



Town of Beaufort, NC
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Board of Commissioners
Regular Meeting
6:00 PM Monday, August 11, 2025
Train Depot, 614 Broad Street

Call to Order/Pledge of Allegiance

Mayor Harker called the meeting to order at 6:00 PM, welcomed those attending in person and online, and led the Pledge of Allegiance.

Roll Call

Elizabeth Lewis, Town Clerk, called the roll:

PRESENT:

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

ABSENT: None

Agenda Approval

Commissioner Cooper made a motion to approve the agenda as presented.

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

Presentation of a Proclamation

1. Honoring Patricia Suggs, Beaufort Historical Association

Mayor Harker presented a Proclamation to Patricia Suggs honoring her 25 years of service as Executive Director of the Beaufort Historical Association. The proclamation highlighted her visionary leadership, which helped position Beaufort as one of North Carolina's most cherished historic towns. Under her direction, the association had grown in scope, reputation, and impact. Her accomplishments included spearheading numerous programs and events such as Christmas candlelight tours, summer and fall party fundraisers, establishing the Beaufort Historical Foundation, and preserving the iconic double-decker bus. Mayor Harker proclaimed August 22, 2025, as "Patricia Suggs Day" in

recognition of her retirement and lasting contributions to the town's historic character, civic pride, and cultural legacy. Note, a full copy of the Proclamation is incorporated in the meeting packet.

Items of Consent

1. Meeting Minutes
2. Ann Street Closure for Halloween Night
3. Personnel Policy Revision to Vacation Leave: Accrual Rate Policy
4. 2025 Pirate Invasion Event Request
5. Budget Amendments - Capital Reserve Fund and Waterfront Improvement Project

Commissioner Cooper made a motion to approve the Items of Consent as presented.

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

Public Hearing

1. Financing of Fuel Farm

Commissioner Gillikin made a motion to open the floor to conduct a Public Hearing on whether the Town should approve a financing agreement with First Bank for the construction and installation of a Fuel Tank Farm.

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

Mike Bradley (120 Craven Street) spoke first, identifying himself as the former director of NC Boating Industry Services for 22 years. He shared a coastal boating guide map showing that 85% of the 121 coastal marinas in North Carolina sell fuel. He explained that for private marinas, fuel sales are typically the most significant revenue component, but for municipal marinas like Beaufort's, the goal isn't to make a profit but rather to operate without costing taxpayers money. He noted the Beaufort Waterfront Operations and Finance Committee had put plans in motion for the Town docks to achieve this goal.

Dexter Matthews (606 Ann Street), a member of the Beaufort Waterfront Operations and Finance Committee and former Director of the Division of Waste Management at the NC Department of Environmental Quality, thanked the council for voting to move forward with the installation of a new underground storage tank. He noted that new tanks pose much less environmental risk than older tanks, even with required upgrades. He emphasized that the Town Manager had made an excellent presentation on financing and the ability for repayment through revenue generated from dock operations. Matthews explained that tank fees required of commercial tank owners act as an insurance policy in the event of a release, though the Town would need to demonstrate ability to meet required deductibles.

Weymouth Tillett (105 Third Street) spoke about the robust profitability of the Beaufort docks, which increases the probability of settling the debt for the fuel project ahead of schedule. He noted the docks have performed well for over four decades despite economic fluctuations, hurricanes, and dredging uncertainties. He mentioned that F3 manages over 20 municipal marinas successfully, and wherever they operate, slip occupancy, net revenue, and customer satisfaction increase. He countered the notion that Beaufort is getting out of its lane by putting in the fuel tanks, noting that 30% of the thousands of marinas in the US are local, state, or federally owned, and most offer fueling services.

Barry Slade (109 Planters Way), a marine industry professional and member of the BWOF Committee, addressed what he called misinformation in recent media coverage. He clarified that the cost comparison between leasing from the Gear family and buying a town-owned tank was incorrect. He explained that the \$200,000 lease cost is annual, not

total, meaning after six years the town would have spent \$1.2 million and still be leasing, whereas with the purchase plan, the town would own the tank outright in five years. He also pointed out that the Gear property is for sale, creating risk of price increases or complete removal of tanks by a new owner. Regarding environmental concerns, he noted the plan would replace decades-old tanks at the water's edge with a brand-new tank set farther from the water, meeting all modern safety standards. He added that F3 confirmed that 100% of municipal marinas they manage own their fuel tanks.

