



**Town of Beaufort, NC**  
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**Board of Commissioners Work Session**  
**4:00 PM Monday, April 27, 2026**  
**Train Depot, 614 Broad Street**

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**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**

*Mayor Harker stated that the agenda needed an amendment to remove Items of Consent 1. Engineering Contract Award: Fire Station 2 (Bay Addition).*

*Commissioner Gillikin made a motion to approve the agenda as amended.*

*The motion carried unanimously with a (5-0) vote.*

**Presentations**

1. Land Conservation Strategies within Municipal Limits: North Carolina Coastal Federation

Todd Miller of the North Carolina Coastal Federation presented an overview of municipal land conservation strategies, emphasizing that conservation should be viewed as “green infrastructure” that supports water quality, flood reduction,

resilience, recreation, and overall quality of life. He explained that conserved land is generally intended for low-impact, passive uses such as trails, boardwalks, fishing, environmental education, and water access, rather than intensive development.

Miller reviewed several examples of local and regional conservation projects, including Cedar Point, Sugarloaf Island in Morehead City, Hoop Pole Creek in Atlantic Beach, Emerald Isle Woods, Bogue Sound access in Carteret County, and a park project in Holly Ridge. He said these projects shared common features: a clearly identified community need, strong local leadership, partnerships among governments and nonprofits, layered funding sources, willing landowners, and patience through a multi-year process. He also noted that grant programs typically require fair market value appraisals and substantial due diligence, including surveys, title work, and environmental review.

Miller described major funding sources used for conservation acquisitions, including the North Carolina Land and Water Fund, CAMA access funds, Fish and Wildlife coastal wetland grants, state trails funding, local bonds, and private donations. He stated that most sources operate on annual cycles and require advance planning. He also explained that communities must be prepared to front some costs until reimbursement occurs and must assume long-term stewardship responsibilities after acquisition.

In discussion, Commissioner Cooper stressed the importance of protecting waterways for recreation, fisheries, shellfishing, storm protection, and future generations. He asked what could be done to improve impaired creeks in the area. Miller responded that degraded water quality is often driven by increased runoff from hardened landscapes and tree loss, and that both preservation and restoration can help. He cited hydrologic restoration, infiltration measures, and stormwater improvements as useful tools, while noting that protecting still-healthy areas is less costly than trying to restore damaged ones later.

Commissioner Gillikin referenced the town's comprehensive land use planning process and said public survey results showed strong community support for preserving the natural environment. She said Beaufort should be more strategic and intentional in pursuing conservation opportunities, rather than acting only in response to threatened development. She also pointed to past conservation outcomes, including the Rachel Carson Reserve, as examples of opportunities that could easily have been lost.

Commissioner Matthews commented that environmental protection and economic development have long been discussed together and asked for examples of projects where both had been advanced simultaneously. Miller cited River Dunes as an example where particularly sensitive land was set aside through conservation easements as part of a broader development plan. He said some projects can blend conservation with other community needs by protecting the most sensitive portions of a site while allowing appropriate development elsewhere. Commissioner Matthews also asked about carbon capture markets. Miller said such opportunities remain emerging and likely would not fund acquisitions by themselves but could potentially support stewardship costs over time.

Commissioner LoPiccolo, expressing longtime support for the Coastal Federation, asked whether the organization could help identify potential Beaufort properties suitable for conservation and whether private dollars might play a role. Miller said the Federation does have capacity to help identify opportunities but stressed that local officials and stakeholders are critical because landowner relationships are often essential and willing sellers are necessary. He said the Federation can assist with process and funding strategy once viable opportunities emerge.

Commissioner Spiegler said Beaufort's neighboring communities have already pursued this approach successfully and that the town should do the same, especially given public support and the need to balance housing, economic development, and protection of environmentally sensitive areas. She asked whether the Coastal Federation could serve as a partner as Beaufort moves forward. Miller confirmed that it could, provided there is a strong project and a willing landowner.

In closing, Mayor Harker thanked Todd Miller and noted that the information would be valuable not only to the Board but also to residents and landowners who may be interested in learning about conservation options.

