



VILLAGE OF BALD HEAD ISLAND
Council Meeting
Agenda Item

Agenda Item:	Old Business
Date:	7/16/2021

Issue: Request to Approve Agreement Delegating Authority for Sale of Daily Vehicle Permits

Department: Administration

Presented by: Carin Z. Faulkner, PIO/Deputy Village Clerk

Presentation: No

Background: This is an agreement that the Village enters into annually to delegate authority to Bald Head Island Limited, LLC to collect fees for daily Internal Combustion Engine (ICE) permits. Operators of ICE vehicles without an annual ICE permit will be charged this fee as they are paying barge fees. The Village supplies the hanger permits.

Attachments: Agreement Delegating Authority for Sale of Daily Vehicle Permits (signed by Limited)

Recommendation: Staff recommends approval of this agreement.

Action Needed: Yes

Suggested Motion: "I _____ move that the Bald Head Island Village Council approve the Agreement Delegating Authority for Sale of Daily Vehicle Permits as presented."

Funds: The Village will pay Limited an agency fee of \$1,000 per month for the services provided by Limited pursuant to this Agreement.

Follow Up: Deputy Village Clerk will have Mayor execute two copies of this agreement, one for Village files and the other will be delivered to Limited.

**AGREEMENT DELEGATING AUTHORITY
FOR SALE OF DAILY VEHICLE PERMITS**

THIS AGREEMENT DELEGATING AUTHORITY FOR SALE OF DAILY VEHICLE PERMITS (“Agreement”), made and entered into as of the 1st day of July, 2021 (“Effective Date”), by and between BALD HEAD ISLAND LIMITED, LLC, a Texas limited liability company having a principal place of business in Brunswick County, North Carolina (“Limited”), and the VILLAGE OF BALD HEAD ISLAND, a North Carolina municipality (the “Village”);

W I T N E S S E T H:

WHEREAS, the Village Code of Ordinances, Chapter 28, Division 2, Vehicles Powered by Internal Combustion Engines (the “Ordinance”) charges the Village with establishing and imposing fees for permits to use and operate vehicles powered by internal combustion engines (“ICE vehicles”) on Bald Head Island, North Carolina (the “Island”), and the Village is responsible, *inter alia*, for collecting daily use fees and issuing permits at or before the time said ICE vehicles arrive on the Island; and

WHEREAS, Limited operates, from its marina at Deep Point in Southport, North Carolina (“Deep Point”), the barge service by which ICE vehicles are transported to the Island; and

WHEREAS, the Village and Limited deem it to be in their mutual interest, as well as for the benefit and convenience of those intending to operate ICE vehicles on Bald Head Island, to extend their arrangement by which Limited will, on behalf of the Village and for reasonable compensation, continue to sell daily use permits for ICE vehicles at Deep Point before said vehicles are transported to the Island; and

WHEREAS, the Village and Limited wish to document and memorialize the details of the extension of their aforementioned arrangement in writing;

NOW, THEREFORE, for and in consideration of the sum of ten (\$10.00) dollars in-hand paid, and in further consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. **Delegation of Authority.** The Village hereby delegates to Limited, as agent for the Village, subject to the terms and conditions and for the purposes hereinafter set forth, the Village’s authority, pursuant to the Ordinance, to sell and collect payment for daily vehicle permits for the use and operation of ICE vehicles on Bald Head Island, and Limited hereby accepts such delegation of authority.

2. **Sale of Permits.** Limited shall, as agent for the Village and on its behalf, sell and collect payment for five (5) categories of daily ICE vehicle permits, of the types described and for the fees set forth in the Ordinance and as itemized on the attached Exhibit A, incorporated herein. All such sales will occur at Limited’s barge office at Deep Point, and will include daily ICE vehicle permits, only. Annual ICE vehicle permits will be sold by the Village on the Island. Limited shall use its existing software program to account for the daily ICE vehicle permits it sells hereunder.

A transport plan must be filed with the Village Public Safety Department before the issuance of an ICE vehicle permit for a vehicle whose dimensions equal or exceed any of: a.) height of 11'6"; b.) length of 40'; or c.) width of 9'6".