Kevin McHugh (124 Queen Street) stated his support for the fuel farm project but offered an alternative financing suggestion. He proposed selling the property at 611 Front Street, that was purchased by the town for \$1.5 million to gain riparian rights, and using those proceeds to fund the fuel farm instead of borrowing. He noted that during the February Board of Commissioners Retreat, the future use of 611 Front Street was discussed but no specific operational plan was established. He questioned how the property aligned with the Town's budget priorities and infrastructure needs, especially considering the Town's water and sewer project is underfunded by \$6.5 million and months behind schedule.

Mayor Harker confirmed there were no other individuals who wished to speak.

Commissioner Cooper made a motion to close the Public Hearing.

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

Old Business

1. Wastewater Allocation Request- 302 Island Drive

Donovan Willis, Public Utilities Manager, presented information regarding the wastewater allocation request for 302 Island Drive, standing in for Town Engineer, Sam Bell. He noted this item was tabled at a previous meeting pending additional information, which had been provided by Mr. Bell.

Commissioner Oliver questioned what obligation the Town had to provide services to these properties.

Town Attorney, Arey Grady, clarified that the town had an obligation to existing customers as of 2014, but that obligation does not extend to new customers.

Commissioner Oliver expressed concern about future requests and the need to be fair, noting that Mr. Bell had detailed some service pump issues. He indicated support for providing sewer service where possible, especially considering the alternatives, but recognized the need to address how future requests would be handled.

Commissioner Gillikin shared concerns about the Town's wastewater treatment capacity, noting that according to Mr. Bell's synopsis, there were about 150 houses at Deerfield that could potentially be developed and need service, while the town only has room for about 392 houses before hitting the 80% threshold where the State would begin monitoring.

Commissioner Spiegler suggested approving the request and then developing a plan to address future request.

Commissioner LoPiccolo expressed concerns about adding lots outside the Town's ETJ (extraterritorial jurisdiction), noting the Town has no obligation to provide services to these areas. He suggested the Town should focus on projects within the Town of Beaufort limits, that have precedence.

Commissioner Oliver elaborated that about one-third of the Town's 75% sewer plant capacity is serving sewer effluent, while two-thirds is handling stormwater. He emphasized that the Town does not have a sewer capacity problem but rather a storm water infiltration and inflow problem. He suggested the Board should instruct staff to seek grants to address stormwater issues in addition to the improvements expected from USDA funding.

Commissioner Oliver made a motion to deny the request for wastewater allocation at 302 Island Drive, noting it was outside of the Town's limits and there was no obligation to provide the services.

The motion carried with a (3-2) vote.

Voting Yea: Commissioner Oliver, Commissioner Gillikin, Commissioner LoPiccolo

Voting Nay: Commissioner Spiegler, Commissioner Cooper

2. F3 Marinas Draft Contract

Town Attorney, Arey Grady, presented the draft contract with F3 Marina for managing the Beaufort Town Docks and highlighted the key terms of the proposed agreement. Under the draft, F3 would be appointed as the exclusive manager of the Town docks for a five-year term ending December 31, 2030. The boardwalk would remain under Town control for continued public use, while F3 would operate a first-class marina providing diesel fuel, dockage, and other marina-related services. F3 would collect revenue, deposit it in a segregated bank account, and remit funds to the Town on a monthly basis. They would also be responsible for staffing, employment, and providing management reports with detailed information on vessel numbers, revenue, occupancy rates, and related data. Routine maintenance would be handled by F3, while more substantial renovations would either be completed by the Town or performed by F3 with an additional management fee. F3 would use a reservation system such as Marina Go or Dockwa, and signage would prioritize "Beaufort Town Docks" over the F3 brand. The Town would be responsible for supporting F3 to maintain the docks in first-class condition and supplying diesel fuel by April 1, 2026, to ensure service operations. Importantly, the Town would retain control of all fee schedules, with an annual budgeting process jointly conducted between F3 and the Town. F3 would also implement an aggressive marketing program promoting both the docks and local businesses and services. The management fee would be set at a flat 3% of revenues, and F3 would be required to maintain \$10 million in liability insurance coverage. Finally, the contract would allow the Town to terminate the agreement for any reason with 90 days' notice.

Commissioner Cooper asked about employee expenses.

Mr. Grady clarified that while F3 would employ the staff, the Town would reimburse those expenses.

