

**City of Bayfield Common Council**  
**Minutes of Wednesday, December 14, 2022, 5:30 pm**  
**Bayfield City Hall, 125 South First Street, Bayfield, WI 54814 \* 715-779-5712**

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*NOTE: Earlier this day the meeting was changed to virtual only due to the severe winter storm.  
Technical difficulties occurred and the meeting was not recorded.*

**Call to Order – Roll Call – Pledge of Allegiance:** Mayor Ringberg called the meeting to order at 5:30 p.m. followed by roll call and the Pledge of Allegiance followed by roll call.

**Present:** Beagan, Bryan, Carrier, Dougherty, and Mayor Ringberg

**Staff:** Clerk Hoopman, Treasurer Johnston, Chief Ladwig, PWD Kovachevich, GBWWTP Operator Pearson, WWTP Operator Berg

**Others:** Charlie Jarvis, Chris Bell, Beta Bodin, Carol Fahrenkrog, Jonathan Nowaczek, South Shore Architect, Bronte Gross, Sarah Szymaniak, Dave Judd, Jim Moeller, T. Ebert, Tony, John and Mary Thiel, Kate Kitchell, Mike Eldred, Ken Tyler, Mary Dougherty, Mary Tyler, Tom Genz, Tim Johnson, Rich Ryan, Ashley Georgeson, Gary Magnuson, Phil, Dan Lewis, Erik Scott, Pat Irvine, Ken Johnson, Michelle Shrider, Mike N, Paul Swansen, Scott Payne, Jim Vaudreuil, Treichel, Bill Zishka, Bill Bland, Bill Peterson, Craig Skaaden, Richard Arnsden, Abe Clark, and Bec

The Mayor began the meeting by reading Wisconsin Statutes 30.38, the powers and duties of the boards of commissioners. He wanted the many in attendance to understand the relationship between the Harbor Commission and City and what authority the Harbor Commission was acting upon.

**Review/Approve Agenda:** Dougherty/Bryan moved to approve the agenda as presented. Carried

**Public Comment and Suggestions from Persons Present on Agenda Items:**

**Bill Peterson** noted he never said they'd be done at the end of the year. He noted the reference made in the Harbor Commission's December 5<sup>th</sup> minutes regarding an additional \$100,000 is misleading. He asked for more transparency with the Marina Study and the credential of Jon Kukuk. He suggested the report may not be valid and suggested several critical points didn't make the cut, nor did the Harbor Commission do enough to ensure the continuity of the marina.

**Sarah Szymaniak** said she felt there was a lack of transparency, and the rug has been pulled out from under them. They need service to make their plan viable. The report mentions hiring a Harbor Master, how is this going to happen in such a short time?

**Jonathan Novachek** – Agrees with Scott Payne's letter, please give weight to his positions. One point is first and foremost, the marina is a business and marina customers have concerns. Boats require maintenance. Mentioned concerns about winterization and storage.

**Scott Payne** – Provided written letter dated December 14, 2022, which was provided to the Council. Need customers to come and spend money. Employees spend money locally. The marina is infrastructure, not some type of cash cow and should be net neutral. The restrooms are the same as the ones he used in high school. He advised the Council to vote no. It's the wrong way to fix the budget issues.

Councilors and other attendees were asked to please mute your mics when not speaking.

**Bronte Gross** – noted the lack of transparency. He said the Harbor Commission is moving in a different way than he thought it would. They rely on the marina services so much. Somebody might come in and start a business. Where will they turn when they need assistance? Stakeholders are not at the top of the priority list.

**Jim Federil** – said he has been a tenant for 28 years and the service has kept him there. Crane, haul out/launch, fixes. He said, City Employees are not always responsive to issues. Will they come in to put lines on during a storm? He will switch if it's not a full-service marina.

**Eric Scott** – Began by noting he is an AIM customer, and a taxpayer of the City. He previously worked at a marina and his family has operated a marina. It's operated great now, don't put it in the hands of the City Employees. Hopes City will reject the proposal. He asked the Council to listen to their voices.

**Ashley Georgeson** – Operates a small tour boat company off the City Dock. Her husband Peter is a mechanic. They rely on the AIM to provide parts and noted their store is essential. Appreciate the support they get from them.

**Bill Bland** – Said he remains confused about the powers of the Harbor Commission. Most of them are un-elected. Lots of autonomy involved. He believes there is a simple solution, de-Commission the Harbor Commission. A Harbor Commission is optional.

**Mary Thiel** – Commented as an outgoing chamber president and noted the downtown businesses rely on the boating community which has always been a great supporter of the businesses. Doesn't want the City to negatively impact the businesses.

**Mike Eldred** – Echo everyone's sentiments. They are residents and they have a slip at the Marina. He believes HC has great power, but they can't financially obligate the State or City.