*No formal action was taken.*

2. Beaufort Town Docks Financial Report (March 2026): F3 Marina

Lori Meehan of F3 Marina presented the Beaufort Town Docks financial report for March 2026 and first-quarter operating results. She reported that the budget had anticipated a first-quarter deficit of approximately \$102,952 due to startup expenses, including insurance and other early operating costs. Actual year-to-date results were a deficit of approximately \$62,459, which she said represented roughly \$40,493 in savings compared with budget.

Meehan reported that annual slip fee revenue for the quarter exceeded projections, with approximately \$91,306 collected compared with a budgeted \$80,554. She also reviewed utility-related revenue and expense activity, noting that electric utility collections were close to actual related costs and that overall utility performance was largely in line with expectations.

She then provided an April occupancy update. F3 had budgeted for approximately 30 percent occupancy in April but was at 24 percent month-to-date. She attributed the slower pace to delayed northbound vessel migration associated with fuel prices, saying boaters had remained in southern locations longer than usual. She also explained that occupancy reporting had shifted from monthly linear-foot measures to a nightly transient-based approach for relevant docks, providing a more accurate picture during the transient season. In response to Commissioner Matthews, Meehan said similar migration-related impacts were being seen across F3's portfolio, with boats still in the south and not yet arriving in Beaufort.

*No formal action was taken.*

## Items of Consent

- ~~1. Engineering Contract Award: Fire Station 2 (Bay Addition)~~

a. ~~Jack Fleeman~~

*This item was removed from the agenda and referred back to staff for further review. No formal action was taken.*

### **Items for Discussion and Consideration**

#### 1. F3 Marina Proposed FY 27 Budget

Lori Meehan next presented F3 Marina's proposed FY 2027 budget assumptions, including recommended rate adjustments beginning July 1 for transient slips and, beginning January 2027, for commercial dockage. She explained that the first budget approved for Beaufort Town Docks covered only six months because the operating arrangement began midyear, and that the new budget needed a full-year rate structure.

For transient slips, Meehan recommended maintaining current rates for smaller slips while increasing rates for larger vessels and catamarans. She described the proposed increases as generally consistent with a 3 to 5 percent annual adjustment and said the pricing range was designed to support eventual dynamic pricing based on demand. She noted that F3 had discussed implementing dynamic pricing software but had not yet proceeded due to cost, preferring to complete a season first.

For commercial operators, she explained that current rates differentiated between returning operators and new operators, with legacy users paying less. F3 proposed increasing the commercial rate to \$20 per foot beginning in January 2027. She said this would better reflect the improved product being offered after installation of new floating fingers and gangways and would help recover approximately \$65,800 in recent investment over an estimated 20 months. She also proposed increasing winter dockage from \$10.50 to \$11.00 per foot per month, while noting F3 expected stronger winter occupancy next season because reservations could be solicited throughout the full year.

Commissioner Matthews asked whether, if commercial operators left, those slips could instead be used for transient boaters and whether revenue comparisons could be developed between commercial and transient use. Meehan answered that the slips could be repurposed if needed and agreed to prepare comparative revenue forecasts.

Commissioner LoPiccolo asked whether additional major repairs might be needed in the commercial dock area, including dredging or other structural work. Meehan said the new gangways and floating fingers were being installed with reinforcement and that the piles were in good condition, but she acknowledged that the town continued to examine the walkway and the Point Lookout boarding area for structural needs not yet reflected in the cost assumptions. He also asked how transient rate increases had been determined, to which Meehan reiterated that the recommendations followed typical annual increases and were intended to set the stage for future demand-based pricing.

Commissioner LoPiccolo also raised the potential for mooring fields as a future opportunity. Meehan said that F3 would be willing to prepare proposals if the Board wished to consider that concept later.

Commissioner Matthews noted ongoing efforts by town representatives and others, including Marty Peel, to seek a state appropriation for dock-related needs, and publicly thanked Peel for their assistance.

