Town of Beaufort, NC
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Board of Commissioners Work Session
4:00 PM Monday, June 22, 2026
Train Depot, 614 Broad Street

Call To Order

Mayor Harker called the meeting to order at 4:00 PM.

Roll Call

Elizabeth Lewis, Town Clerk, called the roll.

PRESENT:

Mayor Harker
Mayor Pro Tem Gillikin
Commissioner Cooper
Commissioner LoPiccolo
Commissioner Matthews
Commissioner Spiegler

ABSENT: None

Agenda Approval

Commissioner Gillikin made a motion to approve the agenda as presented. The motion carried unanimously with a (5-0) vote.

Presentations

1. Beaufort Crossing– Economic Development

Property owner and developer, Jeff Baran, presented a concept for “Beaufort Crossing,” described as an approximately 80-acre mixed-use commercial development at the intersection of Highway 101 and the U.S. 70 Bypass. He introduced the project team, including partner Lyle Gardner, broker Diana Kromka, Tidewater Engineering’s Josh Edmondson, and Wendy Neighbors. Baran and Kromka stated that Beaufort and surrounding areas had experienced substantial residential growth without comparable commercial expansion and argued that the proposed project would help meet expected demand for goods, services, offices, medical uses, and community-oriented amenities.

The presenters described the property as strategically located and highly visible, with approximately 16,000 vehicles per day at the Highway 101 and U.S. 70 intersection, which they characterized as the highest traffic count in the region and a major gateway into Beaufort. They stated that the site's future transportation context would be shaped by the airport runway extension and the anticipated relocation of Highway 101. Their mixed-use concept plan showed phased development, with an initial phase of roughly 25 acres, a second phase of approximately 17 acres, and a later phase potentially tied to the future Highway 101 relocation. They described a "commercial village" atmosphere, emphasizing walkability, open space, coastal landscaping, unified architecture, and a polished streetscape.

Baran and Kromka outlined possible land uses by phase, including grocery, office, medical, retail, fitness, community spaces, light industrial, lodging, dining, and institutional uses. They also suggested the possibility of second-story live-work or work-live space over retail, while acknowledging that the market would ultimately determine tenant mix. They indicated that annexation and rezoning to B-1 would be needed as the next steps and asked the Board to consider those approvals as part of a longer development process.

Commissioner Gillikin explained that she had been the one to move at a prior meeting not to initiate an annexation study at that time because the Board had already been through multiple quasi-judicial matters that evening and lacked sufficient background to make a sound decision. She said she took the matter seriously and appreciated receiving the fuller presentation and context.

Commissioner Matthews called the proposal "extremely exciting" and asked about timing. Baran responded that the team hoped to work with staff to initiate annexation study and rezoning first, then proceed with a master planning and marketing effort.

Commissioner LoPiccolo asked how the proposed rezoning to B-1 aligned with the mention of residential uses, noting that residential is not generally permitted in B-1. He also asked whether the applicants had considered a planned unit development or similar approach that would better provide a cohesive framework for stormwater, infrastructure, and site design rather than separate parcel-by-parcel development. Baran responded that the project would require a master stormwater plan engineered by Tidewater and brought back for Town review. On residential, he said the team had envisioned the possibility of second-story live-work arrangements but expected the market to guide how that might develop.

Commissioner LoPiccolo also questioned the certainty and timeline associated with the airport's runway extension and the Highway 101 relocation shown on the concept map. Baran said the team was working with airport representatives on land acquisition and understood that relocation design work had occurred, but he did not know the final timeline yet. He acknowledged that the relocation of Highway 101 would need to occur before the runway extension.

Commissioner Spiegler said the project was exciting because the Town had seen significant residential development and needed more commercial tax base. She asked whether the site was in a flood zone and received confirmation from staff that it was not. She then expressed concern about traffic at the existing Highway 101 and U.S. 70 intersection due to poor sight lines and the difficulty of entering and exiting. She warned against creating a shopping center where people would sit in traffic for long periods or face crash risks. Baran replied that the project currently showed three access points and acknowledged the traffic concern.

