

**MINUTES OF THE
HARBOR AND WATERWAYS BOARD MEETING
DESTIN CITY HALL ANNEX
MARCH 26, 2026 - 5:30 P.M.**

1. CALL TO ORDER:

Vice Chairman Stephens called the meeting of the Thursday, March 26, 2026, Destin Harbor and Waterways Board meeting to at approximately 5:30 p.m., at Destin City Hall Annex, with the Pledge of Allegiance immediately following.

2. ROLL CALL:

Members Present:

John Stephens
Guy Tadlock
Jerrod Hayden
Ryan Holloway
Bill McKissick

Members Absent:

Capt. Jim Green

Staff:

Kim Montgomery Deputy City Clerk
Daniel Butler Principle Planner
Sherry Burney Planner
Krystal Strickland Finance Director
Kim Kopp City Attorney

3. AGENDA APPROVAL:

Motion to amend the agenda to add Bruce Ming's dock to the first item to be heard on the agenda for discussion and to approve the amended agenda was made by Vice Chairman Stephens, with Board member McKissick providing the second. The motion passed 5-0.

4. APPROVAL OF MINUTES:

➤ **February 26, 2026**

Motion by Board member Holloway, seconded by Committee member McKissick to approve the minutes of the February 26, 2026 meeting, as written, the motion passed 5-0.

5. CURRENT BUSINESS:

➤ **Bruce Ming**

The City Attorney informed the members that since this item was not on their agenda for this meeting, therefore, this request would be passed on to City Council for their consideration at the April 7, 2026 meeting agenda.

Motion by Vice Chair Stephens, seconded by Board member Holloway to pass the Bruce Ming's docks on to City Council and bypass the Harbor Board. Motion passed 5-0.

A) Net Positive Environmental Benefit (NPEB) Fee - Fund Balance & Other Information – Finance Director Krystal Strickland

❖ **Ms. Strickland provided the following financial overview**

- The current NPEB revenue averages approximately \$25,000 annually.
- Estimated annual costs for harbor operations:
 - \$45,000–\$50,000 for water quality services (testing, analytics, pump operation).
- Fund balance has accumulated due to prior reliance on general fund (taxpayer funding).

❖ **Proposed Fee Structure (LPA Recommendation)**

- Replace construction-based fee (25% of project cost) with:
 - \$50/year for residential docks
 - \$100/year for commercial docks
- Estimated revenue: ~\$87,000 annually
- Includes exemptions:
 - Homesteaded properties
 - Tiered exemptions for those who paid NPEB fees within last 10 years

❖ **Rationale for Change**

- Stabilizes revenue (avoids unpredictable spikes from construction-based fees)
- Reduces financial burden on dock improvements
- Simplifies administration and reduces staff workload
- Encourages dock maintenance and upgrades

❖ **Board Discussion on NPEB Fees**

- Board member Tadlock spoke his concern about how there is a perception of this fee as being a “tax” on dock owners as well as equity concerns regarding:
 - Dock owners vs. general harbor users
 - Impact on residential property owners
- The main harbor usage includes:
 - Non-Destin residents coming from other area locales, such as tourists and visiting boaters and their impacts

❖ **Alternative Funding Ideas Discussed:**

- Broader cost distribution suggestions:
 - All waterfront property owners including:
 - The residents benefiting from residing on the harbor that live in condos
 - Boat registration-based fees (for all vessels registered in Destin)
- Contributions from:
 - Tourist Development Council (TDC)
 - Businesses benefiting from harbor activity
- Fees per property or per unit (including condos and rentals)
- Hybrid approaches:

- Combine annual fees with construction-based dollar per square-foot fees similar to what the State does

❖ **Additional Considerations**

- Difficulty tracking boat usage or enforcing user-based fees
- Administrative challenges with complex fee structures
- Desire to keep system simple and sustainable
- Importance of predictable revenue for budgeting and operations

❖ **Local Planning Agency member Todd Buhr**

- Mr. Buhr emphasized need for a self-sustaining funding model
- No perfect solution exists but action is necessary due to the current funding model operating at a deficit.
- The existing NPEB structure is financially unsustainable, with projected annual shortfalls accumulating significantly over time.
- Current system results in annual deficits (~\$64,000 without dredging)
- Proposal aims to:
 - Cover operational costs
 - Provide predictable funding
 - Reduce reliance on general fund
- Acknowledged no perfect solution; proposal intended as a starting point
- Future adjustments are possible based on performance and additional funding sources
- Explained that the current proposal was influenced by stakeholder feedback, including concerns about large, one-time construction-based fees.
- Highlighted the need to align with the Comprehensive Plan, focusing on funding harbor infrastructure and water quality improvements.
- Estimated baseline annual costs:
 - \$50,000 for operations (utilities, pump)
 - \$50,000 for long-term maintenance/replacement

