

VILLAGE BOARD OF TRUSTEES MEETING MINUTES
Tuesday, December 17, 2024
(Approved Version)

Agenda Item No. 1. The December 17, 2024 meeting of the Sister Bay Village Board of Trustees was called to order by President Nate Bell at 6:00 P.M.

Agenda Item No. 2. Roll Call

Present: President Bell and trustees Denise Bhirdo, Louise Howson, Kurt Harff, Alison Werner, Patrice Champeau, and Lilly Orozco

Staff: Village Administrator Julie Schmelzer, Finance Director/Treasurer Vlad Gannik, Utilities Director Megan Barnes and Clerk Heidi Teich

Others: Laurel Harff, Amy and Zach Zacharias, Dave Matasek, Karen Berndt, Dick Burress, Deb Fitzgerald, Roman Collak, "Trustee", "Mary", Justin Fischer, Sally Pfeifer, Martha and Ray Pelrine, "Guest"

Agenda Item No. 3. Approval of the Agenda

A motion was made by Werner, seconded by Harff that the Agenda for the December 17, 2024 meeting of the Village Board of Trustees be approved as presented. Motion carried – All ayes.

Agenda Item No. 4. Approval of Minutes

A motion was made by Bhirdo, seconded by Orozco that the minutes of the November 19, 2024 and December 12, 2024 meetings of the Village Board of Trustees be approved as presented. Motion carried – All ayes.

Agenda Item No. 5. Comments, correspondence, and concerns from the public

Correspondence for this meeting included an email notification from the League of Wisconsin Municipalities regarding new online training offerings for elected officials. An email from Rodney Hedeon, 10877 N Bay Shore, 10881 N Bay Shore Dr and Tavernier, FL, was received after the meeting packets were prepared and forwarded to the trustees prior to this meeting. Mr. Hedeon expressed his displeasure with what he calculated as a 229% increase in the mill rate for Sister Bay in 2024.

President Bell asked if anyone wished to offer any additional comments.

Richard Burress, 2340 Maple Dr, spoke in reference to a meeting last week, objecting to proposed spending on any capital projects in the immediate future. He expressed concern about the amount of budget cutting as is being reported at Finance, when the village's overall value has increased and there should not be a need for cuts. He stated that he will take further action, such as a petition process, to halt any additional spending by the village on items to be discussed later in this meeting.

Agenda Item No. 6. Public Hearing: Utility Rate Study

The Sister Bay Water and Sewer Utility is proposing an increase in rates for sanitary sewer and hauled waste. The increase is needed, in part, to address the rapidly increasing costs of sludge hauling services. This item was introduced at the November board meeting, and publicly noticed for a hearing at this meeting. Utility Director Barnes provided a short introduction to the proposal, followed by initials

1 comments offered by the board of trustees.

2
3 Howson requested actual numbers for the amount of the increase and the estimated revenues, which
4 Barnes provided in her staff report. Howson inquired if Barnes had researched neighboring communities
5 and what they were doing. Barnes reported that she also reached out to Baileys Harbor and Ephraim
6 about the possibility of bringing in equipment for dewatering of sludge prior to transport to Kewaunee.
7 However, the sludge must be held until August and Sister Bay does not have the facilities to do that.

8
9 Barnes explained that with this rate increase comes a new model for evaluating the need for future
10 increases. By utilizing a simplified rate study model, Barnes will be able to calculate potential future rate
11 increases on her own without the need for outside contracting.

12
13 *At 6:13 P.M., Bell opened the public hearing for comments.*

14
15 Richard Burress was recognized to speak and asked why village residents pay more in fixed charges for a
16 service they own, and the Liberty Grove Sanitary District residents pay less? Barnes replied that the
17 Liberty Grove Sanitary District assesses its residents for the collection maintenance services separately
18 from what is being billed by the utility to Sister Bay residents.

19
20 Burress also had a question on the settlement of the lawsuit with Liberty Grove mentioned in the staff
21 report. Bell noted that he did not have the exact amount of that settlement on hand, and Bhirdo stated
22 her belief that it was around \$250,000.

23
24 Howson asked how future increases will occur. Barnes replied that the utilities committee will need to
25 determine the schedule for future rate reviews. Bhirdo expounded on that response, stating that the
26 utility has preliminary plans to implement the same rate for 2025-2026, then increases will occur in the
27 subsequent three years. The study will be conducted annually for use in future rate increase
28 discussions.

29
30 Champeau expressed concern on increasing utility rates in the future, as they could quickly become
31 unaffordable. Barnes explained that without an alternate option right now for sludge disposal, the utility
32 has no choice but to increase rates to cover their costs. Schmelzer added that Barnes has been
33 researching what Sister Bay can do in-house to bring down future costs, such as the sludge dryer.
34 Barnes will also actively seek grants, such as the Clean Water Fund, to apply for future funding. The
35 installation of a sludge dryer will allow Sister Bay to market itself as regional sludge-processing facility,
36 which will bring additional revenues to the utility.

