

Cindy Aiken

From: Frank Rockhold <frank.rockhold@gmail.com>
Sent: Thursday, August 19, 2021 3:58 PM
To: SLGFD
Subject: BHI Transportation.

We strongly oppose the purchase of these assets by the BHITA and support the village to purchase these assets. We feel believe the village is much more likely to operate with our interests in mind.

***Dr Frank Rockhold and Ms Barbara Hunter
& Fort Holmes Trial , BHI***

Cindy Aiken

From: Barry Lucas <terps918@yahoo.com>
Sent: Thursday, August 19, 2021 5:22 PM
To: SLGFD
Subject: BHI

I am in favor of the BHI transportation authority purchasing the Bald Head ferry system. Under no circumstances should the village be allowed to do so.

Thank you,
Barry Lucas

Homeowner
3 Stede Bonnet Close, 28461

Cindy Aiken

From: William Johnson <cmjwwj@gmail.com>
Sent: Thursday, August 19, 2021 1:25 PM
To: SLGFD
Subject: BHITA proposal

I am Bill Johnson owner of 5 Sabal Palm court on Bald Head. I strongly disagree with the proposal for island purchase of the ferry system--with a much better thought out plan available. I would vote no on the village idea.---especially as we have a mayor election in NOV.

Cindy Aiken

From: Les Cummins <lgc_pgh@verizon.net>
Sent: Thursday, August 19, 2021 5:40 PM
To: SLGFD
Subject: BHITA

We are not in favor of the village purchasing the transportation authority.

Sincerely,
Lester & Nancy Cummins
633 Kinnakeet Way

Sent from my iPhone

Cindy Aiken

From: Kim Scagnelli <kscag@aol.com>
Sent: Thursday, August 19, 2021 11:25 AM
To: SLGFD
Subject: Bond Financing

We are in favor of approval of Bond Financing for the Village of Bald Head Island to purchase the transportation system. We are full time residents and property owners.

Kim and Mark Scagnelli
9 Live Oak Trail
Bald Head Island
Sent from my iPad

Cindy Aiken

From: Sherry Tompkins <tompinksherry@gmail.com>
Sent: Thursday, August 19, 2021 11:14 AM
To: SLGFD
Subject: Bond financing for BHI Ferry System

As a property owner (9 Palm Court, BHI) I am in favor of the approval of the BHITA bond financing.
Sherry Tompkins

Cindy Aiken

From: Geoff Ginsburg <geoff.ginsburg@gmail.com>
Sent: Thursday, August 19, 2021 10:51 AM
To: SLGFD; village.clerk@villagebhi.org
Subject: Bond Financing

I am in favor of the bond financing for the Village of Bald Head Island approved so it may purchase the Transportation System.

Geoff Ginsburg
4 Coquina Trail

Cindy Aiken

From: Elizabeth Robinson <brobins1@gmail.com>
Sent: Thursday, August 19, 2021 12:37 PM
To: SLGFD; Susan Rabon
Subject: Comments on the BHI Village GO Bond Proposal
Attachments: Comments for GO Bond.docx

I am a full-time resident on Bald Head Island. I have provided the attached document with my comments to the Village Council in anticipation of the GO Bond Proposal Hearing tomorrow 8/20/21. I am TOTALLY opposed to the Village acquisition of the Transportation System. I have enumerated the following concerns in my letter:

- The GO Bond places inequitable responsibility on the property owners of the island.
- A GO Bond is an inappropriate approach to financing what should be a self-financing endeavor.
- The Village has not properly disclosed to the property owners the full financial picture of obligations of which the ferry acquisition is just a piece.
- The size of the obligation is too large.
- The Village council continues to imply public opinion support which has NEVER been gathered.