Commissioner Spiegler noted that F3 values hiring local people, which was important to the Town during the interview process.

Commissioner LoPiccolo highlighted a provision that allows the Town to designate certain areas of the docks for free public access for periods not exceeding three hours. He also asked about who would set fuel prices.

Town Manager, Matt Zapp, explained that while the management company has expertise in setting competitive rates, the Town could establish parameters or thresholds.

Commissioner Oliver explained that while he had previously opposed the fuel farm project because he wanted F3 to demonstrate a stronger financial investment, but he was now fully supportive of the proposed contract. He emphasized two matters still requiring attention: establishing how diesel fuel will be supplied during the initial months of the agreement and clarifying the official contract start date.

Commissioner Spiegler clarified that the contract start date would be no later than January 1, 2026, with a 60-day ramp-up period potentially beginning November 1, 2025. She also took a moment to recognize Haywood Weeks for his nearly 50 years of service managing the docks.

The Board decided to finalize the contract's approval after closed session to address the start date.

3. Godette Hotel- 400 Pollock Street- Encroachment Agreement

Mr. Grady provided an update on the encroachment agreement for the Godette Hotel. He reported that the owner and owner's lawyer had returned edits to the Town's initial draft, most of which were acceptable. One area where he countered was regarding temporary removal of the second-floor patio overhang, ensuring that if removed for renovation, it could be replaced within a reasonable timeframe. He noted the next step would be to get a timeline from the owner for rehabilitation of the building. He reiterated that while the Town is willing to agree to the form of the encroachment agreement, it would not be signed until a schedule is provided.

Mayor Harker expressed concern about continued delays, noting the building's deteriorating condition and historical significance.

Commissioner Cooper agreed, stating he felt the owner was trying to dictate terms to the Town rather than the reverse.

Commissioner LoPiccolo emphasized that the Town has made multiple attempts to aid in the building's rehabilitation, noting its historical significance to the community. He expressed hope that the owner would move forward or that Preservation North Carolina might be able to help find someone else to undertake the project.

The Board discussed a reasonable timeline to have a response from the owner. Mr. Zapp suggested a specific deadline of 5:00 pm on September 15th to allow time for inclusion in the September 22nd agenda packet.

Commissioner Oliver made a motion to approve the amended encroachment agreement as drafted by Mr. Grady, with execution and delivery subject to receipt of an acceptable timeline from the owner by 5:00 pm on September 15, 2025.

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

Public Comment

Barry Slade (109 Planters Way) thanked Commissioner Oliver for clarifying his previous vote on the fuel farm and expressed thanks to Town staff for negotiations on the F3 Marina agreement. He noted that the Beaufort Waterfront Operations and Finance (BWOF) committee had carefully considered the timing of the fuel tank installation for January-March, as little fuel is sold during those months. He acknowledged that change can be difficult but reassured citizens that the changes were favorable for the Town and much of it, like accounting, marketing, budgeting, would not be visible to someone walking the docks but would allow better management of the waterfront.

Joey McClure (425 Front Street), owner/operator of Fishtowne Brewhouse, thanked the Board for trying to be fair in dealing with the food truck issue. He addressed concerns that giving Fishtowne a grace period showed favoritism, noting that no other business is being affected by the ordinance like Fishtowne since no other business needs to use a public parking space for a food truck. He asked how it would be favoritism to give the only business being penalized a grace period to figure out another solution, and requested the Board allow Fishtowne the next 4.5 months to get through this year.

Adam Grieco (113 Finch Loop) spoke about the Godette Hotel, sharing his experience from time spent on a Native American reservation in South Dakota. He drew parallels between the difficulty Native Americans have trusting outside help based on historical experiences and what might be happening with the hotel owner. He noted the building's historical significance to the black community and encouraged the Board to be respectful toward the owner, even while acknowledging he was making assumptions about her motivations.

New Business

1. Food Truck – Temporary Waiver Request

Kyle Garner, Planning Director, presented the food truck temporary waiver request for two applicants. He explained that during the July 28th BOC Work Session, the Board directed staff to develop criteria for a temporary waiver of food truck enforcement at specific locations. Staff created criteria requiring applicants to submit a formal letter requesting permission to operate on public property, including a specific location/parking space, a map, and a list of mobile food vendors that would be included. The waiver would be effective through December 31, 2025.

