



**Town of Beaufort, NC**  
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**Board of Commissioners**  
**Regular Meeting**  
**6:00 PM Monday, November 10, 2025**  
**Train Depot, 614 Broad Street**

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**Call to Order/Pledge of Allegiance**

Mayor Harker called the meeting to order at 6:00 PM and led the Pledge of Allegiance.

**Roll Call**

Town Clerk, Elizabeth Lewis, 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.

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

**Proclamation Presentations**

1. Small Business Saturday 2025

Mayor Harker presented a proclamation that recognized small business owners' resilience, adaptability, and dedication to customer service, and their continued investment in the community's future. She proclaimed November 29, 2025, as Small Business Saturday, encouraging all residents and visitors to shop small, dine locally, and share their experiences to inspire others. A copy of the official proclamation is included in the meeting packet.

2. Baptist on Mission- Disaster Relief

Mayor Harker presented Mark and Joy Pickett, representing Baptist on Mission, with a proclamation. It recognized Baptist on Mission as a Christ-centered organization committed to serving others in times of great need through disaster relief, building efforts, and compassionate outreach. The proclamation detailed their swift and faithful response to Beaufort and surrounding communities following Hurricane Florence, offering relief, recovery, and long-term assistance to families whose lives and homes were upended. A copy of the official proclamation is included in the meeting packet.

**Items of Consent**

1. Meeting Minutes: October 13 & 27, 2025
2. Ordinance Amendments: Section 96.03 and Section 130.07
3. FY 26 Budget Amendment #2
4. Resolution: Authorizing Application for PNC Financing (\$6,469,000) for USDA water line project, contingent on USDA and LGC Approval

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

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

**Old Business**

1. Godette Hotel- 400 Pollock Street

Mayor Harker introduced the topic, noting it had been discussed extensively. She explained that the Town of Beaufort had worked really hard in good faith with the current owner of the Godette Hotel at 400 Pollock Street for quite some time. She emphasized it's an important part of Beaufort's history, and preserving it has been a shared goal. Through Preservation North Carolina, the property was secured with intent to protect and restore this historic landmark, with the board being extremely patient and accommodating.

Mayor Harker noted that while the packet discussed a partnership that was going to be developed to move the project forward, that partnership would not take place. However, she indicated there was updated news to be shared by Maggie Gregg from Preservation North Carolina.

Maggie Gregg approached the podium, noting it was not the anticipated agenda item. She explained they had continued working with the owner to look at possible resolutions to move the restoration process forward as their joint goal. Through exploring different options, the owner decided that at this time, the best way to forward the goal of restoration was to offer the property for sale and allow stewardship to move into new hands.

Commissioner Cooper expressed that while this was wonderful news, he felt the owner had lost her support when pulling back on two community representatives or financial leaders. He noted being in conversation with folks who were debating whether to tear it down knowing it's a blight to the city. However, with the property potentially going up for sale, he hoped there would be takers to get it restored, as it's an important part of Beaufort's history that should be preserved as best as possible.

Ms. Gregg shared that the encroachment agreement would be positive for the next steward, being ready to be executed as a step already taken. She reiterated that the owner carefully considered the best path forward to ensure restoration, deciding that a new steward would be the best option at this time.

Commissioner Oliver emphasized that the last thing the board wants is to reestablish deadlines, but noted that citizens, staff, town, and board have bent over backwards with patience. He asked Ms. Gregg to report back very clearly that timing is long past and they need definitive news.

Commissioner Spiegler reiterated that the Board very much wants to see the property preserved for its historical and cultural purposes, which is her main goal, hoping they are moving in that direction. She emphasized the need for that message to be articulated, noting the Board knows how important the building is to the Town's history.

Commissioner Gillikin thanked Ms. Gregg for coming and for all her work throughout the past year. She inquired whether they had identified anyone interested in the property.

Ms. Gregg responded it was a very new development, but over time people had expressed interest in whether it ever came to this point. She confirmed that she would remain closely involved in Preservation North Carolina herself, as the Eastern Office Regional Director.

Commissioner Gillikin suggested that future buyers would be subject to covenants in place that run with the deed and would need to develop a rehabilitation timeline, being encouraged to provide that information to the Town.

Ms. Gregg suggested it may be helpful for potential new owners to be aware of the pending encroachment agreement as it would help with their process planning.

Town Attorney, Arey Grady, confirmed that the Board had already approved a form of the encroachment agreement, but not when it was executed. He felt that gives prospective purchasers high confidence about the document and future transition of ownership.

Mayor Harker thanked Preservation North Carolina for stepping in and being part of this, also clarifying that the covenant would go with the property and new owner.