Respectfully submitted,
Elizabeth Robinson
11 Sea Holly Court
P.O. Box 3087
Bald Head Island, NC 28461
732-735-8326

Comments for the 8/20/21 Meeting on the GO Bond Proposal by the Village Council of BHI

From: Elizabeth B. Robinson – Property Owner

11 Sea Holly Court, P.O. Box 3087, BHI, NC 28461

1. The General Obligation Bond proposed by the Village Council to purchase the Transportation System assets is fundamentally predicated on the taxing power and authority of the Village to secure the bond. Regardless of the ‘intent’ of the Village Council to avoid a tax increase, it remains the obligation of the Property Owners on Bald Head Island to secure repayment. Section #3 clearly states this obligation as does the last sentence in the next to the last paragraph of the Notice of Public Hearing contained within the Council Meeting Agenda of 8/20/21. It has repeatedly been stated and documented that only 10% of the Transportation System users are property owners. It is not equitable for the property owners on BHI to bear this burden.
2. It has been stated by both the BHITA and the Village of Bald Head Island that the Transportation System will generate enough revenue to cover its costs and debt repayment. If that is not the case, it should not be purchased by anyone. By stating that proposed revenue is sufficient to cover all obligations, there should not be a proposal for a General Obligation Bond. The Transportation System should be run efficiently and with a responsibility to repay the debt through its operations. Thus a revenue bond is the appropriate and equitable financing approach.
3. On 8/18/21, the Mayor responded to a letter sent to the LGC from R. Drumheller expressing concerns over the future debt load of the Village. The Village provided an overview of debt projections associated with some projects going forward. What the Village has not provided its owners is the financial context (a comprehensive overview) for island plans associated with its aging infrastructure and the needs presented by further island expansion and growth. The Village has stated that island growth and expansion will be a supporting pillar to debt repayment. However, all infrastructure (operational, human resources, etc.) needs to be assessed and financial plans defined and fully disclosed as they provide the context of the total financial burden on property owners. It is NOT appropriate for the Village to undertake a proposal of this magnitude without more due diligence and communication to property owners, specifically addressing future financial requirements (capital and expense).
4. Repeatedly in written word and verbal presentations, representatives of the Village Council have implied that public input has been gathered which supports the Council’s position to purchase the Transportation System and/or have raised concerns about the BHITA proposal. At no time has the Village Council sponsored a thorough outreach to all the property owners on Bald Head Island and in a quantifiable/systematic way gathered input that would allow such a conclusion. There has been no survey of public opinion on the Village’s Proposal. It is inaccurate at best, and false at worst to imply that public opinion of the Village’s Proposal has been quantified. The Village Council should be obligated to solicit in a meaningful way the wishes and concerns of all Bald Head Island property owners.

I raise these concerns as a full-time resident of Bald Head Island. Based upon the process, actions, and words of the Village Council to date, I cannot support their GO Bond proposal or their acquisition of the Transportation System.

Cindy Aiken

From: William Johnson <cmjwwj@gmail.com>
Sent: Thursday, August 19, 2021 1:34 PM
To: SLGFD
Subject: Ferry system

I am bill johnson owner of 5 sabal Palm ct, I am correcting a recent previous e-mail. I do not approve purchase of the ferry system by the village I DO approve of the purchase by the BHITA

Cindy Aiken

From: John Cheesborough <jdcheesborough@gmail.com>
Sent: Thursday, August 19, 2021 9:42 AM
To: SLGFD
Subject: Ferry system

Probably better for village to own
Does ownership include golf cart parking near marina?
Don't think red realtor carts should have priority spaces to park
Timbercreek 9B

Cindy Aiken

From: Eleanor Morgan <elnrmorgan@aol.com>
Sent: Thursday, August 19, 2021 5:11 PM
To: village.clerk@villagebhi.org
Cc: SLGFD
Subject: Ferry System Purchase

To the Village Council:

My husband Robert and I are NOT in favor of the Village purchasing the Ferry System We are in favor of the BHITA.

We feel it will have less potential effect on our taxes, among all the other persuasive arguments you are hearing From those who support the BHITA purchasing the Ferry System.

Robert & Eleanor Morgan
228 West Bald Head Wynd

Cindy Aiken

From: Charles Schill <cfsmd2018@gmail.com>
Sent: Thursday, August 19, 2021 4:17 PM
To: village.clerk@villagebhi.org
Cc: SLGFD; Susan Schill; jsayre@villagebhi.org
Subject: Ferry System

Dear BHI Village Clerk,

We are property owners on BHI with two units at the Marsh Harbor Inn. We want the Village of BHI to purchase the ferry system by way of issuing bonds to finance the purchase.

