement Program (CIP)
  - Citizen/Council priority projects
  - Comprehensive Plan and Growth Necessitated (Impact Fees)
  - Other capital projects
- Renewal and Replacement
  - Established in FY 2021 with an initial $2 million investment.
  - Funded by Half-Cent Sales Tax and Gas Tax #1
  - National average for commercial building replacement value is $50 per square foot + re-sodding turf + replacing park amenities avg need is $600k/year.
  - Roads/Sidewalks/Streetlights – Restripe every 7 years; resurface every 15 years requires over $1m/year.
  - Investing at rate of asset depreciation would be $3m/year.
  - Not to be confused with operating repairs and maintenance
  - R&R is to renew/replace major building components (roof, HVAC, exterior paint, flooring).

Infrastructure Renewal and Replacement

- Local Option Gas Tax #1 ($500k/yr)
  - Establishing, operating, and maintaining transportation system and related equipment and facilities
  - Cost of acquisition, construction, reconstruction and maintenance of roads, streets, ROWs, sidewalks, signage, pavement markings, and street lighting, equipment and storage facilities for transportation equipment
  - City is using for Transportation and Pedestrian Facilities, primarily restriping and resurfacing of roads

CIP Restricted Funding Sources

- Local Option Gas Tax #2 ($200k/yr)
  - Not for routine maintenance
  - To meet requirements of capital improvement elements of an adopted (comprehensive plan) to meet immediate local transportation problems and for critical roadway networks
- Impact Fees
  - Collected from developers for "Growth Necessitated Improvements."

	PROJECTED FY 2022 BEGINNING BALANCE	PROJECTED FY 2022 ADDITIONS	AVAILABLE TO BUDGET FY 2022
POLICE IMPACT FEES	11,332	500	10,832
ROAD IMPACT FEES	1,670,767	50,000	1,620,767
MULTIMODEL TRANSPORTATION	224,133	30,000	194,133
NPEB	254,999	500	254,499
LIBRARY IMPACT FEES	177,721	5,000	172,721
PARK IMPACT FEES	354,746	30,000	324,746
TOTAL IMPACT FEES	**2,693,698**	**116,000**	**2,577,698**

- Okaloosa 1/2 Penny Surtax ($1.2m/yr – 2019-2028)
  - On February 18, 2020, a motion was made by the council to allocate the funds as follows:
    - 75% Beach Acquisitions
    - 10% Undergrounding
    - 10% Public Works/Public Safety Committee Initiatives
    - 5% Other Council Directed Projects

<u>Grant Funding Sources</u>

- Cost Reimbursement
- Current major grantors:
  - Tourist Development Council (TDC)
  - Okaloosa Board of County Commissioners (BOCC)
  - Florida Department of Environmental Protection (FDEP)
  - Florida Department of Transportation (FDOT)
  - RESTORE (Deep Horizon) via BOCC
  - American Rescue Plan (ARP)
  - TRIUMPH Gulf Coast

5-year Capital Budget Summary

Capital Projects	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
Citizen/Council Directed	9,720,000	780,000	1,975,000	1,600,000	11,346,132	25,421,132
Renewal & Replacement	2,522,529	1,651,530	1,779,530	1,524,030	1,782,486	9,260,104
Growth Necessitated	776,000	85,000	220,000	-	-	1,081,000
Other Capital Projects	3,208,718	1,692,500	82,500	1,132,500	32,500	6,148,718
Total Projects	**$16,227,247**	**$4,209,030**	**$4,057,030**	**$4,256,530**	**$13,161,117**	**$41,910,953**

Funding Sources	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
TC CRA	$ -	$ 370,000	$ 50,000	$ 1,000,000	$ -	$ 1,420,000
Gas Taxes	590,000	509,000	509,000	509,000	509,000	2,626,000
General Fund	1,156,722	225,000	-	100,000	-	1,481,722
Grant	8,331,037	790,000	1,600,000	1,600,000	6,694,218	19,015,255
Half Cent	2,061,529	1,121,863	1,249,863	994,363	1,252,819	6,680,437
Harbor CRA	-	150,000	150,000	-	-	300,000
Impact Fees	888,800	42,500	152,500	32,500	32,500	1,148,800
Oka 1/2 Penny	2,998,159	780,000	225,000	-	4,651,914	8,655,073
Parking Fund	126,000	95,667	120,667	20,667	20,667	383,667
Tech Fund	75,000	125,000	-	-	-	200,000
Total Sources	**$16,227,247**	**$4,209,030**	**$4,057,030**	**$4,256,530**	**$13,161,117**	**$41,910,953**