Ms. Gregg confirmed the covenant runs with the deed in perpetuity, so all subsequent owners will be subject to retaining the property's historic integrity.

## 2. F3 Marina Draft Budget

The Board of Commissioners reviewed the draft Beaufort Waterfront Docks (Fund 14) operating plan and preliminary six-month budget in preparation for the transition to F3 Marina beginning January 1, 2026. Town Manager, Matt Zapp, opened the discussion and shared that the review was structured similarly to the Town's regular annual budgeting process, comparable to a May draft budget presentation, in order to provide an opportunity for questions, review, and public feedback prior to final discussion and consideration at the December 8, 2025, Regular Meeting. He emphasized that this document had been under development over multiple months and reflected priorities and action items established by the Board of Commissioners and BWOFF members. The budget presented covered the six-month period from January 1 through June 30, 2026, representing the second half of Fiscal Year 2025–2026.

Mr. Zapp shared that the primary goal for the initial six months of F3 Marina's management was to maintain or enhance existing operational and service standards. He further explained that the draft budget was presented in a transparent Fund 14 format, allowing for clear tracking of all revenues and expenditures. He noted that F3 would be responsible for all personnel staffing, including recruitment for a general manager, maintenance technician, administrative assistant, and up to five dockhands depending on seasonal needs and projected growth. Mr. Zapp also reported that Lori Meehan, representing F3 Marina, had conducted initial site assessments and identified needed improvements including upgrades to restrooms and shower facilities, improved signage, and additional safety equipment such as lighting and fire extinguishers. A walkthrough with the fire inspector was planned to evaluate potential safety concerns and operational inefficiencies. Mr. Zapp added that the budget was based on a conservative yet attainable thirty percent occupancy rate and included costs associated with fuel system utilization.

Ms. Meehan provided an overview of proposed commercial operator slip rental rates and detailed an analysis comparing existing vendor payments against proposed 2026 rates. She explained that the goal (as directed by the Board of Commissioners) was to move commercial operators toward a fair market rate through a phased approach rather than an

abrupt rate adjustment that could negatively impact small businesses that had long operated along Beaufort's waterfront. Based on regional comparisons from inland marinas to coastal facilities, the market rate was identified at approximately \$16 per linear foot, with some locations ranging between \$16 and \$20 depending on season. Ms. Meehan recommended an annual rate of \$10.50 per foot for commercial operators under a 12-month agreement and noted that catamarans would be billed at one and a half times the slip length due to vessel width. She explained that marina industry norms typically show annual increases of three to five percent but recommended a six to ten percent annual adjustment for Beaufort in order to achieve market rate sooner while still providing predictable, manageable increases. Ms. Meehan compared current commercial revenue of approximately \$47,000 to a projected increase to \$51,345 under the proposed structure.

Commissioner Gillikin expressed appreciation for the analysis and stated that the proposal aligned well with the Town's desire to support long-standing waterfront commercial partners who contribute significantly to the character and cultural experience of downtown. She agreed that incremental increases provided needed predictability and fairness, noting that Gallants Channel or other locations could attempt to recruit Beaufort's operators.

Commissioner Cooper requested clarification regarding current commercial operator payments.

Ms. Meehan gave examples that Island Ferry Adventures presently pays \$4,800 annually per slip for two slips and Water Bug Tours pays \$3,200 based on limited seasonal presence.

Commissioner Cooper stated that he preferred gradual increases rather than immediate transition to full market rate.

Ms. Meehan explained that under a ten percent annual increase, existing rates would reach current market value in approximately five years, with an additional period needed to match future market changes if coastal rates continue rising.

Commissioner Cooper also asked about staff transitions and Ms. Meehan reported that all existing staff had been met with, that positions were posted with preference for existing employees.

Commissioner LoPiccolo asked how market rates were determined and requested the basis for comparison.

Ms. Meehan explained of her regional study and acknowledged that not all comparison sites were identical but that the most comparable nearby facility offering monthly wet slips was Homer Smith at \$16 per foot, with some coastal locations such as Swansboro charging closer to \$22 per foot.

Commissioner LoPiccolo then delivered a prepared statement in opposition to below-market commercial rates, asserting that the Town should adopt fair market pricing in order to properly fund the enterprise fund and avoid subsidizing private commercial businesses with public dollars. He described Front Street as having unique commercial value due to pedestrian traffic and visibility and noted that the Town is already responsible for significant infrastructure costs allocated to the enterprise fund and potential future debt obligations for fuel tank infrastructure. He also questioned the perception of seeking state appropriations for dock improvements while simultaneously providing what he perceived as under-market commercial rates. He suggested that charging \$10.50 rather than \$16 would forgo approximately \$26,000 in the first year and potentially compound into hundreds of thousands of dollars over future years.

