

**MINUTES  
BUDGET WORKSHOP  
DESTIN CITY COUNCIL  
AUGUST 8, 2016  
CITY HALL ANNEX  
COUNCIL CHAMBERS  
5:30 PM**

The Council for the City of Destin met in special workshop session with the following members present:

Destin City Council

Mayor Scott Fischer

Councilmember Chatham Morgan

Councilmember Cyron Marler

Councilmember Tuffy Dixon

Councilmember Parker Destin

Councilmember Jim Foreman

Councilmember Prebble Ramswell

Destin City Staff

City Manager Carisse LeJeune

Parks & Rec Director Lance Johnson

Interim Comm. Dev. Director Steve Schmidt

City Engineer David Campbell

Grants/Project Manager Lindey Chabot

Interim City Attorney Scott Shirley

City Clerk Rey Bailey

IT Manager Webb Warren

HR Manager Karen Jankowski

Finance Director Bragg Farmer

Library Director Jurate Burns

City Planner Hank Woollard

**CALL TO ORDER**

Mayor Scott Fischer called the meeting to order at 5:30 PM.

**WORKSHOP**

1. City of Destin 2017 Budget

Finance Director Bragg Farmer provided an overview of the budget in its entirety.

Budget Highlights

- General Fund Revenue has increased 2.52% -- \$399,877
- Property Values Increased by 5.26% from \$4,285,457,573 to \$4,510,886,336
- Grant Revenue Increase -- \$109,742
- TDD Operating Funding -- \$370,596
- General Fund Expenses have increased 2.89% -- \$292,824

Revenue Highlights

- Property Tax Value Revenue Increased 5.26% -- \$293,285
- No Millage Increase

➤ State Revenue Sharing up	--	\$209,160
❖ Communications Service Tax – up \$57,000		
❖ ½ Sales Tax, Municipal Tax – up \$152,000		
➤ Gas Tax up	--	\$ 19,551
➤ Grant Revenue – .Calhoun Ave Ped.	--	\$ 68,000
❖ Transit Stops	--	\$ 45,000
❖ Airport Road Landscaping	--	\$ 6,250
❖ Gulf Environmental Fund ½ grant	--	\$1,800,000
❖ Clement Taylor Park Renovations	--	\$729,918
❖ Capt. Royal Melvin Park	--	\$1,216,530

General Fund Expenditures Highlights:

➤ Operating Expenditures Increased 2.9%	--	\$292,824
➤ Capital Spending	--	\$392,432
➤ General Fund Decrease to Town Center CRA	--	(\$ 73,278)
❖ FY17 Contribution - \$196,955 (\$2,361,527)		
➤ Sheriff Contract	--	\$1,767,705
❖ \$34,743 increased – 2.0%		
➤ Fire Department Funding	--	\$100,000
➤ Beach TDD Funding	--	(\$371,028)

Capital Project Funding

	--	\$7,238,699
➤ General Fund	--	\$544,662
➤ General Fund (fund balance)	--	\$2,000,000
➤ Gas Tax	--	\$678,339
➤ Impact Fees	--	\$150,000
➤ Grants	--	\$3,865,698
➤ Carryover funding from FY16	--	\$ 51,053

Capital Improvement Projects

➤ Pedestrian Pathway – Indian Bayou Trail	--	\$241,395
➤ Calhoun Avenue Pedestrian Walkway	--	\$ 68,000
➤ Industrial Park Road/Indian Trail Resurfacing	--	\$333,917
➤ ROW Access – Beach to Benning	--	\$539,465
➤ Transit Stops	--	\$ 90,000
➤ Gulf Environmental Storm Water Project	--	\$1,825,000
➤ Clement Taylor Park Restoration	--	\$729,918
➤ Capt. Royal Melvin Park	--	\$1,216,530
➤ Airport Road Landscaping	--	\$ 12,500
➤ Playground Equipment	--	\$100,000
➤ Storm Water Master Plan	--	\$ 78,027
➤ Joe’s Bayou Land Purchase	--	\$2,000,000
➤ Library parking lot expansion	--	\$50,000

Personnel: 69 Full Time & 19 Part-Time Positions

➤ 1% COLA	--	\$ 33,600
➤ 2% Merit	--	\$ 43,200
➤ Health insurance increase 3.0%		
➤ New positions changes:		
❖ System/Network Specialists	--	\$ 64,448
❖ 2 part-time to full-time positions (Comm. Development & Comm. Center)	--	\$ 58,490
❖ 1 job reclassification – Library	--	\$ 7,757
❖ 1 job restructures – Storm Water Corr.		