**Kate Kitchell** – this is a big decision to a central feature in the community. Two years of analysis and there is not a nexus between the Harbor and Council. There has been no open consultation with the Council showing a lack of transparency. The municipal model might be a good choice, but how do we know without seeing the info/data? How might it affect the roles and responsibility of the current employees?

**Bill Peterson** – Strongly believes the HC look to see if they have the right stuff to make it happen, especially with hospitality. HC doesn't have a clue. They left the fuel system un-operational for over a year.

**Tom Genz** – resident of the Town. What will they do without the full service? They are concerned.

**Dan Lewis** – Customer at marina and said he's concerned about losing services. Mentioned the need to find a perfect manager. Said the only way income can grow is if rates are increased. We're not going to get the same service if City takes it over. Difficult to stay without the services.

**Tim Johnson** – Said the comment about there being a \$100,000 savings, but declining services is not attractive to the boat owners. The devil is in the details. Concerned about what is happening with the HC.

**Patrick Ervine** - Provided an e-mail dated December 14, 2022, opposing the HC's proposal. He is uncomfortable due to the lack of information provided.

Carrier/Bryan moved to close the Public Hearing. Carried, all ayes. (6:14p.m.)

## Discussion and Identification of Items for Future Agendas

- Bryan asked if the Airbnb, pure investors, topic be discussed next month.
- Carrier asked if the Council could hold a special session on the Harbor issues. The HC's next meeting is January 9<sup>th</sup>, 2023.

**Review/Approve the Common Council's Regular Minutes of November 16, 2022:** Dougherty/Carrier moved to approve. Carried.

## Agenda

**1. Proposal for Professional Services:** City of Bayfield Parking Management Plan Implementation Support  
Carrier/Beagan made a motion to table until the January Meeting. They felt they could not discuss this further until they know more about the Harbor Commission's intentions. Passed by roll call vote as follows: Beagan, Bryan, Carrier, and Dougherty – yes.

**2. City of Bayfield Priorities and the City Budget:** The Council received copies of an e-mail sent by Mayor Ringberg dated November 2022, about all the City's services and asked Councilor's to consider what are the priorities. They were also given copies of the updated Comprehensive Plan Actions Table. The Mayor said he'd like the Council to use these as references and further he'd like to discuss them at a future workshop held after the next election. He then asked the Council for their thoughts. Councilor Beagan said it would be hard to discuss other priorities when they need to deal with all the Harbor stuff of which she has major concerns. She added she is uncomfortable with the proposed letter being sent out and thinks the Mayor's opening comments were disrespectful. Carrier agreed and asked when will they have an opportunity to discuss the Harbor? Feels the harbor is a priority.

## **3. Project Updates:**

- a. Courthouse Improvements Project:** Construction contracts are in place and the work is now being coordinated.
- b. Playground Replacement Project:** Nothing new to report.
- c. Wayfinding:** Councilor Beagan noted the Plan Commission met last night. It was mostly a listening session on our part with Stantec. We're absorbing new information and will soon be discussion placement. Need to digest what we've learned.
- d. Zoning Code Rewrite** – Councilor Carrier noted we continued working on the different uses and how they fit into the City.

**4. Mayor's Report:** At a recent League meeting, the Mayor learned the State Legislature is considering changes to Shared Revenue. Nothing concrete yet but they might use 1% of the sales tax. We still have concerns about how we could ever be on the upper end of this. He also learned other communities who have enacted chicken ordinances are now seeing a higher rat population.

## File Reports from Committees, Commission & Boards

**Architectural Review Board:** Minutes of November 28, 2022

**Fire Department:** Minutes of November 7 and December 5, 2022

**Harbor:** Minutes of December 5, 2022

**Parks and Rec.:** Minutes of December 1, 2022

**Planning:** Minutes of November 29, 2022

**Police Department:** November 2022 Report

**Tree Board:** City of Bayfield Urban Forestry Operations Plan – Highlighted the tree audit. Shows they need more money to maintain the trees

Mayor Ringberg highlighted the tree audit and noted it shows they need more money to maintain the city's trees.

Dougherty thanked everyone for their input on the Harbor Commission minutes of December 5, 2022. He took some notes. He's a past AIM boater and said Bill and Doreen have done a great job operating the

marina. He feels there is a great deal of misunderstanding. He's been a Harbor Commission member for three years and inherited a mess.