Commissioner LoPiccolo made a motion to adopt commercial slip rates at \$16 per linear foot beginning in 2026 with three percent annual increases for inflation.

Voting Yea: Commissioner LoPiccolo

Voting Nay: Commissioner Gillikin, Commissioner Cooper, Commissioner Oliver, Commissioner Spiegler

The motion failed on a (4-1) vote.

Commissioner Spiegler thanked Ms. Meehan for her work and shared that she agreed with Commissioners Gillikin and Commissioner Cooper regarding phased implementation rather than immediate movement to full market rate. She commented on the uncertainty experienced by commercial operators over recent years and noted that the partnership with F3 Marina, while positive, still represents a significant operational change. She referenced a National Park Service report highlighting the economic impact of small business operations and emphasized that Town decision-making should consider not only direct slip revenue but also effects on community vibrancy, visitor spending, and long-term economic sustainability.

Commissioner Cooper added that Beaufort must consider the consequences of rapid rate increases, including whether operators might relocate to nearby jurisdictions, which could result in indirect economic losses tied to tourism-based spending and visitor activity.

Following discussion, Mayor Harker confirmed that the Board would not be taking formal action on slip rates during this meeting and noted that the motion to set rates at full market value failed.

Mr. Zapp presented the revenue and expenditure totals for the six-month period from January 1 through June 30, 2026. The draft budget included total estimated revenue of \$1,815,094 and projected operating expenses of \$584,225, resulting in a net operating income of approximately \$329,993 assuming installation and activation of fuel operations by spring 2026. After accounting for non-operating and one-time expenditures associated with safety improvements, restroom and shower upgrades, Wi-Fi improvements, website development, dredging contributions, and partial debt service for fuel tank financing, the projected six-month net balance was approximately \$67,000.

Mr. Zapp reported that the Water Improvement Fund currently holds approximately \$224,500 in reserve and reiterated that the fuel system installation project is estimated at \$1.2 million with loan repayment beginning in summer 2026.

Commissioner Oliver raised questions regarding commercial slip revenue estimates, noting the difference between \$51,345 reflected on the commercial vendor detail sheet and \$54,652.50 shown in the budget summary.

Ms. Meehan clarified that the higher number assumed that currently unoccupied commercial slips would be leased.

Commissioner Oliver also questioned the reallocation of \$14,457 previously assigned as property tax expense, and Ms. Meehan confirmed it was reassigned to assist with office space repairs and upgrades for the dockmaster facility.

Commissioner Oliver stated that based on anticipated operating conditions, the docks would require approximately \$218,000 in working capital for startup and transition needs, and recommended that a budget amendment be brought to the Board at its December 8th meeting to allocate an additional \$200,000 from reserve funds. He also recommended that advertising and promotion funding be included due to the docks being inactive for a portion of the transition period.

Mr. Zapp next introduced a concept for limited annual slip rentals for slips 1 through 6 on the west floater, all of which are 35-foot slips.

Ms. Meehan explained that during repeated dock inspections, she observed vessels that appeared to be long-term users rather than transients and noted that the westernmost area presents navigational challenges for transient boaters due to currents and limited room for maneuvering. The concept of limited annual rentals was presented as a temporary solution to both navigational and operational concerns and to address vessels already using the area as long-term placements.

The Board discussed the benefits and possible constraints of annual versus monthly rental terms.

Commissioner Gillikin referenced prior BWOFF strategic goals regarding varied utilization and suggested that community access lottery models may be useful.

The Board expressed differing views but generally acknowledged the value of structured assignment rather than unmanaged occupancy.

Ms. Meehan also raised F3's obligation to provide six 3-hour free day docking spaces for public access and recommended designating spaces on the inside of West Basin rather than on the bulkhead for improved management, signage, and monitoring. She explained that F3 would require all vessels, regardless of payment status, to register in Dockwa or MarinaGo and to provide vessel and insurance information for tracking and liability purposes.

Mayor Harker concluded the discussion by noting that the recommendation to pursue a budget amendment to allocate \$200,000 in working capital would be added for consideration at the December 8, 2025, Regular Meeting.

Mr. Zapp agreed to work with the Finance Department on the required documentation and updated budget materials.

Mayor Harker thanked Town staff and F3's leadership for their work to this point.

### **Public Comment**

There was none.

### **Manager Report**

Mr. Zapp thanked Ms. Meehan publicly for her professionalism, guidance, and assistance during her ten days with boots on the ground both literally and figuratively. He noted she had worked hard meeting with commercial vendors, operators, existing team members, and participated well with staff. He shared that if this indicates what is coming, the Town is looking forward to it.