DISCUSSION:

Councilmember Dixon noted he has received complaints that some employees may have to wait 6 to 8 months to receive a merit increase because of their hire date. He stated he had discussed this matter with the City Manager and Finance Director; and that he had asked them to restructure the employee evaluation periods so that all merit increases will take effect on October 1<sup>st</sup> regardless of the amount to be fair to everyone.

The Mayor pointed out that by the City Charter, the City Manager is responsible for the daily management of staff; and that they need to make sure they do not interfere with that responsibility. He also opined this is a management decision by the City Manager.

Councilmember Foreman believes this issue is clearly within the City Manager's jurisdiction; and that for the City Council to make a policy decision concerning it will be circumventing the authority of the City Manager.

Councilmember Dixon disagrees stating that Council is approving this money and so they have the right to make that request to the City Manager.

Councilmember Ramswell asked if this will benefit a new hire that had been with the City less than a year for they will get their merit increase before a full year.

The City Manager explained that new hires have a probationary period of 6 months; adding that instead of getting their evaluation and a possible merit increase at the end of their one-year anniversary, they would need to wait until they get into their evaluation cycle. She added if the Council determines they would like all the merit increases to be given on October 1<sup>st</sup>, she and staff would prefer to start on the next budget year so they could cycle through all of the evaluations for the current year. They could start brand new as of March 2017 to have all the evaluations completed by June 1<sup>st</sup>. They would then determine the amount of merit increases and bring it forward in a proposed budget to Council in July. She also stated they would need to make changes to the personnel manual by ordinance to reflect the new procedure.

The Mayor noted this is strictly a workshop and Council cannot make a formal decision tonight.

According to the Interim City Attorney Scott Shirley, staff should be able to routinely notice whether there is a consensus of Council with regard to any particular issue; adding it is not a formal vote but a perfectly appropriate way to handle a workshop.

Councilmember Ramswell wants to know if it was a perception from staff the current procedure is not equitable.

According to Councilmember Dixon, the complaint came from multiple employees.

Councilmember Marler stated City employees need to be informed the appropriate thing to do in this case is to go directly to their supervisors or the City Manager rather than the City Council.

The City Manager noted that the Harbor Master position has not been included in this year's budget, but it is of interest to all Council members based on prior discussions on this issue. It is on the City of Destin's strategic plan and had been identified as one of the top priorities for Fiscal Year 2017/2018. However, if the interest of the Council is to hire a Harbor Master as soon as possible, with the intent of regulating the activity along the harbor, appropriate information has been provided to them. The January 4, 2016 agenda item, "Need for Full-Time Harbor Master/harbor Issue Analysis" was a staff report and recommendation which included several attachments of Harbor Master job descriptions from other cities. Each refer to and focus duties around a municipal marina, its maintenance and/or mooring control.

The City Manager also noted the City currently does not have a municipal marina or mooring field under its jurisdictional authority. The regulation of mooring activity is dictated through Florida Statutes:

*"Local governments can create and enforce regulations which prohibit or restrict the mooring or anchoring of floating structure or live-aboard vessels within their jurisdictions or of any vessels within the marked boundaries of mooring fields permitted as provided in S. 327.40. However, local governments cannot regulate the anchoring outside of such mooring fields of non-live-aboard vessels in navigation."*

She also stated that based on previous meetings and conversations, key issues that are a concern of the City Council for the harbor area are:

- Mooring control
- Access to pump-outs. Only public pump-out is located at Harbor Walk Marina. There are no City owned/operated pump-outs
- Water quality. The City performs water quality testing bi-annually at a cost of \$2000 each time)
- Waterway capacity (no jurisdictional control over vessels in the harbor)
- Inspection of upland Pontoon Boat and Wave Runner businesses for Business Tax Receipt (BTR) and code compliance
- Regulation of leisure rental vendors including but no limited to food trucks, kiosks, portable buildings and other temporary type businesses that set up on the harbor walk
- Enforcement of harbor upland parking restrictions
- Enforcement of all City marine codes