Ms. Strickland explained that the $19 million amount highlighted above are grant funding amount for which they either have signed awards or they have seen funding earmarked. She stated that out of the $41 million 5-year capital improvement plan, they are going to use approximately $1.5 million of unassigned General Fund money as a match towards all the grants the city is receiving.

FY 2022-2026 Grants

FY 2022-2026 Grants	Operating	CIP Grants	Contributions
FDEP Ops Leonard Destin Park	424,045		
FDOT Median Maintenance	21,180		
FDOT Traffic Signal/Hwy Light Maint	144,117		
County Library Coopertive	62,629		
BOCC RESTORE Captain Royal Melvin		1,138,229	
BOCC RESTORE Clement Taylor		729,918	
BOCC Okaloosa County Beach Cleaning			500,000
BOCC Okaloosa GIS link (ENERGOV)			80,000
FDEP Joes Bayou Renovation Project			12,000,000
FDEP Norriego Point Phase III			3,000,000
TDD Lifeguards Norriego Point			109,137
TDD Waterfront Park Maintenance	476,350		
TDD Beach Acquisition		9,644,043	3,355,957
TDD Crystal Beach Accessway Imp		700,000	
FDOT Stahlman Ave Intersection			1,501,500
FDOT Crosstown ROW Acquisition		2,700,000	
BOCC Crosstown Construction Funds		3,200,000	
American Rescue Plan		790,000	
IMLS Cares Act Library		51,745	
FDEM Stormwater Equipment		48,309	
FL Cultural Affairs - Museum Repairs		13,011	
Total	**1,128,321**	**19,015,255**	**20,546,594**
		GRAND TOTAL	**$ 40,690,170**

Councilmember Ramswell asked whether Leonard Destin Park will receive $424,045 a year from 2022 thru 2026.

According to Ms. Strickland, Leonard Destin Park will receive approximately $83,000 a year over a 5-year period for operations.

5-year Capital Budget Details

Citizen/Council Directed		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
EN615	Cross-Town Connector	2,700,000	-	1,600,000	1,600,000	-	5,900,000
CM001	Beach Acquisition	6,585,000	-	-	-	11,346,132	17,931,132
EVENT	Multi-Use Convention/Spc	75,000	-	-	-	-	75,000
UNDER	Undergrounding	250,000	780,000	375,000	-	-	1,405,000
TR621	Transit Trolley	25,000	-	-	-	-	25,000
MARINA	City Marina	75,000	-	-	-	-	75,000
ANNEX	Annexation Study	10,000	-	-	-	-	10,000
Citizen/Council Directed Subtotal		9,720,000	780,000	1,975,000	1,600,000	11,346,132	25,421,132

Funding:
FDOT (TPO), TDC, Oka ½ Penny, General Fund (State Half Cent)

Ms. Strickland explained the purpose of the funding allocated for each of the above projectsa are as follows:

- Cross-Town Connector – for ROW allocations
- Beach Acquisition – for the 3rd parcel they are trying to acquire at Crystal Beach, plus approximately $700,000 for park improvements.
- Multi-use Convention Center – for a feasibility study
- Undergrounding – continuing contract with current project management company to refine the design and phases
- City Marina – for feasibility study
- Annexation study – to look into some enclaves they may be able to annex into the city without going through the normal lengthy procedure

5-year Capital Budget Details

Renewal & Replacement		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
RR051	General Government	195,000	22,500	51,500	28,500	142,500	440,000
RR052	Public Safety	217,044	259,544	132,544	128,044	239,500	976,678
RR053	Physical Environment (Sto	26,307	26,307	26,307	26,307	26,307	131,533
RR054	Roads, Sidewalks, Street Li	1,018,000	1,011,667	1,031,667	1,011,667	1,011,667	5,084,667
RR057	Parks and Recreation	602,751	331,512	537,512	329,512	362,512	2,163,799
RRVEH	Vehicles	463,427	-	-	-	-	463,427
Renewal & Replacement Subtotal		2,522,529	1,651,530	1,779,530	1,524,030	1,782,486	9,260,104

Funding:
Gas Tax #1, General Fund (State Half Cent), prior year RR fund balance

Councilmember Hebert noted that the city already purchased and replaced a lot of their vehicles this year. She asked what the amount of $463,427 listed above covers.