Commissioner Gillikin offered follow-up comments in support of expanding Beaufort's tax base and workforce housing and mentioned citizen expectations and development trust. She said the Town had previously experienced situations where early renderings or master plans suggested one architectural style or character, but the final built product differed significantly, and she wanted to be upfront that, although not a legal requirement, Beaufort residents care strongly about appearance and authenticity. She asked how accurately the illustrative image in the presentation reflected the applicants' intentions. Kromka said the image had been generated using artificial intelligence to reflect ideas such as historic character, streetscape, vegetation, and walkability, and she said those qualities did represent the design goals. Baran added that the team hoped the eventual site plans, building elevations, landscaping, and architecture would match the concept and create something special for the community.

Commissioner Spiegler further emphasized the importance of walkability and bikeability within the site but observed that the location is currently not safely walkable or bikeable from the rest of town due to the road conditions and intersection design. Commissioner LoPiccolo responded that if the future dead-end and relocated Highway 101 are realized, there may be opportunities to tie the site into broader walking routes or trails. He reiterated that timing between development and road improvements would be critical. Baran stated that a traffic impact analysis would be prepared and could identify off-site improvements that would need to be made.

Mayor Harker thanked the presenters and said the Town was looking seriously at economic development opportunities, especially outside the already-constrained core of town. She also remarked that if recreation elements could be advanced earlier in the phasing, that would be beneficial.

The Board received the information and indicated interest in seeing more detailed proposals, including annexation, rezoning, traffic analysis, and site plans, if the project moves forward.

There was no formal action taken on this item.

Items for Discussion and Consideration

1. Beaufort Club – Status of Secondary Access

Town Manager Matt Zapp and Planning Director Kyle Garner provided an update on the status of the secondary access in the Beaufort Club in place of developer Todd Saied, who was absent due to a family emergency. Zapp explained that there had been two relevant conversations over the prior year: first, in September 2025, regarding an emergency-only secondary entrance/exit for fire, EMS, and police access into the lower portion of Beaufort Club via Cedar Avenue; and second, in early 2026, when the developer indicated that he wanted to explore a permanent second entrance/exit traversing through Kevin Court and connecting to the west side of the property.

Zapp reported that the emergency access from Cedar Avenue had since been constructed and, based on confirmation from Fire Chief Pendergraph, was operational and sufficient for emergency apparatuses. He stated that staff's understanding was that the Kevin Court concept had been abandoned, both because of neighborhood concerns and because of cost and NCDOT requirements. He further explained that the emergency-only second access had been a condition tied to advancing approximately 78 lots in the section known as "the Enclave" and that the developer had now satisfied that condition for purposes of the final plat application for those lots.

Planning Director Kyle Garner confirmed that the final plat for the Enclave had been submitted and would go to the Planning Board in July and then likely to the Board of Commissioners in August. He clarified that the prior Board requirement had been only that the emergency access be in place prior to submittal, and that condition had now been met. He also clarified that what had been approved was limited to the current Enclave lots. He stated that the developer had no additional access point approved and no additional sewer allocation beyond what was already granted. Zapp stressed that the Town intended to hold the developer accountable for a permanent second entrance/exit before any further home permits or approvals were granted outside of the Enclave. He said the Town's first responsibility was to the existing Beaufort Club residents and ensuring that they had safe ingress, egress, and emergency access.

Commissioner Cooper recessed from the meeting from approximately 4:28 to 4:32 PM.

Commissioner Spiegler asked whether the final plat approval itself would be withheld unless the permanent second entrance were built. Garner responded that it would not and the condition for the final plat had been the emergency access only. He reiterated that the 78-plus lots in the Enclave were what the developer had "in hand" and no more.

Commissioner LoPiccolo commented that the Board and Town had worked diligently on the issue and addressed residents of Cedar Avenue and Kevin Court directly. He said the Town had limited legal ability to prohibit access over roads maintained by NCDOT, and therefore the Board could not simply forbid use of such roads if they connected to the developer's property. He emphasized that while the Board remained committed to seeing a permanent second access built, the exact location was not something the Town could unilaterally control.

Commissioner Cooper stated that residents deserved a true secondary access road due to increasing traffic and public safety concerns. He expressed concern that the issue had not been adequately addressed by the developer in the past and stated that the Town should continue working with the developer and, if necessary, NCDOT to resolve it. He added that he believed the developer had a responsibility to provide the additional access.