Two requests were received:

- Fishtown Brew House (133B Turner Street) requested use of a loading/unloading zone extending to the 15-minute parking space in front of their business.
- Beaufort Spirits Company (513 Front Street) requested parking space #905, currently used as a golf cart parking space.

Commissioner Cooper expressed concern about allowing food trucks on Front Street, noting the Board had previously discussed protecting Front Street businesses from competing with food trucks.

Commissioner Gillikin shared an excerpt from an email she had sent to a concerned business owner, explaining that while she understood concerns about favoritism, the board needed to take responsibility for delaying ordinance revisions and allowing Fishtowne to operate with food trucks for years. She felt the Town owed Fishtowne the ability to continue through the end of the season but didn't intend for the waiver to apply to Front Street.

Commissioner LoPiccolo disagreed, noting that the community had overwhelmingly expressed support for food trucks. He questioned the fairness of allowing one location but not another that was close by. He also raised concerns about how the designated spaces would be managed, questioning whether a private business would control access to public property.

Commissioner Cooper supported the Fishtowne waiver, noting they do not serve food in their facility and are providing a service to customers. He opposed the Front Street request to protect established restaurants from competition.

Commissioner Spiegler supported the Fishtowne waiver for the 4.5-month grace period but was hesitant about the Front Street application since the Board had consistently stated Front Street was not appropriate for food trucks due to traffic and other concerns.

Commissioner Oliver acknowledged that having established criteria that allowed anyone to apply, the Board should be consistent in approving both requests or neither, though he personally would prefer not to have food trucks on public property at all.

Commissioner Cooper noted the Board had no obligation to approve either request.

Mayor Harker asked what the pleasure of the Board was when considering the Fishtowne Brewhouse's food truck temporary waiver request.

Commissioner Cooper made a motion to approve the temporary waiver request for food trucks at Fishtowne Brewhouse, set to expire on December 31, 2025.

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

Mayor Harker asked what the pleasure of the Board was when considering the Beaufort Spirits Company's food truck temporary waiver request.

Commissioner LoPiccolo made a motion to approve the temporary waiver request for food trucks at Beaufort Spirits Company, set to expire on December 31, 2025.

The motion was denied with a (3-2) vote.

Voting Yea: Commissioner LoPiccolo, Commissioner Oliver

Voting Nay: Commissioner Gillikin, Commissioner Cooper, Commissioner Spiegler

Mr. Garner noted that staff would be working on a two-phased approach, with phase one addressing food trucks through the temporary waiver and phase two creating a more permanent solution through the Land Development Ordinance. He confirmed they hoped to have something for the Board to consider by December.

2. Parks and Recreation Advisory Board Appointment

Commissioner Cooper made a motion to open the floor for nominations for the Parks and Recreation Advisory Board.

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

Commissioner Cooper nominated Bruce Mann.

Commissioner Gillikin made a motion to close the floor for nominations.

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

Bruce Mann was appointed by acclamation to the Parks and Recreation Advisory Board with a term ending September 30, 2027.

Bruce Mann was appointed by acclamation to the Parks and Recreation Advisory Board.

3. Wastewater Allocation Request- 308 Island Drive

Mr. Willis presented a wastewater allocation request for 308 Island Drive in Deerfield Shores, for one unit requiring 180 gallons per day.

Commissioner Spiegler noted that, similar to the prior request for 302 Island Drive, she supported approval of this request, with the understanding that the Board should determine a broader policy direction moving forward.

Commissioner Oliver reiterated his concerns about approving out-of-town sewer connections, emphasizing that sewer capacity is a critical community resource. He maintained that the Town's primary issue is stormwater inflow and infiltration (I&I), rather than a lack of sewer capacity.

Commissioner Oliver made a motion to deny the application for 180 gallons per day at 308 Island Drive.

The motion carried with a (4-1) vote.

Voting Yea: Commissioner LoPiccolo, Commissioner Gillikin, Commissioner Cooper, Commissioner Oliver

Voting Nay: Commissioner Spiegler

Manager Report

Town Manager, Matt Zapp, provided several updates. He reported that the fuel farm contract with Oakes Grading had been executed. He also noted that USDA water and sewer project funds had been potentially allocated, and the Town would need to determine within the next three years whether to accept and utilize those funds. He shared that an updated active projects list would be distributed to the commissioners electronically.