According to Ms. Strickland, it will pay for a new dump truck and other large vehicles which are mission critical for the city.

Councilmember Destin asked when they would receive the budget line items.

Ms. Strickland explained that council will see the budget line items during their individual briefing with the City Manager on August 4th and 5th.

5-year Capital Budget Details

Growth Necessitated		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
LB002	Library Impact Fee Projects	24,000	10,000	120,000	-	-	154,000
NORG1	Norriego Point Road	350,000	-	-	-	-	350,000
RC004	Park Impact Fee Projects	-	-	-	-	-	-
SW54	Stormwater Improvements	80,000	-	-	-	-	80,000
TR618	Zerbe-Calhoun Pedestrian Pathway	-	-	-	-	-	-
TR619	Sibert-Zerbe Parking Lot Consolidation	150,000	-	-	-	-	150,000
TR620	ADA Transition - Pedestrian Facilities	142,000	-	-	-	-	142,000
TR622	General Parking Improvements	30,000	75,000	100,000	-	-	205,000
	Growth Necessitated Subtotal	776,000	85,000	220,000	-	-	1,081,000

Funding:
Impact Fees, Gas Tax#2, Parking Fund

5-year Capital Budget Details

Other Capital Projects		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
CE001	Code Compliance Vessel	41,000	-	-	-	-	41,000
CRH63	Captain Royal Melvin Heritage Park and Plaza (RESTORE)	150,000	-	-	-	-	150,000
CRH64	Harbor CRA Wayfinding Plan Signage	-	150,000	-	-	-	150,000
CRH65	Harbor Capacity Study	-	-	-	-	-	-
CRT17	Town Center CRA Easement Trail/Linear Park	-	270,000	50,000	1,000,000	-	1,320,000
CRT64	Town Center CRA Wayfinding Plan Signage	-	100,000	-	-	-	100,000
TR64	General Wayfinding Plan Signage	100,000	-	-	-	-	100,000
IT001	COMPASS/Energov	75,000	125,000	-	-	-	200,000
IT002	CD Tech Fund Hardware/Software Replacements	75,000	225,000	-	-	-	300,000
IT003	Other Hardware/Software Replacements	50,000	-	-	100,000	-	150,000
LB001	Library Tablet Station & Biblioteca RFID, Mobil App	57,904	-	-	-	-	57,904
NPDES	National Pollutant Discharge Elimination System (NPDES)	32,500	32,500	32,500	32,500	32,500	162,500
PW015	Vehicle WashDown Station	-	-	-	-	-	-
RC124	Morgan's Children's Park Playground Structure	51,745	-	-	-	-	51,745
RC125	Buck Destin Restrooms	135,000	-	-	-	-	135,000
RC127	Pickleball Court	400,000	-	-	-	-	400,000
RC128	Morgan's Bathrooms/Storage/Fieldhouse	250,000	-	-	-	-	250,000
RC129	World's Luckiest Fishing Pond at X-Town Park	-	-	-	-	-	-
RC130	Cultural Facilities Grant Bldg Improvements	39,033	-	-	-	-	39,033
RC216	Clement Taylor Park Renovations	764,918	-	-	-	-	764,918
SW55	Mobile Pumps and Hoses (Flood Prevention)	96,618	-	-	-	-	96,618
ARP	Infrastructure Project TBD	790,000	790,000	-	-	-	1,580,000
TRSAF	Intersection Safety	100,000	-	-	-	-	100,000
	Other Capital Projects Subtotal	3,208,718	1,692,500	82,500	1,132,500	32,500	6,148,718

Councilmember Ramswell asked who owns the land for Morgan Sports Center.

The City Manager replied that Destin Water Users owns most of the land which the city rents for $7,500 a year.