Commissioner Gillikin added that she did not support any permanent access from Cedar Avenue. She said she had grown up near that location and considered it very dangerous, with poor sight lines and public safety issues. She said the Town must consider Beaufort Club access needs without creating additional hazards elsewhere.

Commissioner LoPiccolo noted that Cedar Avenue had been designated only for emergency access, with the understanding that it could also serve in extenuating circumstances such as hurricane evacuation.

There was no formal action taken on this item.

2. Bunch Road Withdrawal/Street Closure Request

Town Attorney Arey Grady introduced the item and explained that the request involved a portion of Bunch Road, shown on an old plat survey. He stated that, to staff's knowledge, the road had never been formally accepted by the Town, paved, or maintained, and that the statutory mechanism under North Carolina law for permanently closing such a street or alley would require multiple Board actions, resolutions, notice to adjoining landowners, posting, and a public hearing. He asked the Board for direction on whether staff should begin that process.

Attorney John Harris appeared on behalf of property owner Phil Lewis and provided background information on this issue. Harris explained that before the Highway 70 bypass was constructed, the old road had served several homes. When the bypass was built, the State had to acquire the affected lots because the homes lost access. Harris said that Mr. Lewis recently purchased several of those former State-owned parcels and now owned all of the lots surrounding the abandoned portion of Bunch Road in question. He stated that when the deeds were conveyed from the State, they referenced the lots but not the road corridor itself.

Harris said historical GIS and Powell Bill mapping indicated that the road had once existed and at one time may have been paved, but had not been used since construction of the bypass. He further noted that the Town's Powell Bill map showed the north side of Bunch Road but indicated that the southern portion under discussion had been removed in 2019. He argued that the Town should now formally close or abandon the road to clear title and allow the abutting ownership interests to resolve under statute.

Commissioner Matthews asked Town Attorney Grady to explain the Town's legal interest in the property. Grady said ownership was somewhat uncertain because there was no deed or easement in favor of the Town, but under common law principles, if the Town had maintained the street over time, ownership rights may have ripened by operation of law. He said the statutory street-closing process would resolve any lingering title issue by causing ownership to revert to adjoining landowners up to the centerline.

Commissioner Matthews also asked whether towns typically receive compensation when they close streets in such circumstances. Grady said he had not seen municipalities generally receive compensation for the right-of-way itself, though he had seen applicants reimburse publication or incurred notice costs. Harris responded that if the Board made reimbursement of costs a condition, he believed his client would be favorable to that.

Public Utilities Director Donovan Willis stated that there was indeed a water line and fire hydrant in the area. He explained that staff had been contacted after surveyors noticed water surfacing, and they discovered a leaking galvanized line. The Town shut it off by installing a valve from the other side of the road. He confirmed that there was active Town water infrastructure in the corridor, though likely tied to houses that no longer existed.

Commissioner Gillikin asked what Harris meant by "other means" of acquiring ownership if the road were not abandoned by statute. Harris explained that if someone could be identified as a historical owner of the corridor, his client could potentially pursue a deed from that party or heirs, but he said that would still leave uncertainty if the Town retained any claim.

Commissioner Spiegler asked whether the request could affect the previously discussed Beaufort Crossing or Highway 101 relocation concepts. Harris replied that he had not been told of any relocation affecting this parcel and did not believe the request would interfere with that concept. Commissioner LoPiccolo asked whether there was deeded access from Highway 70, and Harris replied that there was not because it is controlled-access highway frontage.

Town Manager Zapp added that before moving forward, staff would evaluate whether a utility easement should be preserved, including width, location, present utility condition, and future service needs to the adjacent larger tract. He said staff would also communicate with NCDOT to determine whether there were any speculative future transportation interests affecting the area.

Mayor Harker then asked the Board for direction. *Commissioner Matthews moved that the Town evaluate abandonment of Bunch Road and return with a proposal including estimated Town costs.*

The Board discussed that staff could likely evaluate the matter and return it by the July work session. Consensus included that staff would review legal process, utility needs, possible easements, NCDOT coordination, and costs before the Board decides whether to proceed further.

Commissioner Matthews made a motion directing town staff to evaluate the abandonment of Bunch Road and return with a proposal, including an estimate of Town costs associated with the abandonment process. The motion carried unanimously with a (5-0) vote.