Town Manager, Matt Zapp, then provided an additional explanation comparing commercial dockage rates with potential transient revenue. He said staff had analyzed the minimum transient pricing against expected occupancy and compared that to current and proposed commercial rates. He noted that at current commercial rates, the town remained below what could potentially be generated under a 30 percent transient occupancy threshold, and that the proposed \$20 per foot commercial rate would move closer to that benchmark. He said a key policy issue for the Board was whether boats should be charged based on actual boat length or the length of the slip occupied, particularly when a smaller boat uses a larger slip.

This prompted discussion among Board members. Commissioner Spiegler sought clarification that a boat occupying a 35-foot or 50-foot slip would pay based on slip length even if the vessel itself was shorter. Meehan and Zapp confirmed that this is how the system currently works, while vessels exceeding slip length pay more. Commissioner Gillikin said she had heard complaints about that practice and would like more Beaufort input before finalizing a policy. She also stated that during prior discussions with commercial operators, the town had used \$16 per foot as the approximate market-rate reference and said she was having difficulty with a jump from \$16 to \$20 so quickly. Zapp responded that the improved dock configuration and floating systems were not anticipated when earlier discussions occurred and said several commercial operators had been pleased with the new layout.

*No formal action was taken.*

## 2. Update: Utility Rate Meetings

Town Manager, Matt Zapp, reported on the utility rate meetings conducted with Commissioners LoPiccolo, Cooper, and Matthews. He stated that the committee and staff completed a detailed review of the utility fund, including capital improvements planning and rate analysis for both water and sewer operations.

Zapp explained that for FY 2027 the town faced increased debt service obligations of approximately \$224,000 for sewer and \$542,000 for water, creating an initial projected shortfall that had been reduced from roughly \$300,000 to approximately \$97,000 through budget adjustments and departmental work. He specifically thanked staff for reducing the gap by more than 60 percent. He noted that the budget retained one full-time employee who would serve both water and sewer functions, reflecting current operational needs and the demands of ongoing USDA-related utility projects.

Zapp said the committee evaluated several approaches to closing the remaining gap and focused on fairness across different classes of users, including in-town and out-of-town customers, households of different sizes, and commercial users. The committee's recommendation was to increase the monthly base charge by \$1 for water and \$1 for sewer for in-town customers, with corresponding doubled base adjustments for out-of-town customers. He said this would amount to a \$2 monthly increase, or \$24 annually, for

in-town residents and would generate the revenue needed to balance the FY 2027 utility budget.

Commissioner LoPiccolo said the committee had reviewed an extensive amount of information and explored multiple paths before arriving at what he viewed as a simple and equitable recommendation. He also said the process helped clarify the system's broader capital and infrastructure needs and would be useful for future boards.

Commissioner Matthews described the process as thorough and helpful and said staff had done an excellent job answering questions and supporting the committee's review. He noted that utility rates had not been adjusted in approximately eight years and said the proposed increase was conservative given rising costs.

Commissioner Gillikin said she had confidence in the committee's recommendation and in the quality of staff's work, noting that the process had been publicly conducted and that all commissioners had access to the same reference materials.

Commissioner Cooper stated that he generally opposes rate increases and is concerned about the impact even small changes may have on residents on tight budgets. He acknowledged, however, that after participating in the process and voting with the group, he would stand by the recommendation despite his reluctance.

Mayor Harker thanked staff and the committee, noting the difficulty of utility rate decisions and the importance of maintaining and expanding aging infrastructure to serve both current residents and future growth. She said the approach appeared fair and balanced and recognized that the committee's work would provide value beyond the current budget cycle.

*No formal action was taken.*

## **Closed Session**

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

*Commissioner Cooper made a motion to enter into a closed session pursuant to NCGS 143-318.11 (a) (3) and 143-318.11 (a) (6) at 5:21 PM. The motion carried unanimously with a (5-0) vote.*

## **Adjourn**

*Following the conclusion of the closed session, Commissioner Spiegler made a motion to adjourn the meeting. The motion carried unanimously with a (5-0) vote and the meeting adjourned at approximately 6:55 PM.*

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Sharon E. Harker, Mayor

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Jennifer L. Welborn, Deputy Town Clerk