Councilmember Destin recommends staff reviews the agreement to determine if it includes any bail out clauses for both the Destin Water Users and the City of Destin.

Effect on General Fund

ACCOUNT DESCRIPTION	FY2022	FY2023	FY2024	FY2025	FY2026
NET OPERATING (REV-EXP)	**12,776,427**	**5,513,951**	**6,343,729**	**6,532,696**	**11,746,992**
TXFR OUT GAS TAX#1	(510,120)	(512,671)	(515,234)	(517,810)	(520,399)
TXFR OUT GAX TAX#2	(231,502)	(232,660)	(233,823)	(234,992)	(236,167)
TXFR OUT TECH FUND	(73,172)	(74,810)	(76,494)	(78,224)	(80,004)
TXFR OUT OKA 1/2 PENNY	(1,431,400)	(1,474,342)	(1,518,572)	(1,564,129)	(1,611,053)
TXFR OUT TDC BEACH GRANT REV	(3,885,150)	-	-	-	(6,694,218)
TXFR OUT FDOT and BOCC X-TOWN	(2,700,000)	-	(1,600,000)	(1,600,000)	-
TXFR OUT IMLS GRANT	(57,904)	-	-	-	-
TXFR OUT MUSEUM BLDG GRANT	(13,011)	-	-	-	-
TXFR FDEM STRMWTR PUMP GRANT	(48,309)	-	-	-	-
TXFR OUT ARP GRANT	(790,000)	(790,000)	-	-	-
TXFR RESTORE PARK GRANT	(729,918)	-	-	-	-
TXFR OUT FOR 213 DEBT SERV	(555,245)	(554,420)	(553,571)	(552,698)	(551,801)
TXFR OUT FOR 221 DEBT SERV	(467,936)	(463,015)	(470,032)	(464,975)	(466,898)
TXFR OUT TO FACILITIES R&R	(900,000)	(900,000)	(1,150,000)	(1,150,000)	(1,150,000)
TXFR OUT GF GRANT MATCH	(1,156,722)	(225,000)	-	(100,000)	-
TXFR OUT TO BUILDING FUND	(238,400)	(455,018)	(488,075)	(513,327)	(539,816)
Total 0158188 TRANSFERS OUT	**(13,788,788)**	**(5,681,935)**	**(6,605,800)**	**(6,776,156)**	**(11,850,356)**
Increase (decrease) in Fund Balance	**(1,012,361)**	**(167,984)**	**(262,072)**	**(243,460)**	**(103,363)**
Fund Balance, beginning of year	**24,598,847**	**23,586,485**	**23,418,502**	**23,156,430**	**22,912,970**
Fund Balance, ending of year	**23,586,485**	**23,418,502**	**23,156,430**	**22,912,970**	**22,809,607**

Ms. Strickland explained that once they meet their operating requirements, they will need to transfer net operating revenues out of the General Fund. She continued that the building fund is highlighted because it shows how much they are in the negative, and that they would be transferring money out from the General Fund to subsidize their building fund for the next few years. She continued that by Florida Statutes, their building permit fees should cover the costs to enforce the Florida Building Code. However, they are not covering their cost with their annual fee schedule, which is the reason they are prioritizing the building permit fees. Once they get the building permit fees updated, they should be able to recoup all the money and establish the proper reserve for the building fund.

Councilmember Destin asked if the building funds are down because the city has been issuing fewer building permits.

According to Ms. Strickland, they are projecting to bring in over $800,000 in building permit revenues by the end of this year, which is higher than it was in the past years. The difference between the previous year and the current year's budget is that the city has never fully allocated out all the costs of the building funds to the building funds itself. For instance, the insurance on the Annex Building and on the code inspectors' vehicles should have been applied to the building funds. All software licenses for city staff, from Microsoft to Energov and all the different software the city uses, as well as all the telephones/cell phones expenditures, should have been charged to the building funds. She added that better management accounting will be emphasized to correct this problem moving forward.