We are opposed to allowing the BHITA to purchase the ferry system.

Respectfully submitted,

Charles and Susan Schill
301-469-4973

Cindy Aiken

From: Katrena Henderson <katrena@gmail.com>
Sent: Thursday, August 19, 2021 3:28 PM
To: SLGFD
Subject: Fwd: Opposition to the Village's purchase of the BHI Ferry

Please see below my email to the BHI Village Council opposing the purchase of the BHI Ferry. If you have any questions, please do not hesitate to contact me.

Best,
Katren Henderson

----- Forwarded message -----

From: **Katrena Henderson** <katrena@gmail.com>
Date: Thu, Aug 19, 2021 at 3:26 PM
Subject: Opposition to the Village's purchase of the BHI Ferry
To: <village.clerk@villagebhi.org>

Dear Village Council,

I am writing to you to clearly and unequivocally express my opposition to the Village's purchase of the Ferry and the proposed \$54M general obligation bond required to finance the purchase. The Village is simply not in a position to manage a transportation system. We have no expertise to financially manage such a system, nor does the Village have the reserves required to provide the needed updates and renovations to the deteriorating system. In addition, I have not seen any financial plans that indicate the Village has a sustainable plan for the long term financial viability of the system other than to raise taxes on property owners. I find this unacceptable and strongly urge you to vote no on the purchase of the ferry system.

I have been a property owner on the island since 2014 and am a registered voter in Brunswick county.

Thank you,
Katrena Henderson
217 Portsmouth Way, BHI
703-608-2603

Cindy Aiken

From: Berndt Mueller <mueller@phy.duke.edu>
Sent: Thursday, August 19, 2021 11:48 AM
To: village.clerk@villagebhi.org; SLGFD
Cc: Angelica L. Mueller
Subject: GO Bonds for purchase of Transportation System Assets

Thank you for asking property owners' opinions about the possible purchase of the Ferry system assets by the Village using General Obligation Bonds. As owners of a Timbercreek Unit we are **against** the Village taking on the operations of the BHI Ferry system. Our reason is the principle of lean government. The BHI Village government should focus on governing affairs on the island, not operating the transportation system. What concerns us is less the risk of the system becoming a tax burden on the property owners than the dilution of focus of the Village government **and** the fact that the financial safety cushion provided by tax income would reduce the motivation of the BHI Transportation System to run a financially lean operation.

Berndt & Angelica Mueller
Timbercreek 3A

Cindy Aiken

From: Kathy McConnell <kbmcc42013@gmail.com>
Sent: Thursday, August 19, 2021 4:58 PM
To: SLGFD
Subject: GO Bonds

I oppose the issuance of General Obligation Bonds that the Village of Bald Head Island's Mayor and Council propose. I am a full time resident of the island and have been active in various community affairs. As long as this mayor has been in office, there has been very little transparency and with the current council members, it has been worse. For our supposed leaders to write you and tell you that the majority of the islanders are in agreement with their plan is atrocious. If, in fact, this is the case then the Village was only discussing their agenda with known supporters and not the entire island population. I do not feel the island could afford to maintain the ferry system nor could it afford to upgrade the system. Our island infrastructure is old and needs updating. There are other issues as well that the island has to deal with and because of the expenses involved, there is no way that the ferry system could be run safely and properly. Therefore, I say again, I am opposed to the General Obligation Bonds.

Respectfully,
Kathy McConnell
64 Fort Holmes Trail
Bald Head Island, NC. 28461
--
Kathy Barham McConnell

Cindy Aiken

From: morine@ec.rr.com
Sent: Thursday, August 19, 2021 11:57 AM
To: SLGFD
Subject: Opposition to Bald Head Transportation Bond

Dear State Local Government Council:

I oppose the acquisition of the Bald Head Island Ferry by the Bald Head Transportation Authority and its proposal for \$54 million issuance of bonds. I support acquisition of the ferry system by the Village of Bald Head Island.

