

## Minutes Harbor Commission

Present Jason Sladky, Jim Ruffalo, Jack Resch, Peter Allie, Lee Kummer, Jack Culley –  
Absent James Anderson

Also present:

Mike Huck Harbor Master, Valarie Mellon, Mayor Justin Nickels

Andrew Steimle, Tim Salutz, Richard Larson

Meeting called to order by Vice Chair Ald. Jason Sladky

Minutes of April 8<sup>th</sup>, Amendment offered by Jack Culley in to indicate that the Wisconsin Marinas Association received the \$50,000 grant from the GLRI.

Motion Made by Peter Allie, seconded by Jim Ruffalo.

Mike Huck explained the circumstances leading to the discussion of the lease assignment. He described the process, the review and due diligence process, and explained that the parties were seeking to close Sept 30 and that they required council permission to do so. The Harbor Commission, being the locus of council control of the marina is being asked to make a recommendation to the council.

Jim Ruffalo asked for introductions of the parties attending the meeting. Tim Salutz identified himself as representing Rich Larsen, Andrew Steimle identified himself as representing Sailboats Inc. and Jack Culley.

Jim Ruffalo asked for a business plan for the new entity. Mike Huck explained what documents were to be presented in the due diligence process. Jack Culley explained that the plan is to continue the ongoing business of the marina.

Lee Kummer asked that Jack Culley recuse himself from the discussion. Jack Culley removed himself from the table and participated as a member of the public attending.

Lee Kummer then asked why the city doesn't open the lease and explore other options.

Andrew Steimle clarified the position of Sailboats, Inc's desire to assign the lease.

A discussion of the current revenues of the marina was had. The marina makes a net contribution to the city of approx \$120,000. (This is equivalent to the property taxes on a property valued at \$16,000,000).

Tim Salutz stated that the city has to determine if the assignment is in the best interest of the city, but that the investors and principals need to move to have sufficient time to realize sufficient return. He also states that there is no other party at present seeking the lease, and that failing assignment, Sailboats Inc. would simply continue to operate to the end of the lease.

Lee Kummer asks then why is it in the cities' interest to alter the lease.

Rich Larsen recounted his experience, and why he would want to assume the lease. He explained the economics and business elements of the marina.

Committee members asked questions relative to his experience and plans.

Boat storage capacity and possible expansion of storage was discussed.

Lee Kummer expressed a concern with boat storage and the appearance of the lakefront.

Mike Huck explained that concerns of housekeeping at the marina is under the purview of the Harbor Commission and can be taken up. However no concerns have been brought to the commission as yet. These concerns might be the focus of later meetings with management.

Lee Kummer remarks that the city should receive something in exchange for its permission.

Ald. Sladky expresses the opinion that an unmotivated Sailboats Inc. would be worse than allowing the change.

Jim Ruffalo expressed a desire to be reasonable, yet take the opportunity to negotiate a better public facility at this time.

Mike Huck stated that the normal negotiation for an extension of the lease would be in 4 years, and that might be an appropriate time for something like that.

Jim Ruffalo asks if discussions on some of the concerns might take place.

Tim Salutz points out the purchase agreement and finance are based on the current lease, and additions would create a problem.

The commission expressed general confidence in the competence of the proposed management.

The commission express reservations about a business plan that revolves around storage and growth in storage.

Rich Larsen stated that any expansion in storage would not come with the construction of an additional storage building on the lakefront.

Jim Ruffalo proposed a few meetings to discuss these issues, Lee Kummer agreed.

Ald. Sladky pointed out that the commission is advisory, and that the council may take action without a recommendation from the Harbor Commission.

Jim Ruffalo acknowledged that, yet said it would be a shame if the commission didn't get a chance to express its views.

The mayor proposed that the Harbor Commission join the council at a committee of a whole to express its opinions.

Tim Salutz reiterated the cooperative nature of the relationship between the marina and the city, and expressed a willingness to work together to resolve some of the issues discussed at the meeting.

The recommendation was made to meet with the City Council as a Committee of the Whole at 6 pm to express the views and concerns of the commission prior to the council taking up the matter.

The meeting was adjourned at 7:55.

Michael Huck