Effect on Total Fund Balance

ALL FUNDS	FY2022 PROJECTION	FY2023 PROJECTION	FY2024 PROJECTION	FY2025 PROJECTION	FY2026 PROJECTION
Restricted					
102 Town Center CRA (State Regulations)		nonspendable 'til greater than zero			
110 Harbor CRA (State Regulations)	354,680	344,290	351,890	536,137	735,738
111 Building Fund (State Regulations)	252,620	252,620	252,620	252,620	252,620
209 Harbor CRA 2009 Debt Svc	-	-	-	-	-
213 General 2013 Debt Svc	93,341	93,341	93,341	93,341	93,341
214 Town Ctr CRA 2014 Debt Svc	245,852	245,952	246,052	246,152	246,252
221 Beach 2021 Debt Svc	1,920	1,920	1,920	1,920	1,920
305 Capital Projects (Grant Agreements)	-	-	-	-	-
315 Impact Fees (State Regulations)	1,882,359	2,188,518	2,385,841	2,704,333	3,024,000
	2,830,771	3,126,642	3,331,664	3,834,503	4,353,870
Committed					
1 yr debt svc	2,588,740	2,582,454	2,591,937	2,581,260	2,589,376
3 mos emergency ops x 2	6,618,014	6,857,583	7,105,768	7,397,324	7,686,896
122 Parking Fund	72,000	180,333	269,847	465,725	668,160
125 Tech Fund	140,694	28,110	44,163	63,959	87,606
129 Oka Half Penny	1,362,514	1,703,612	2,643,687	3,854,100	459,413
	10,781,962	11,352,092	12,655,402	14,362,369	11,491,451
Assigned					
Open PO Balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Unassigned	7,970,757	7,670,183	8,252,693	6,967,985	7,532,379
Grand Total Fund Balance	**24,352,032**	**24,820,528**	**26,375,944**	**27,825,963**	**25,572,889**

FY 22-23Capital Budget Summary page 1

COUNCIL/ MGMT OBJECTIVE PRIORITY			FY 2022	FY 2023
	Citizen/Council Directed			
1.2	EN615	Cross-Town Connector	$ 2,700,000	$ -
1.3, 2.2	CM001	Beach Acquisition	6,585,000	-
1.6	EVENT	Multi-Use Convention/Sports/Comm Ctr	75,000	-
1.4, 2.3	UNDER	Undergrounding	250,000	780,000
1.8	TR621	Transit Trolley	25,000	-
1.9	MARINA	City Marina	75,000	-
1.7	ANNEX	Annexation Study	10,000	-
	Renewal & Replacement			
3.2	RR051	General Government	195,000	22,500
3.2	RR052	Public Safety	217,044	259,544
3.2	RR053	Physical Environment (Stormwater, Cemete	26,307	26,307
1.10, 3.2, 3.7	RR054	Roads, Sidewalks, Street Lighting (Gas Tax 1	1,018,000	1,011,667
3.2	RR057	Parks and Recreation	602,751	331,512
3.2	RRVEH	Vehicles	463,427	-
	Growth Necessitated & Comp Plan			
	LB002	Library Impact Fee Projects	24,000	10,000
4.10	NORG1	Norriego Point Road	350,000	-
	RC004	Park Impact Fee Projects	-	-
4.14	SW54	Stormwater Improvements	80,000	-
1.5, 4.8	TR618	Zerbe-Calhoun Pedestrian Pathway	-	-
1.10	TR619	Sibert-Zerbe Parking Lot Consolidation	150,000	-
3.9	TR620	ADA Transition - Pedestrian Facilities	142,000	-
1.10	TR622	General Parking Improvements (FY22 kiosk)	30,000	75,000

Councilmember Hebert noted that priority 1.1 is not listed.

Ms. Strickland explained that priority 1.1 involves livable wages and benefits for city staff, which is part of the citys operating expenses and not capital projects.

Councilmember Hebert asked if they have incorporated Christmas bonuses into the budget as she previously requested. She wants to make sure city staff is on top of the priority list.

Ms. Strickland replied that it is currently included, however, they are still conducting the necessary due diligence to determine exactly the type of policy to write that would allow it.

According to the City Attorney, they have also been coordinating with the city's Labor Attorney who is researching this matter.

Councilmember Destin stated that the key is finding the reoccurring resources necessary to to implement the kind of pay increases they want for city staff.