- Patrol of Destin Harbor and all City adjacent waterways including Joe's Bayou, Indian Bayou, Marler Bayou, East Pass and Gulf. City has no legal authority. Law enforcement or Florida Fish and Wildlife Conservation Commission (FWC) personnel have to be contacted for any enforcement action to be taken
- Review of beach access permits as well as other water related permits
- Marine permitting and inspection; reviews applications for marine construction for code compliance as well as site construction
- Performs inspections to enforce ordinances and codes of the City including business and occupational licenses, signs, garbage control, housing violations and zoning regulations
- Respond to complaints from citizens and businesses within the Harbor District
- Regulation and enforcement of new "to-be-adopted" permitting system for pontoon boats and wave runners

She further stated that all duties and responsibilities listed above, with the exception of those that are underlined, are currently in the job description of the Environmental/Code Enforcement Manager, along with many other duties not included in the list. She continued it is her intent to create a Harbor Master/Code Enforcement Manager position that would encompass all the job descriptions (not underlined) above and any other duties and responsibilities they would have the jurisdiction to perform. However, she wants to make it is absolutely clear that this position will not have the regular authority that a true Harbor Master would have over a marina, no wake zones or navigational areas.

According to Councilmember Morgan, many believe they have lost control of their harbor; both on land and in the water. He stated that they need better regulations to deter people from breaking the law of the City and regain some semblance of control of their harbor.

The City Manager stated that based on their previous discussions they need a full-time dedicated code enforcement officer to enforce the code down on the harbor. During the off-season they could use this individual to supplement the code enforcement efforts along all of the beaches which would then allow the officer working the beaches to work other parts of the City. However, if the Council desires a Harbor Master, she would hire this person; but, she wants to make sure the Council is aware that some of the duties and responsibilities that have been discussed are not within the City's jurisdictional control. She recommends that the Council considers re-instating within the Okaloosa County Sheriff's Office contract a dedicated Marine Officer to patrol and regulate those areas that the City cannot, such as no-wake zones and the navigational channel in the harbor. She added she would find out the exact cost of doing so from the Sheriff's Office and bring that information back to Council.

Councilmember Marler noted the City had a Public Safety Division during the early years of its incorporation, which included contracting with several deputies from the Sheriff's Office mostly to issue traffic tickets. He asked staff to check on the feasibility of bringing it back.

According to Councilmember Ramswell, they previously approached the Tourist Development Council (TDC) regarding funding for a Marine Unit. She asked the City Manager to check on the status of this request.

Councilmember Destin stated that he does not intend to support hiring a Harbor Master if they do not have jurisdictional authority on the harbor. He pointed out that a line was drawn across

from Norriego Point over to the bridge on the jurisdictional map of the City; which means the harbor is within the City's jurisdiction to regulate. He asked staff to explore the feasibility of establishing public mooring fields within the City's waterways, most importantly the harbor, Joe's Bayou and Indian Bayou; adding that by statutes, if they have public mooring fields established, they could get into a pilot program that would give them authority outside the public mooring fields.

The City Manager stated she had discussed this issue with everyone she knew was familiar with the subject and read every available literature on this topic and it appears they do not have the authority to regulate areas such as no-wake zones and the navigational channel in the harbor; adding only the Sheriff's Office or FWC personnel have enforcement authority.

Councilmember Destin asked the City Manager to explore the cost of bringing in people with jurisdictional authority to regulate these areas.

The City Manager noted they have brought in a balanced budget at 1.5 mills for FY 2017, which does not include the Harbor Master/Code Enforcement Manager position. She asked Council to consider this as they set the tentative millage rate.

According to the Finance Director, if the decision is made on September 8<sup>th</sup>, the first public hearing on the budget, to fund this position or any other program or expenditure that are not currently included in the balanced budget, the Council may raise the millage rate or direct staff to find a way to pay for them in the current budget or use other revenue sources to cover the cost.

The City Manager added that if they have to take the funds out of the current budget, they would need directions from the Council as to what program or project they do not want to follow through in the coming year.