3. Campen Road Widening and Resurfacing Project

Town Manager Matt Zapp outlined the proposed Campen Road widening and resurfacing project for the section between Live Oak Street and the vicinity of Carraway Drive. He explained that the road currently has a dominant width of about 20 feet and that engineering review recommended widening it to 23 feet to match the width farther along Campen Road. He said the widening would occur on the even-numbered side of the street and would support safer traffic flow, particularly given school-related traffic and diversion caused by the NCDOT roundabout project.

Zapp reported that the underground utility work associated with the Town's USDA improvements in the area had now been completed, which was why the resurfacing had previously been delayed. He said informal bids had been obtained and staff recommended Coastline Contracting at an estimated project cost of about $100,000. He stressed the importance of acting promptly so that work could potentially be completed before the start of the school year, while acknowledging that weather and contractor availability could affect timing.

Commissioner Spiegler asked whether widening on the even side would affect a large tree across from the CVS parking lot. Zapp responded that he did not believe any trees would need to be removed on that side and said that if any tree removal became necessary, staff would return to the Board for direction. He later clarified that the significant tree she was referencing was on the opposite side and would not be affected by the widening.

Commissioner LoPiccolo asked about road crowning and drainage flow. Zapp said the dominant ditch and drainage system are on the easterly side and that open ditches generally provide strong hydraulic capacity. He deferred any precise engineering statement on the crown to the engineer but said most of the water appeared to flow toward the ditch side.

Mayor Harker raised a broader question related to traffic calming measures and referenced a recent conversation with a consultant regarding roadway trees helping to slow traffic by changing visual perception. Commissioner Spiegler added that the consultant had said trees were the best traffic calming device. Mayor Harker asked whether staff could consider future tree planting opportunities along such corridors.

Commissioner Spiegler asked whether there were any plans to add a bike lane, noting that students use the road to travel between the school and library. Zapp replied that given the width and safety concerns, the existing sidewalk was the safest route for children, and that adult cyclists would share the roadway rather than having a dedicated bike lane. He said the geometry, drainage, and utility constraints made additional sidewalk or bike infrastructure difficult in this specific corridor. Police Chief Burdette was present and agreed with that safety analysis.

Commissioner LoPiccolo agreed that placing a sidewalk on the opposite side of the road would be difficult because of width limits, crossing issues, and runoff concerns. He said the road definitely needed widening and that residents had already endured substantial disruption from the

Town, NCDOT, and Duke Energy work in the area. He expressed support for moving quickly so that the project might be completed before school resumed.

Commissioner Spiegler made a motion to move forward with the Campen Road widening with the condition that staff return to the Board if any tree removal becomes necessary.

There was additional discussion between Mayor Harker, the commissioners, and Town staff.

Commissioner Spiegler amended her motion to include the approval of Budget Amendment #24 and Capital Reserve Fund Amendment #8.

The Board unanimously voted (5-0) to approve the motion as amended.

4. Front Street Speed Limit Reduction Request (NCDOT Maintained Section)

Town Manager Zapp explained that this issue had first come before a prior Board in October 2022, when the Board had unanimously supported a reduction in speed from 35 mph to 25 mph on the NCDOT-maintained eastern section of Front Street, but for unknown reasons the change had never been implemented. He said staff had since received another resident complaint and that the Police Department supported a consistent 25 mph speed limit across both the Town-maintained and state-maintained portions of Front Street, extending eastward to Lennoxville Road.

Commissioner Cooper asked for clarification about another roadway segment and then indicated he had no problem with the request. Commissioner Spiegler spoke from personal experience as a parent walking Front Street with a stroller and said that 35 mph felt very fast in an area with no sidewalks, stating she strongly supported the reduction. Commissioner Gillikin agreed and called the proposal a “no brainer.”

Commissioner Gillikin made a motion to request that NCDOT reduce the speed limit from 35 mph to 25 mph along the NCDOT-maintained eastern section of Front Street. The motion carried unanimously with a (5-0) vote.

Zapp clarified that a corresponding resolution would be added to the July 13, 2026, meeting agenda and, if acceptable to the Board, be placed on the consent agenda.

