

TOWN OF LA POINTE
Board of Harbor Commissioners
Question and Answer Session
THURSDAY November 30th, 2023
4:45 p.m. at Town Hall and via Zoom
Approved Minutes

Commissioners Present: Mike Anderson, Michael Collins, Zach Montagne, Michael Childers, Carol Neubauer, Evan Erickson Jr.

Commissioners Absent: Pete Ross

Staff Present: Lauren Burtaux, Harbor Commission Secretary

Public Present: 22 Townspeople (in person) and about 28 people via Zoom.

1. Call to Order: Meeting called to order by M. Childers at 4:45pm.
2. Roll Call: All members present as listed above.
3. Public Comment: Paul Brummer asked the Harbor Commission meeting times be changed to a later *in the* day to accommodate to those with day jobs and questioned the Madeline Island Ferry Line's Chamber membership moving forward.
4. Question and Answer Session:
 - a. Glenn presented an overview of how the Harbor Commission was established. M. Childers continued by informing the public about the process of the work completed since the first meeting of the Harbor Commission, Thursday October 13th, 2023. C. Neubauer went over the financial details of the transaction. There are documents to support the details of the transaction that were presented to the public.
 - b. Mary Ross: Have the five million subordinate debts been raised yet?
 - i. No, the bond attorney is finalizing the details of the note anticipation notes.
 - c. Penny Gill: How did you predict the revenue that will be used to pay off the bonds?
 - i. In short, the profit & loss (P & Ls) from the ferry line, along with cash flow analysis. There may be a need for a working line of credit.
 - d. Nick Widmar: Will you have left over money after paying the debt off, to keep up with the maintenance, or other payments, as needed?
 - i. The capital improvements and maintenance have been included in the financial modeling. State and federal funding that could help with these types of costs that are not included in the current financial modeling.
 - e. Katie Sanders: Will 100% of the revenue go toward bond pay off? How is the revenue used in light of operating agreement?
 - i. Similar to the question/answer above. Yes, the management fee is included in the cash flow and income projections.

- f. Alex Nelson: What is the town borrowing for the project?
 - i. 17 million (rounded).
- g. Penny Gill: Is this a conservative package?
 - i. Comparatively, yes.
- h. Rob Karwath: If things go better than projected is it possible to pay off bonds and debt early?
 - i. Yes, we would look to retire debt as soon as possible.
- i. Viv Ross: I know that the shipping operation is a revenue source. Do you think that as a public organization that is beholden to its citizens, we would lose bargaining power with UPS, etc. I know that negotiations with them have been issues in the past.
 - i. This question is not entirely possible to answer as there have yet to be conversations about the details of these contracts.

Childers discusses the process of the purchase including asking the town electors to vote on approving the purchase of the real estate within the town of La Pointe. Then the Harbor Commission will request the town board to authorize the Commission to sign the three agreements: vessel purchase, real estate/equipment/supplies agreement, and the operating agreement. The goal is to have all the agreements signed by the end of 2023.

- j. Leon: What is the interest rate on the sub-debt?
 - i. We do not know yet. It will be the same as the general obligation bonds.
- k. Katie Sanders: Is the business operation included? To clarify - So the Ferry Line 2.0 owns the business, and the town owns property?
 - i. The ferry line office is not part of the transaction. However, the management agreement will allow the Harbor Commission to learn the business overtime.
- l. Debbie Knopf: Have you had conversation with the Bayfield School District to become a partner or will that be MIFL 2.0?
 - i. The Harbor Commission will be involved, yes.
- m. Unknown Person Online: Will island property owners receive a discount card with their tax bill?
 - i. No.
- n. Unknown Person: What is the plan for purchasing the Trek and Trail and Dockside real estate?
 - i. These buildings have use for operations, such as the Trek and Trail providing a parking lot. The Dockside building, if owned by someone else, could have a dock built there that could impede ferry service.
 - ii. Where will the office be for future operations, once the operating agreement is complete with MIFL 2.0?
 - 1. Unsure at this time.
- o. Charlie Brummer: What about the property on Old San?
 - i. Yes, it is included in this purchase, labeled "Bayfield Shop" on the real estate valuations.

- p. Rob Karwath: Going back to pricing and equity for everyone using the new ferry line, does that mean free passage for current MIFL owners will end with the sale?
 - i. The current owners will not have that benefit. The employees of MIFL will continue to receive their benefits.
- q. Sue Brenna: Will we still have access to the emergency weather docks on the other side of the town dock in Bayfield?
 - i. Yes, those are the underwater parcels included in the real estate purchase.

Childers encourages folks to email any questions that may arise after this meeting. Send via email to the Harbor Commission.

- r. Alex Nelson: What will the mechanism be to change something when the purchase has been made?
 - i. The Harbor Commission first. The town board appoints the members of the Harbor Commission.
 - s. Paul Brummer: If the Harbor Commission is appointed, can the commissioners be elected instead of appointed?
 - i. State statute specifies how this happens.
 - t. Mary Ross: The ferry line has invested heavily in dock improvements, who will take over those payments to the town?
 - i. The Harbor Commission will make the payments. There are three years left. Any access money the commission makes in revenue goes to the town, by law.
 - u. Bill Green states how appreciative he is of the Harbor Commission and the extensive background work it has done. Thank you.
 - v. Penny Gill: What year was the statute written?
 - i. Unsure. Most harbor commissions are created to manage a harbor/marina, not purchase a ferry line, so a lot of the statutes do not apply.
 - w. Vern Blyckert: Since this is so unique, did you have other models to look at when putting this together, such as other villages that also have a ferry as a lifeline?
 - i. Yes, but the focus was on this operation specifically. The other ferry lines are significantly different than this operation. We did look at hiring expertise that would be familiar with maritime laws and operations.
5. Adjourn: Motion by E. Erickson to adjourn, seconded by M. Collins, all in favor, meeting adjourned at 5:39pm.

Respectfully submitted by Lauren Burtaux, Harbor Commission Secretary.

Minutes approved as corrected, corrections in italics, on December 21st, 2023, L. Burtaux.