Mr. Zapp also recognized and thanked the Police Department for their extraordinary effort making Halloween successful and safe on Ann Street, noting tremendous positive feedback received. He mentioned that one request for next year was additional street signage indicating road closures, but believed Ann Street residents greatly appreciated the additional safety.

### **Mayor/Commissioner Comments**

Commissioner Gillikin emphasized the importance of not hiking rates for commercial operators, rather than an approach over reasonable time at reasonable cost. She shared they must consider not taking full advantage of local market rates and the cost in community relationships and potential secondary impacts. She expressed confidence in moving in the right direction.

Commissioner Cooper thanked the Mayor for attending Mount Zion Missionary Baptist Church's proclamation celebrating their 160-year anniversary in the same location. He noted the importance of Veterans Day and thanked Carteret Community College and the culinary school for hosting a breakfast that morning to honor veterans in the area. He thanked all veterans in the audience and on Facebook for their service, noting many Marines celebrating their 250-year anniversary, a serious milestone. He also thanked Beaufort residents for voting in the recent municipal election and for their voter confidence in returning him to the Board.

Commissioner Oliver read the statement below into the record:

*I am honored to have served as a Beaufort Commissioner. In this my last Comment opportunity, I take the opportunity to suggest 7 wake-up, red-flag topics that are less apparent than our streets:*

- *As concerns the UDO, we may want to delay the significant cost of the process until State Law no longer prohibits down-zoning or taking*
- *In rebuffing the \$16M Safe Harbor investment in our community, we now must solve approximately 92% of the remaining dock improvement cost not covered by the \$1.2M fuel tank debt. Sound economic development is critical to our financial future*
- *We need to look beyond 2027 when debt capacity is forecasted to be limited especially as it concerns unfunded infrastructure*
- *We need to address the safety issue on 70 within Beaufort at the Town Creek, Gallants Channel and Turner Street intersections at the east end of the high bridge*
- *We should celebrate and adopt the precedent set with the Taft commitment to workforce housing*
- *We need to accelerate our efforts to solve inflow and infiltration solutions and acknowledge that our sewer system has adequate capacity if we manage these solutions and who we serve*
- *We need to study the alternatives available for downtown parking and improvements*

*I sincerely thank the multiple Town Managers and especially Town Staff for their respectful support during my term.*

Commissioner Spiegler thanked everyone participating in person or online and everyone who voted, noting a good turnout. She thanked Commissioner Oliver, shared she learned a lot serving with him for two years, respecting his role and everything she learned sitting next to him. She also thanked Town staff for doing a great job with Halloween. She also thanked Mayor Harker for driving in the Veterans Day Parade, sharing it was a great time representing Beaufort and remembering veterans. She announced the BWOFF committee meeting on November 20th at 1 PM, open to public, encouraging attendance to hear discussions.

Mayor Harker thanked Commissioner Cooper for his service in the Air Force and, with Thanksgiving approaching before their next meeting, wished everyone a Happy Thanksgiving. She then shared several community updates. She announced the holiday food drive benefiting the Boys and Girls Club, a partnership between Beaufort residents and the Town, noting that kid-friendly, non-perishable items could be dropped off at the BWAFF clubhouse or Town Hall by November 20th. She also highlighted Clawson's "Forks Up for Families" initiative, which is supporting local families while SNAP benefits are temporarily on hold due to the federal shutdown. As part of this effort, Clawson's is participating in the Beaufort Loaves and Fishes food bank and will donate ten percent of food and beverage sales on Wednesday, November 12th, while encouraging donations of packaged foods and contributions toward \$25 grocery gift cards for Piggly Wiggly and Food Lion. She further shared that the Town is currently seeking to fill a position in the Public Works Department. She reminded the public about the ongoing improvements on Turner Street, assuring residents and visitors that free parking remains available there following the acquisition of the Ann Street parking lot to support continued shopping while the street repairs are underway.

Mayor Harker reflected on the recent election, welcoming back Commissioner Cooper and congratulating Commissioner-elect Dexter Matthews. She noted that the organizational meeting on December 8th will include the swearing-in of new commissioners, the selection of a new Mayor Pro Tem, and a recognition of Commissioner Oliver's service. She described Commissioner Oliver as someone she holds dear, expressing her gratitude for his intellect, perspective, and contributions that have helped move Beaufort forward.

**Adjourn**

Commissioner Cooper made a motion to adjourn the meeting at 7:33 PM.

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

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Sharon E. Harker, Mayor

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Elizabeth Lewis, Town Clerk