FY 22-23Capital Budget Summary page 2

COUNCIL/ MGMT OBJECTIVE			FY 2022	FY 2023
	Other Capital Projects			
	CE001	Code Compliance Vessel	41,000	-
3.3, 4.7	CRH63	Captain Royal Melvin Heritage Park and Pla:	150,000	-
3.5	CRH64	Harbor CRA Wayfinding Plan Signage	-	150,000
4.2	CRH65	Harbor Capacity Study	-	-
4.15	CRT17	Town Center CRA Easement Trail/Linear Pai	-	270,000
3.5	CRT64	Town Center CRA Wayfinding Plan Signage	-	100,000
3.5	TR64	General Wayfinding Plan Signage	100,000	-
	IT001	COMPASS/Energov	75,000	125,000
3.2	IT002	CD Tech Fund Hardware/Software Replacen	75,000	225,000
	IT003	Other Hardware/Software Replacements	50,000	-
	LB001	Library Tablet Station & Biblioteca RFID and	57,904	-
	NPDES	National Pollutant Discharge Elimination Sy	32,500	32,500
	PW015	Vehicle WashDown Station	-	-
	RC124	Morgan's Children's Park Playground Structı	51,745	-
	RC125	Buck Destin Restrooms	135,000	-
4.16	RC127	Pickleball Court	400,000	-
	RC128	Morgan's Bathrooms/Storage/Fieldhouse	250,000	-
	RC129	World's Luckiest Fishing Pond at X-Town Pa	-	-
	RC130	Cultural Facilities Grant Bldg Improvements	39,033	-
3.3, 4.11	RC216	Clement Taylor Park Renovations	764,918	-
	SW55	Mobile Pumps and Hoses (Flood Preventior	96,618	-
	ARP	Infrastructure Project TBD	790,000	790,000
	TRSAF	Intersection Safety	100,000	-
		Total Projects	**$ 16,227,247**	**$ 4,209,030**

According to Councilmember Ramswell, the city was supposed to receive additional funding from the TDC last year to cover the cost of bringing extra law enforcement for spring break. It is an additional 10 percent that cannot supplant the amount they are already providing to the city. The county has agreed at one point to give the city that additional funding, but the money was not allocated due to the pandemic. She asked staff to determine the status of the additional funding.

Ms. Strickland noted that the TDC has certain maximum amount they are allowed to spend on law enforcement each year, and that she believes the city has already received the full amount this year.

Grants/Project Manager Jeffrey Cozadd stated that the TDC's proposed budget this year includes funding of over $100,000 for lifeguards on Norriego Point.

According to the City Attorney, the county previously stated that the city could apply for the additional10 percent funding, but because of the unexpected impacts of COVID-19, they are not making any budget changes at this time. However, they would investigate and see if they could still obtain that money from the county.

Councilmember Ramswell mentioned a recent newspaper article where the PAWS Director commented that based on the number of service calls from cities, Destin should only be paying half, and the City of Crestview twice the amount they are currently paying. She recommends the City of Destin takes this statement into account and seeks some equity with other cities in terms of payment to PAWS.

Next, Councilmember Ramswell stated that a lot of their objectives tend to be more of a benefit to their visitors more so than their residents. She would like to encourage the city to look at funding items that directly benefit their citizens. One of those is the crosstown connector which is already one of their top priorities. They need to seriously consider annexation as it would definitely bring in additional funding to the city. She would like to see more beautification elements such as landscaping and holiday decorations. These are things that would really beautify the city. The linear trail is one of their main objectives which could be lumped in as city beautification.

The Deputy City Manager noted they already have some money allocated for holiday decorations.

Ms. Strickland discussed the next steps in the budget process.

- July 19, 2021: Adopt Tentative Millage Rate
- August 4, 2021: Certify Tentative Millage Rate and Public Hearing #1 with Property Appraiser
- August 4-5, 2021: Individual Budget Briefs with Council Members
- August 9, 2021: Optional Budget Workshop #3
- August 24, 2021: TRIM notices mailed by Property Appraiser
- September 9, 2021: Budget Public Hearing #1

ADJOURNMENT

Having no further business at this time, the meeting was adjourned at 7:05 PM.

Gary Jarvis, Mayor

ATTEST:

SEAL

Rey Bailey, City Clerk