- There are no reserves to maintain the Harbor Assets.
- The Harbor Commission gives funds back to the City on an annual basis to off-set the City's General Fund. The marina should be profitable and help offset the taxes.
- The Harbor Commission is aware of the harbor assets needs. We just repaired a major breakwall and seawall, other needs include the shower facility, the finger piers, the underground storage tanks, the LE Building etc.
- Harbor Commission meetings are posted and open to the public and he invites all to attend.
- Two years ago, the HC learned about a marina for sale in our area. It turned out it was our marina. Afterward, Bill Peterson was asked directly on his intentions, and the HC learned he would be done at the end of his lease. He was going to retire. He noted he would stay on if a lease is extended to a new operator to help them with the transition.
- BD Marine's business model. Includes management of the City Marina and operating a marine repair shop. BD Marine services boats but that is a stand-alone business. The Marina service is entirely within their control, not the HC.
- The City relies on revenues.
- If HC changes nothing and borrows more, the payment to the City will be reduced.
- Our arrangement to lease out the marina includes revenues of approximately \$580,000/yr. The City receives about \$176,000 per year, the operator retains the rest. Out of the \$176,000 we must pay for all the capital improvements to the infrastructure; including debt on the Electrical pedestals, Breakwall/Seawall and new debt service on the finger piers, LE Building, restrooms, etc.
- We can't have it both ways. City is spending down it's cash reserves. Where do you want to cut? Services to boaters or services to residents?
- We've got a smart bunch on Harbor Commission. We are simply reacting to a situation that was put in in-front of us. The notion that Bill Peterson would stay on, is the first we've heard tonight. Under a municipal managed model, we can double what we've been getting (net).
- UW Extension helped boil it down to 2 options:
  - a. RFP to find a management company operator or
  - b. explore a municipal operated structure.Big decisions. The HC considered the advantages and disadvantages. A SWOT analysis was performed .
- Nowhere does it say we should tear down City Hall.
- He understands boaters don't want to see services diminished.
- He and the Harbor Commission have had great experiences with Bill and Doreen. The model doesn't financially work for the city. It works for boaters, maybe a service provider, but not the City.
- We will offer the essential services.
- If BD Marine wants to sell the service department that is up to them. We are not trying to drive anyone out of business.
- The Harbor Commission might ask the City Council to approve a loan like they have a done in the past. HC has done a tremendous job finding new revenue streams (Viking Cruises, Passenger Fees).
- The current Harbor Commission didn't put us in this financial situation.
- The Harbor Commission evaluated the options and provided what they feel is the best option for the City overall. Please be polite and respect to them. They have put in lots of time and effort with the Taxpayers at heart. Nobody is trying to be evasive. Operating in good faith with a very difficult task.

Councilor Carrier said he is grateful for the time HC has put into this. Part of the issue is transparency. He learned about the HC decision at the coffee shop. This has not been a transparent process which implies some level of secrecy. Concerned that closed session was used too liberally. He further said the Mayor made an interpretation of the State Statues and he has at a different viewpoint. He believes it is incumbent

upon the City's fiduciary responsibility to ask our legal counsel for the interpretation of the City Code / State Statutes.

Councilor Beagan voiced concerns about the lack of transparency in making decision about moving to a municipal model for Marina and the lack of public engagement. She questions how the plan will be implemented and the impact on city staff. She noted it is not clear on where the \$100,000 revenue comes from. What happens when employees can't be hired? Who is then responsible for Marina work?

Councilor Bryan also said transparency has been a real issue. Nothing has been said with the exception of hiring Jon Kukuk.

Councilor Dougherty responded, there are aspects of the study that can't be made public. The HC did not go into closed session anytime it shouldn't have been .

Carrier and Beagan asked again if the closed sessions were needed.

Bryan commented that Dougherty drew a line between the marina and service. His service department is not profitable on it's own, but together it has been a successful model for the past operators.

Carrier asked about next steps and noted he'd like the attorney at the next meeting. He noted his displeasure of how the HC has presented this to the City Council. Especially as it relates to his fiduciary responsibility.

Dougherty responded that it feels you have thrown doubt on how the HC has conducted itself. Asked for respect from Carrier. Dougherty said the HC is doing what they are charged to do.

Carrier circled back to the whole open meeting law. The burden is not on him, it's on the HC.

Mayor explained the need for closed session.

Bryan/Beagan moved to place the minutes received on file. Carrier noted he is not in agreement with the Harbor Commission's decision to pursue a City run Marina. Carried.

**Correspondence:** None.

**Treasurer: November Treasurer's Report, Voucher Payments, Fund Summary, and Budgets**

Beagan/Bryan made a motion to approve. Councilor Bryan complimented the Department heads for keeping the expenses within budget. The Mayor then took exception to the public input received that City employees cannot be trusted. Motion carried by roll call vote. Bryan, Carrier, Dougherty and Beagan – yes.

**Next Mtg:** January 18, 2023, 5:30 p.m.

A joint meeting between the City and Harbor Commission may occur on January 9, 2023 but would be confirmed.

**Adjournment:** Beagan/ Carrier made a motion to adjourn. Carried. (7:21 p.m.)

Minutes by Billie L. Hoopman, Clerk