3. Mirror Hanger Permits. The Village shall procure and provide Limited with a sufficient number of mirror hangers to serve as permits which will be issued by Limited and displayed in each ICE vehicle as evidence of payment of a daily vehicle permit fee for each said ICE vehicle at Deep Point.

4. "No Permit" Hangers. This provision has been intentionally deleted.

5. Accounting for Hangers. Limited shall treat all mirror hangers provided by the Village as accountable items, and will take commercially reasonable measures to ensure that daily permit sales and retirement of damaged hangers, together with documented lost or destroyed hangers, properly account for all mirror hangers no longer in inventory. The Village may "spot check" daily sales against Limited's mirror hanger inventory during regular business hours and at a reasonable frequency not disruptive to the conduct of business at Limited's barge office at Deep Point.

6. Queries. Limited will answer the Village's reasonable queries regarding whether a person has paid Limited for a daily ICE vehicle permit, provided that such queries are posed during regular business hours at Limited's barge office, and further provided that Limited shall have a reasonable time to research and respond thereto.

7. Agency Fee. The Village shall pay Limited an agency fee of one thousand (\$1,000.00) dollars per month for the services provided by Limited pursuant to this Agreement, and hereby expressly authorizes Limited to deduct and retain such fee out of the monies Limited collects each month for the Village from the sale of daily ICE vehicle permits hereunder. For every month this Agreement is effective, Limited will, within five (5) business days after the end of each month, remit a check to the Village for the amount of daily ICE vehicle permit fees collected by Limited during the preceding month, less Limited's monthly agency fee of one thousand (\$1,000.00) dollars, and contemporaneously provide to Village an accounting of the prior month and fiscal year-to-date activities of Limited hereunder.

8. Inspection. Village or its independent certified public accountant, upon reasonable notice to Limited, may inspect the records of Limited which are related exclusively to the herein-described activities, provided that any such inspections shall occur during regular business hours at Limited's barge office. Limited agrees to respond to an internal controls questionnaire from the Village related only to the daily ICE fee collection activity.

9. Commencement. This Agreement shall take effect on the Effective Date, and replaces and supersedes all prior agreements between the parties hereto with respect to the subject matter hereof.

10. Expiration. This Agreement shall expire, if not renewed or extended by written agreement of the parties, at midnight, July 31, 2022.

SIGNATURES FOLLOW ON NEXT PAGE

WITNESS, the following signatures for and on behalf of the parties, effective the day and year first above written.

BALD HEAD ISLAND LIMITED, LLC

7.6.21
DATE

By: 
Charles A. Paul, III
Manager and CEO

VILLAGE OF BALD HEAD ISLAND

DATE

By: _____
J. Andrew Sayre, Mayor

ATTEST:

-SEAL-

Carin Faulkner, Village Clerk

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Village Finance Officer

ATTACHMENT I
 FISCAL YEAR 2021 - 2022
 VILLAGE OF BALD HEAD ISLAND
 Internal Combustion Engine (ICE) Permit Fees
 Effective July 1, 2021

Overall Vehicle Length Stem to Stern		CATEGORY	DAILY ICE FEE	ANNUAL ICE FEE
EQUAL TO OR GREATER THAN	BUT LESS THAN			
0 feet	15 feet	I	\$20	\$190
15 feet	21 feet	II	\$65	\$640
21 feet	27 feet	III	\$115	\$1,190
27 feet	33 feet	IV	\$230	\$2,370
33 feet		V	\$315	\$3,160

PRORATED ANNUAL SCHEDULE

CATEGORY	JULY - SEPT	OCT -DEC	JAN - MAR	APR - JUN
CAT I	\$190	\$145	\$95	\$50
CAT II	\$640	\$480	\$320	\$160
CAT III	\$1,190	\$900	\$595	\$300
CAT IV	\$2,370	\$1,780	\$1,185	\$600
CAT V	\$3,160	\$2,370	\$1,580	\$790