Mr. Buhr stressed the importance of a self-sustaining funding model, especially given potential reductions in general fund revenues. He further explained that he is presenting the Local Planning Agency's proposal, as a simple, predictable annual fee structure (per slip), designed to:

- Generate stable revenue (~\$87,000 annually)
- To cover most operational costs
- Reduce administrative complexity

He emphasized the "keep it simple" (KISS) principle, noting that complex systems are harder to enforce and manage, and identified key benefits of the proposal:

- Predictable and consistent funding
- Reduced staff burden (eliminates construction cost verification issues)
- Encourages dock maintenance and improvements to older structures

He acknowledged the fairness concerns and how the proposal is not perfect but represents a practical improvement over the current system. Noting 100% exemptions for homesteaded

properties as well as percentage-based exemptions for prior contributors to address equity concerns. Noting that this proposal is intended as a starting point, with flexibility for future adjustments by City Council and concluded that moving forward, with a workable solution, is preferable to continued delays, even if refinements are made later.

Lower second
Motion by Vice Chairman Stephens to support the Local Planning Agency's motion with the addition of still charging for renovations to existing docks by doing a certain dollar per square foot, and to implement a discount for environmentally safe materials used. The motion died for lack of a second.

Board member McKissick made the motion to support the Local Planning Agency's recommendation to support the NPEB's structure as presented and forward to City Council. Board member Hayden providing the second. The motion passed 4-1 with Board member Tadlock dissenting.

B) Destin Harbor Pump Operations & Costs - Requested Information - Michael Burgess

Mr. Burgess explained that currently the harbor flushing pump is down for repairs.

- Pump currently down due to burned bearing caused by cooling system failure.
- Emergency repair contract (~\$52,000) in place.
- Expected repair timeframe: approximately 1–2 weeks.

❖ System Overview

- Harbor holds approximately 1 billion gallons of water.
- Pump capacity:
 - 40,000 gallons per minute
 - Operates ~ 6 hours/day (off-peak hours)
 - Replaces ~ 1.5% of harbor water daily
- Full replacement (24-hour operation): ~17 days

❖ Past Investments

- Pump rebuild: \$135,000
- Electronics upgrade: \$35,000
- Sluice gate replacement and other infrastructure improvements

❖ Maintenance & Replacement Plan

- Detailed breakdown of pump components and lifecycle provided.
- Components include:
 - Pump assembly
 - Drive system
 - Instrumentation and controls
 - Cooling/priming system

- Structural elements
- Pipeline and sluice gate
- Goal:
 - Shift to preventative maintenance
 - Avoid Catastrophic Failures
 - Plan for long-term replacement cycles

❖ **Operational Challenges**

- Limited ability for City staff to perform repairs (specialized equipment and electrical experience is required)
- Reliable on hand external contractor (Go Forth Williamson)
- Failures often occur unexpectedly
- Several monitoring systems checks failed to detect the recent issue

❖ **Water Quality Considerations**

- Additional efforts:
 - Stormwater treatment units (maintained twice annually)
 - Water quality monitoring (~\$32,500/year)
- Limitations:
 - Pump alone cannot fully address water quality issues
 - Stormwater runoff remains a major contributor to pollution
 - Legacy developments lack modern stormwater controls

❖ **Board Discussion**

- The members discussed the need for future:
 - Preventative maintenance contracts
 - Critical spare parts inventory
 - Faster response to failures
- Consideration of:
 - Increasing pump runtime (balanced against energy costs)
 - Long-term infrastructure improvements
- Emphasis on importance of the pump to avoid environmental and impacts

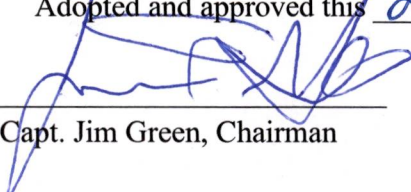
➤ **Additional Concern - Underwater Hazard – Vice Chairman John Stephens**

- Reported how he was informed of a large, submerged metal cage, possibly a chicken coop, located south of Destin Yacht Club.
 - Mr. Burgess explained that staff attempted to remove it, but it is too large and heavy for the city boat.
 - Seems to be some kind of heavy gauge cage.
 - Consideration for marking hazard with buoy for safety purposes was suggested.

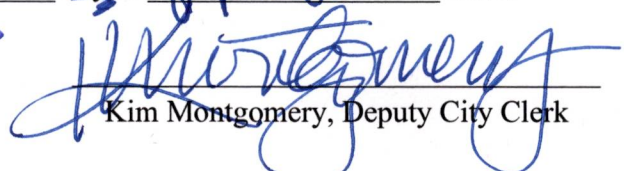
6. **ADJOURNMENT:**

With there being no further discussion, the meeting adjourned at 7:20 p.m.

Adopted and approved this 23rd day of April 2026.



Capt. Jim Green, Chairman



Kim Montgomery, Deputy City Clerk