Councilmember Foreman stated that based on tonight's discussions, it appears they have two different problems; one that involves code enforcement in north harbor, and another in the harbor for which there are different jurisdictions. He continued that even a Harbor Master with all the authority may not be enough to accomplish everything and solve all the problems. They may need to hire two people with different backgrounds. He suggests they define exactly what they want and determine the exact costs before they start allocating funds for it.

The City Manager states they will conduct the research on these items and bring back some options for the September budget meetings.

Next, the Finance Director asked for Council's direction regarding setting the tentative millage rate, and how the additional funds should be spent if they decide to increase it.

Councilmember Dixon suggests keeping the millage rate at 1.50 mills.

The City Manager noted that some unfunded projects and infrastructure needs for the City as well as solving the harbor issues discussed tonight would require additional funding. She asked Council to identify other projects they want staff to pursue to give staff a better idea how high they would need to set the millage rate in order to meet the desires of the Council.

According to Councilmember Marler, they would eventually need to increase the budget in order to fund some of the infrastructure projects in the City that they discuss every year but never

get done. He continued he would support hiring a Harbor Master if there is an alternate source of funds for it.

Councilmember Ramswell asks which projects are critical and need to be addressed immediately.

The City Engineer noted one of the most critical items on the list is the sidewalk repairs because it is a big safety issue; adding they have \$105,000 worth of repairs that need to be addressed immediately. He also stated they have some storm water projects that are also critical because they pose safety threats; for instance, the storm water piping system on Chickasaw in Indian Bayou. They have nearly lost one of the power transformers recently, and they are starting to lose some other utilities where the storm water is in dire need of repair. He added that the effectiveness of the hydro-dynamic separator, which is part of the storm sewer system from Gulf Shore Drive to US Hwy 98 and which cleans the water before it discharges into the harbor, is extremely diminished. It is another critical item that needs to be addressed.

Councilmember Ramswell inquired as to the estimated cost for the Chickasaw and Gulf Shore Drive projects; and the City Engineer replied approximately \$200,000.

Councilmember Morgan stated he would support a millage rate increase because they have critical infrastructure needs; and that he would also like the City to run a budget surplus and have the ability to purchase the cement plant and give the citizens access to the waterway. He added that having more money in the reserve funds would enable them not only to take care of their critical needs but pay for such things as a parking garage on the harbor and make this City a better place to live.

Councilmember Ramswell stated that funding for the critical projects the City Engineer mentioned earlier and the hiring of a Harbor Master already equates to approximately \$400,000; and that they also have other critical infrastructure needs that would continue to worsen if they do not address them soon. She stated she stands behind the tentative millage rate for ad valorem taxes of 1.70 mills they set earlier in the year.

Councilmember Foreman noted that the chart provided by the Finance Director showing that a 1.60 millage rate would provide additional revenue to the City of over \$399,521; which should be enough to handle the problems they just discussed. He suggests setting a millage rate of 1.60 mills.

Councilmember Ramswell stated that based on her calculations, a person who owns a home with a taxable value of \$200,000 currently pays \$300 a year in taxes; and that if they go up to 1.60 mills, they pay an additional \$20 a year. Their total tax is about \$340 a year at 1.70 millage rate.

The City Manager stated they will bring back a proposed balanced budget at 1.7 mills for Council to vote on at the September 8<sup>th</sup> budget meeting; adding the Council will still have the opportunity to bring it down at that time if they so desire.

**ADJOURNMENT**

Having no further business at this time, the meeting was adjourned at 6:50 PM.

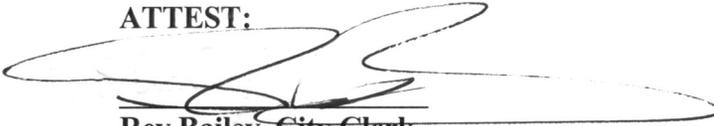
**ADOPTED THIS 17<sup>TH</sup> DAY OF OCTOBER 2016**

**By:**

A handwritten signature in black ink, appearing to read "Scott Fischer", written over a horizontal line.

**Scott Fischer, Mayor**

**ATTEST:**

A large, stylized handwritten signature in black ink, written over a horizontal line.

**Rey Bailey, City Clerk**