Mr. Zapp further advised that a property appraisal was underway for the Town-owned property on Front Street. Regarding sidewalk safety, he explained that a 2024 assessment by Precision Safe Sidewalks

identified more than 1,700 areas requiring grinding to achieve ADA compliance, at an estimated cost of \$175,000. The Board reached consensus to move forward with the current assessment rather than commission a new one at a cost of \$4,800. He reported that Public Works was addressing sidewalk sections in extreme need in the 100 block of Pollock Street. He noted this work included removing damaged sections, correcting tree root extrusions, and installing new sidewalks.

Mayor/Commissioner Comments

Commissioner Spiegler thanked everyone who participated in the meeting and the Town staff for their work.

Commissioner Oliver shared the following statement:

I continue searching for an effective way to help Beaufort find its balance between healthy growth and fiscal responsibility. In my search, I repeatably observe the tremendous importance of free enterprise in Beaufort. Generational private investment is directly responsible for the compounded financial success that we all enjoy today. We need to thank those who preceded us. I will speak of only a few, list more and omit many:

- Dr. John Costlow who promoted urban development and planning.
- Claude Wheatly, Piggy Potter and others who created our menhaden industry.
- Haywood Weeks who took the risk on the docks on August 29, 1978, 47 years ago to the month.
- Leonard Safrit who headquarters his enterprises in Beaufort.
- Randy Ramsey who collaborated with Hunter Chadwick to create what is now known as Safe Harbor Jarrett Bay and The Vault.
- Fred McCune and Joey, serial entrepreneurs.
- John Lampros, parking genius in support of his church.
- Preston Development, a patient, trusted quality developer.
- Benji and Wendy Park, lifelong restauraners and civic mentors.
- Jerry Sutton who spearheaded the Gallants Channel rebirth.
- Sammy Ballou and Phil Lewis with multiple successful projects.
- Jeff Adams and Ann running dockside establishments.
- George Aswad providing memories for many via his NPS concession.
- Doug Townsend volunteering through the Safe Harbor investment attempt and now investing in multiple hospitality ventures.
- Susan Sanders, George Rose and Tommy Simpson, consummate retailers.
- Kristen Prescott and Bradley a young, capable family who moved and are investing here.

What are the lessons to be learned? Beaufort is blessed with knowledgeable, energetic, productive citizens. We are best served to collaborate with and encourage their economic development efforts. Free enterprise has built and sustains Beaufort and its employment. Remember we were "the coolest small town in America" more than a dozen years ago.

Commissioner Cooper reminded everyone that hurricane season was approaching and urged residents to prepare by knowing evacuation routes, having emergency bags ready with medications and supplies, maintaining full gas tanks, and not running generators in enclosed spaces. He thanked town staff, especially public works, for their efforts during the recent heat wave.

Commissioner LoPiccolo clarified the history of the Godette Hotel, noting that the current owner is an investor who purchased the property from Preservation North Carolina, not a family member with long-standing ties to the property. He emphasized that the Board takes financial decisions seriously and may need to raise capital funds in the future, possibly through property sales. He appreciated the community turnout at the meeting.

Mayor Harker recognized Pat Wesson for initiating "Free Food Friday" at Randolph Johnson Park, addressing food insecurities for students during summer. She announced the final food drop-off would be August 15th and encouraged generous donations. She also promoted the Heritage Community Picnic at Randolph Johnson Park on Saturday, August 16th at noon, featuring games, events, and food in partnership with Purvis Chapel. She echoed Commissioner Cooper's hurricane preparedness message, noting that the County was monitoring a potential storm.

Closed Session

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

Commissioner Cooper made a motion to enter closed session pursuant to NCGS 143-318.11 (a) (3) and NCGS 143-318.11 (a) (6).

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

Upon returning to open session, the Board addressed one remaining item of business regarding the F3 Marina contract. The draft contract had previously been reviewed in open session. The Board discussed and clarified the effective date of the agreement, establishing November 1, 2025, as the effective date, with F3 assuming physical control of the docks on January 1, 2026.

Commissioner Oliver made a motion to approve the F3 Marina contract with the amendment to Section 5.4, revising the year from 2025 to 2026, and to set the effective date as November 1, 2025, with operational control beginning January 1, 2026.

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

There was no further business or action taken by the Board.

Adjourn

Commissioner Cooper made a motion to adjourn the meeting at 8:56 PM.

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

Sharon E. Harker, Mayor

Elizabeth Lewis, Town Clerk