Yours truly,

William C. Morine
26A Earl of Craven Court
Bald Head Island, NC 28461

Cindy Aiken

From: Betsi Stephen <betsistephen@gmail.com>
Sent: Thursday, August 19, 2021 3:43 PM
To: SLGFD
Cc: Susan Rabon
Subject: Please approve the completion of the sale of the Bald Head Island Transportation system to the BHITA
Attachments: No to GO.docx

Dear Members of the Local Governance Commission (LGC):

I am a full-time resident of Bald Head Island and I wish to support the completion of the sale of the Bald Head Island Transportation System to the Bald Head Island Transportation Authority (BHITA) as has been planned since the first meeting of the BHITA in December 2017. I have owned property on Bald Head Island for over 25 years, have been a full-time resident for over five years, and was elected to the Village Council in 2017 and served until February of 2020 when I accepted an overseas job offer that was later postponed due to COVID.

I am vehemently opposed to the Village of Bald Head Island's (VBHI) attempt to sabotage the sale to the BHITA, per the attached letter. As you know, the Mayor and Councilors of the VBHI are not in negotiation with the seller, BHI Limited, so any purchase attempt the Village is making only delays the sale of the system and is aggravating to all users of the system.

I have an ethical concern that I don't know if the LGC or the BHITA should take up. How can members of the BHITA--specifically Mayor Sayre and Mayor Pro Tem Mike Brown--be concurrently "representing" the VBHI on the BHITA, while at the same time attempting to pull together a competing bid? This is problematic on so many levels and the Mayor and Mayor Pro Tem are not acting in good faith in representing the taxpayers and voters of Bald Head Island. They have never surveyed the taxpayers, nor the subset of 300-400 voters, to find out their position on the Village attempting to run a complex transportation system. The Bald Head Association did conduct a survey and found that a majority of homeowners want the BHITA to own and operate the transportation system. So it appears that the Mayor and Mayor Pro Tem are not acting in the best interests of the island, while at the same time attempting to convince BHI Limited to negotiate with them.

I appreciate your time and attention you are spending on this critical issue.

Sincerely,

Elizabeth Hervey Stephen, Ph.D.
25 Sabal Palm Trail
PO Box 3405
Bald Head Island, NC 28461

Cell: 301.806.9103

25 Sabal Palm Trail
Bald Head Island, NC 28461
August 18, 2021

Dear Mayor Sayre and Councilors Brown, Gardner, Hill, and Quinn,

I have been a homeowner and taxpayer on the island for over 25 years and have been a full-time resident for over 5 years. As seen above, my current address is 25 Sabal Palm Trail.

I am opposed to the issuance of the proposed general obligation (GO) bonds in the amount of \$54,000,000 for the Village of Bald Head Island and am vehemently opposed to the Village of Bald Head Island attempting to secure the transportation system for which they are not currently in negotiation with BHI Limited to purchase.

Our current Village debt, as you know, is approximately \$16,000,000. The addition of \$54,000,000 debt from general obligation bonds will result in an enormous burden to the Village and its residents. We have to be aware of potential future debt for repairing and building out of our water and sewer systems, a new Village Hall, and another potential beach renourishment project in 2028. These are known costs that must be funded by the Village; what if there are storms or a fire or any other natural disaster that would create more debt?

I mentioned that taking on GO bonds in the amount of \$54 million would be an enormous burden. How do you measure an enormous burden? Let's consider the Analysis of Debt of NC Municipalities Report prepared by the NC State Treasurer's Office, dated 6-30-2020 and revised on 1-29-2021. We can see on page 14 of that report that the Ratio of Outstanding General Obligation Debt (excluding enterprise debt) Per Capita for Bald Head Island is \$40,107, by far the highest in the state. This figure can be argued to be misleading because the denominator for this calculation was 187, which at the time that this report was prepared was the Census Estimate for Bald Head in 2020. The official Census count was published this month and the Village now has 268 official residents, so a recalculation of the debt per capita will lower it by 30 percent to a value of \$28,075. Much better, right? It would still be several times higher than that of any municipality in the state. For instance, Holden Beach--which is also in Brunswick County, also has a high percentage of rental units, and an estimated permanent population of 675 persons--has a debt per capita of \$2,706.