The Board informally agreed.

5. Beaufort Business Association’s Fourth of July Parade

Community Engagement Director Jennifer Welborn presented a special event permit application which was submitted on May 28, 2026, by the Beaufort Business Association to host their Annual Fourth of July parade, scheduled for Saturday, July 4, 2026.

The parade lineup is scheduled from 10:00 to 10:30 AM, with the procession beginning at 11:00 AM. The event will follow the same format as in previous years, with the exception that larger floats will be directed to disperse onto Cedar Street rather than at the courthouse due to the scheduled Olde Beaufort Farmers' Market.

Welborn stated that, per the Board of Commissioners’ 2018 directive, the Town of Beaufort continues to support the Fourth of July and Christmas parades by covering staffing and resource costs. This year, the estimated staffing is 16 employees, who will be responsible for road closures, including Front and Turner Streets, solid waste services, restroom stocking and cleaning, street sweeping following the event, barricade placement and removal, vehicles in the parade, and the placement of the Town's new mobile stage near the Western Parking Lot for parade viewing by the mayor and commissioners.

Commissioner Gillikin made a motion to approve the Beaufort Business Association's Fourth of July Parade special event permit application as presented. The motion carried unanimously with a (5-0) vote.

6. FY 2026 Budget Amendment #7

Finance Director Christi Wood presented FY 2026 Budget Amendment #7. She summarized that the amendment affected the General Fund, Utility Fund, and Stormwater Fund, with totals of $263,910 for the General Fund, $128,319 for the Utility Fund, and $44,829 for the Stormwater Fund. The amendment covered additional insurance reimbursement for the 2018 ladder truck, tax collection-related fees due to higher-than-projected property tax receipts, an appropriation for year-end accruals such as payroll and pension, budgeting of lease proceeds for two F-150 trucks, and transfers back into utility and stormwater funds from completed project funds.

Commissioner Matthews asked about the $22,000 increase for reimbursement to Carteret County for tax collection and what the Town was currently paying the county overall. Wood stated that the Town had paid approximately $143,000 for the fiscal year to date and explained that the county charges a 2% collection fee on current taxes, prior-year taxes, and stormwater fees billed on the tax bill. Commissioner Matthews then asked what it would cost for the Town to take over that function internally. Wood estimated it would likely be more expensive, perhaps around $250,000 annually, once staff, space, and software were considered.

Matthews also asked about the $200,000 appropriation for year-end accruals and whether any unused amount would remain in fund balance. Wood confirmed that if the full amount was not needed, it would stay in fund balance, but that the appropriation was necessary to keep the budget audit-compliant. She noted that retirement payouts and year-end accruals had driven the need for the adjustment.

Mayor Harker remarked that prior boards had repeatedly looked at whether it would be cost-effective for the Town to collect taxes itself rather than rely on the county, but the conclusion had typically been that the county provided the service at lower cost. She also asked whether the county outsourced collections. Wood said she was not sure whether the county used an outside collection agency but noted that the collection rate was typically above 98%, indicating good performance.

Commissioner LoPiccolo made a motion to approve FY 2026 Budget Amendment #7 as presented. The motion carried unanimously with a (5-0) vote.

7. Capital Project Budget Amendment #2– Cedar Street Rehab and Replacement

Finance Director Wood explained that the Cedar Street utility rehabilitation and replacement project was complete and that the remaining project balance of $90,790 needed to be transferred back into the Utilities Fund. She characterized the amendment as a "cleanup and close-out" measure.

Commissioner Cooper asked for confirmation that the funds were going back to the Utilities Fund, and Wood confirmed that they were.

Commissioner Gillikin made a motion to approve Capital Project Budget Amendment #2 as presented. The motion carried unanimously with a (5-0) vote.

8. Stormwater Project Budget Amendment #2

Wood presented a similar close-out amendment for the completed stormwater project, returning the remaining $44,829 to the Stormwater Fund for future use.

Commissioner LoPiccolo made a motion to approve Stormwater Project Budget Amendment #2 as presented. The motion carried unanimously with a (5-0) vote.