Now let's add in the proposed \$54 million and an estimate of \$26 million for required and proposed water/sewer/Village Hall projects. Although Mayor Sayre has stated that debt will not be required for the proposed upgrades to the freshwater system and the 38 lift stations, the following are the year-end cash balances in the utilities fund as reported in the village finance manager's year-end report to the Council dated July 12, 2021:

6/30/2020	\$1,942,489
6/30/2021	\$1,754,973

The Village will not be able to finance freshwater and lift station capital work with that cash balance. There are two options: 1) issue debt to cover it, and then the taxpayers will repay the debt via higher *ad valorem* taxes; or 2) significantly increase the connection fees and monthly water charges to the island users to cover the cost via substantial increases in water charges. In either case the island property owners will pay.

For the moment let's assume that the Village does issue bonds in the amount of \$26 million to cover all of the water/sewage upgrades, but we will skip the beach renourishment in 2028 since the current debt will be paid off, so it's a direct cancellation of additional debt. And rather than per capita, let's use per household since we know that only a small percentage of island homes are occupied by full-time residents. The numerator is then \$96 million, which divided by 2000 homes is \$48,000 per homeowner. Of course, we know that the value of homes varies tremendously on the island, but even using the per household rate, the ratio is staggering. Please understand that I am not suggesting every homeowner will have an assessment of \$48,000 but Councilor Brown's suggestion on social media that a \$100 tax raise is nothing--or the equivalent of one dinner--is offensive. He does not know what it is like for a single person living on a fixed income. A \$100 tax increase may be problematic for many on the island, and what guarantee do we have that a tax increase is "just" \$100? None. No, this is not a scare tactic nor a red herring as Councilor Brown also wrote on social media; this is reality.

We are a vulnerable island, and such a high debt load will put us at the maximum or exceed the 8% debt to valuation rule established by the Local Governance Commission. If we accept the island's total valuation at \$1,162,278,000 then the debt limit is approximately \$93 million. No other jurisdiction in North Carolina approaches the debt limit and certainly does not exceed it, especially not such a vulnerable island municipality.

Yes, we know that Bald Head Island is an exceptional place, but please let's not make it exceptional due to our debt load. Let me reiterate, NO to the GO bonds.

Thank you for reading my concerns, and as you will hear on Friday at the Council Meeting and have read in letters sent to you, the concern regarding our high debt load is shared by a significant portion of island taxpayers.

Sincerely,

Elizabeth Hervey Stephen

Elizabeth (Betsi) Hervey Stephen, Ph.D.

cc: Local Governance Commission

Cindy Aiken

From: Brent Belch <brent_belch@msn.com>
Sent: Thursday, August 19, 2021 10:22 AM
To: SLGFD
Subject: Purchase of Bald Head Island Transportation system

LGC,
My name is Brent Belch and my wife and I are full time residents of Bald Head Island . We are 100% in support of the village purchasing the transportation system from Bald Head Island Limited for a FAIR price.

Regards,
Brent and Cindy

Cindy Aiken

From: Julie Keenan <juliannekeenan@gmail.com>
Sent: Thursday, August 19, 2021 2:44 PM
To: SLGFD
Subject: Purchase of Bald Head Island Transportation System

To the Members of the NC Local Government Commission - My husband and I own property and a home at 210 Station House Way on Bald Head Island, and we support approval for bond financing for the Village of Bald Head Island to purchase the Transportation System. We strongly prefer that the System be managed by the Village.

Many thanks,
Julie Keenan
210 Station House Way
Bald Head Island, NC

Cindy Aiken

From: Paul Strohm <paul.strohm@hok.com>
Sent: Thursday, August 19, 2021 10:24 AM
To: SLGFD
Cc: Paul Strohm; lcstrohm2014@gmail.com; village.clerk@villagebhi.org
Subject: Purchase of the BHI Transportation System

Importance: High

We are current owners of a house (18 Isle of Skye Crescent) on Bald Head Island, in Flora's Bluff (since 1993). We are in favor of the Village of BHI to purchase the Transportation System from the developer and oppose the purchase by the BHITA. If you have questions, I can be reached at the number below.

PAUL STROHM
314-406-3036