9. Town of Beaufort FY 27 Priorities Matrix

Town Manager Zapp introduced the FY 2027 Priorities Matrix as a planning and tracking document based on the Board's January 2026 retreat, containing 16 existing priority items. He said staff recommended removing Item 16 "Live Oak Trees; 123-127 Front," which had already been resolved, and Item 14 "Thomas Simpson Land Investigation," because of new information and a possible hinderance. He asked the Board to review, revise, delete, or add priorities for the coming fiscal year.

Commissioner Gillikin asked that the Town add a tree-related priority focused on assessing where trees could be planted town-wide and implement planting using the budgeted funds. She also asked for a review of the navigable waterways ordinance, including how it was working, what might need adjustment, and how other communities such as Brunswick County had handled similar regulations.

Zapp noted that he had included written suggestions from both Commissioners Gillikin and Spiegler in the packet, which explained some of the additions already being discussed.

Commissioner Spiegler agreed with removing Item 16 and strongly supported updating Commissioner Gillikin's tree item into a broader town-wide tree planting strategy. She also raised the issue of the utility rate analysis item, asking whether it should remain if it was already at 100% completion. Zapp suggested that while completed items could remain to acknowledge achievements, a deeper capital improvement plan review should likely be added because the utility rate work had shown the need for broader, long-range infrastructure planning. Commissioner Spiegler also said that the Board should keep the future water treatment plant on the list.

Commissioner LoPiccolo argued that Item 14 "Thomas Simpson Land Investigation," should not be removed, because it might still matter depending on where the Town ultimately decides to locate a future water treatment plant and how it approaches open space, parks, or other long-term community needs. Zapp responded that the distinction mattered because keeping an item on the active 12-month list implies willingness to fund and advance it. He reminded the Board that Item 14 would require expenditure for land valuation work, which the Board had previously declined. Commissioner Spiegler suggested a tiered approach, moving Item 14 to an intermediate or "medium-term" list rather than the immediate one-year list.

Commissioner Matthews stated that an Asphalt Assessment was important because the Town continued to hear from residents about road conditions and needed a current prioritization document. Zapp agreed and noted that all roads generate concern. This item falls under Item 1 "USDA Utilities Improvements Project," but an updated assessment would be helpful.

Commissioner Matthews pointed out that, although the Board would ideally like to see all identified items completed, limited resources make prioritization necessary.

The Board reached consensus to remove Item 16 and move Item 14 from the immediate list to an intermediate list rather than deleting it entirely.

The Board also reached consensus to add the following items to the FY 27 Priorities Matrix: tree planting strategy, navigable waterway ordinance review, comprehensive capital improvement plan review (similar to the recent utility rate analysis), and an update to the asphalt replacement plan.

Commissioner Matthews raised workforce housing as something that should remain visible under economic development and asked for stronger coordination or communication with the Beaufort Housing Authority. Zapp asked for clarification if Matthews was speaking of private or public housing and stated that the BHA was at it maximum allowable units. Mayor Harker responded that the Town was already engaged with the BHA, had staff members attend their meetings regularly, and had appointed board members. She also explained that the BHA was in a period of transition with the new leadership of Director Zeb Hough. Commissioner Cooper commented that he would like to see more private workforce housing in Beaufort, mentioning TAFT properties, and suggested a group meeting with workforce housing stakeholders. Commissioner Gillikin suggested the possibility of a Workforce Housing Committee. Commissioner Spiegler suggested a practical step of inviting the Beaufort Housing Authority to provide periodic updates, perhaps quarterly if useful. Mayor Harker said she would contact the BHA and invite them to provide more regular updates, while noting that they already typically attend meetings annually to provide their audit report.

The Board reached consensus to invite more regular Beaufort Housing Authority updates.

Commissioner Spiegler also mentioned the need for a safety barrier at the Louis Randolph Johnson Jr. Memorial Park playground. Zapp said that the Parks & Recreation Advisory Board was expected to review design options in August and bring a recommendation to the Board of Commissioners. Discussion briefly revisited the history of prior concepts, including a chain-link fence and more aesthetic alternatives such as a low brick wall that could also provide seating while preventing balls and children from running directly into the street.

The Board reached consensus to add "Water Treatment Plant Future Site" to the FY 2027 Priorities Matrix.

Town Manager Zapp emphasized the importance of the FY 2027 Priorities Matrix and that it would become the Board's "true north" document for tracking progress and holding staff accountable over the next 12 months, with potential future companion lists for 24-month and 36-month horizons. After clarifying the various requested changes, he proposed returning the revised matrix at the July 13, 2026, meeting agenda, likely on the consent agenda, unless a commissioner wished to pull it for further discussion.

The Board reached consensus to add the updated FY 2027 Priorities Matrix to the July 13, 2026, consent agenda, that the Beaufort Housing Authority item was a subset of Economic Development, and that there were nineteen total confirmed items on the matrix.

10. Beaufort Town Docks Financial Report (April & May 2026)

Adam Buerger of F3 Marina joined remotely and presented the April and May Beaufort Town Docks financial reports. He stated that by all accounts the Big Rock tournament had been a major success and that the revenues tied to it would be recognized in June rather than in the already-reported prior months.

Buerger explained that occupancy and revenue before the tournament had trailed budget expectations, especially in transient slip rental and fuel sales, because fuel operations had come online later than originally projected. However, he said June was already producing very strong results and would likely allow the docks to exceed budget goals for the fiscal year. He also noted that operating expenses had remained under budget even with maintenance work and tournament preparation.

Commissioner LoPiccolo asked whether the reported net operating income included the debt service payment for the fuel tanks. Town Manager Matt Zapp answered on behalf of staff and F3 Marina that the debt payment of roughly $285,000 would not hit until after July 1, in the new fiscal year.

Commissioner Matthews referred to a prior Beaufort Waterfront Operations and Finance Committee discussion about fuel pricing strategy. He asked why F3 Marina could not adjust pricing more flexibly when market conditions allow, rather than essentially using a “cost plus” model. Zapp explained that the Board had previously approved a pricing structure of cost plus $1.10 with discounts of five cents for purchases over 500 gallons and ten cents for purchases over 1,000 gallons, resulting in an effective margin floor of about $1.00 per gallon. He said that while some had argued for more dynamic pricing, the administrative burden and volatility involved in trying to outmaneuver the market on a daily basis would likely not be worth it and as a government entity, the board had to set specific parameters for F3 to operate within. He stated that the current model was expected to yield a better annual return while also providing a clear, publicly approved framework for F3 to follow. Zapp also noted that the Town had successfully paid off the first fuel cart in roughly 60 days as projected.

Commissioner Matthews thanked Zapp for his explanation and said that it would make sense to revisit such issues after a full year of operations if needed. Mayor Harker thanked Buerger and said it was encouraging to see the numbers trending in the right direction.

There was no formal action taken on this item.

Staff Comments

Town Manager Zapp gave a brief update on the NCDOT Live Oak Street/Highway 101 roundabout project, stating that NCDOT had begun providing more regular updates and that the Town was sharing them through its website and social media. He thanked the Town’s newly hired Public Information Specialist Griff Barlow for his assistance with this. Zapp summarized recent work, including storm drainage installation, water line and hydrant work, and undercutting due to unsuitable material. He encouraged the public to check the Town’s website www.BeaufortNC.org (especially the “News” and “Projects” pages) and Town social media for current project information.

Zapp also reported that the Town had received the final asphalt bid packet for the broader USDA-related paving work and expected it to be advertised in the local paper within days. Bids were expected back in July, with possible award in August and edge-to-edge asphalt restoration in most construction zones before the end of calendar year 2026, subject to contractor availability and weather. Town staff was also preparing to record additional installments of the "Beaufort Minute" video series the following day.

Mayor Harker also thanked Barlow and others for helping improve the Town's social media communications and presence, noting that she had received positive community feedback.

Closed Session

1. Pursuant to NCGS 143-318.11 (a) (3) and 143-318.11 (a) (6)

Commissioner Gillikin made a motion to enter into a closed session pursuant to NCGS 143-318.11 (a) (3) and 143-318.11 (a) (6) at approximately 6:16 PM. The motion carried unanimously with a (5-0) vote.

Adjourn

Following the conclusion of the closed session, Commissioner Gillikin made a motion to adjourn the meeting. The motion carried unanimously with a (5-0) vote and the meeting adjourned at approximately 7:53 PM.

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Sharon E. Harker, Mayor Jennifer L. Welborn, Deputy Town Clerk