37
38 *At 6:24 P.M., the public hearing was closed.*

39
40 **Agenda Item No. 7. Ordinances/Resolutions**

41 **a) Resolution No. 2024-020; Establishing Various Rates for Water and Sewer Utility**

42
43 *A motion was made by Bhirdo, seconded by Orozco to approve the passage of Resolution No. 2024-020,*
44 *which increases rates for sewer waste and hauled waste at the Sister Bay Water and Sewer Utility*
45 *effective January 1, 2025 as presented. Motion carried – all ayes.*

46
47 **b) Resolution No. 2024-021; Fee Schedule**

48 Annually, the village board reviews its fee schedule for accuracy and appropriateness. A draft schedule

1 was reviewed at the November board meeting and was further revised to add a fee in lieu of parking
2 and fees for citations related to WWTP operations for consideration at this meeting. The revised draft
3 was included in the packet for the board members to review.

4
5 *A motion was made by Bhirdo, seconded by Howson to approve the passage of Resolution No. 2024-021*
6 *which updates the Village of Sister Bay Fee Schedule for 2025 as presented. Motion carried – all ayes.*
7

8 **Agenda Item No. 8. Discussion/Action Items:**

9 **a) Post Office**

10 The lease the Village has with the Sister Bay Post Office expires in 2025. Originally, money was put into
11 the Capital Improvement Plan for 2025 for a new post office, but this year the committee moved the
12 money to 2026. Bell noted that he has since had a conversation with USPS, who sent out postcards to
13 boxholders requesting feedback on a potential move. Schmelzer explained that the village has a one-year
14 contract extension with the USPS for the time being. If nothing occurs with a possible relocation, the
15 current contract can be rescinded, and a new 4-year lease for the current location can be instituted. The
16 board appeared to express agreement with signing a new 4-year lease for the current facility.

17
18 Werner asked how the post office staff felt about the accommodations, and Schmelzer shared her
19 impression that the new postmaster seems satisfied with the facility at this time, although concerns were
20 noted about trash being dropped into the outside mailboxes.

21
22 Sally Pfeifer was recognized to speak and asked what the village receives in monthly compensation from
23 the USPS. The response provided was just under \$1600 per month. Pfeifer pointed out that the USPS
24 postcard mentioned that they could move within two miles of the current location. Bell stated his
25 preference that the post office remain downtown, but also that the village should not spend money on a
26 new facility at this time. Howson agreed.

27
28 It was the consensus of the board that Bell continue conversations with the post office and report back to
29 the board with an update at a later time.
30

31 **b) Tax Assessor Discussion, Re: 2025 Tax Levy**

32 The board asked Action Appraisers, the village's assessor, to attend tonight's meeting and discuss the
33 implications of "correcting" the prior year's values of the Tax Incremental District. Amy and Zach Zacharias
34 were invited to speak.
35

36 Zacharias shared that there was a village-wide revaluation in 2023. The State of Wisconsin has hard and
37 fast timelines for the collection of assessment data (Municipal Assessment Report), and the village's
38 revaluation was not completed by the deadline for that report (2nd Monday in June). However, an overall
39 property value estimate, based on property sales and new construction, was submitted. With this data,
40 the state calculates equalized assessment values for all municipalities (published in August) and after the
41 assessor submits a finalized MAR, after the Board of Review has taken place, a finalized Statement of
42 Assessment (SOA) is issued by the state in October.
43

44 This is not an uncommon practice, and is one followed by about 50% of assessors in the state when
45 revaluations take place. State law also allows assessors up to one year to submit "corrections", or final
46 values, when the local assessments are completed. Those adjustments are then reflected in the following
47 tax year values. Zacharias stated that he tries to keep his assessed values as close as possible to the state's
48 equalized values in order that the municipality remain in compliance with assessment law. However, the

1 changing real estate market has contributed to the need to do more frequent revaluations to maintain
2 municipal compliance. As an example, the Village of Sister Bay was at 97% for assessed values at the time
3 of Board of Review, held in May, but has again fallen out of compliance for residential properties (89%).
4

5 Bhirdo commented that there is much related to property valuations that fall out of the board's control,
6 such as the value estimates submitted in June and corrections submitted later in the year. Howson
7 disagreed and discussed the need to determine if they should use TID In or TID Out numbers for budgeting.
8 Bhirdo shared comments from the village's auditor that it is best to focus on dollar amounts rather than
9 the mill rate as increases in both assessed values and equalized values will result in increases taxes despite
10 a flat mill rate.
11

12 Burress asked for clarification on this discussion as he was not part of the previous meeting when the Tax
13 Incremental Financing District (TID) was discussed. To summarize, a correction of \$35 million was made
14 to the 2023 property valuations when the TID performed better than it has ever done in the past. This
15 change was reflected in the 2024 tax bills as an increase to property taxes of about 10%. This outcome
16 was not anticipated by the board - the situation never having come up before - when taxpayers were
17 promised that tax bills would not increase. The board will continue to evaluate the situation.
18

19 **c) Tax Levy Timeline**

20 Staff has been working to prepare a timeline of events leading up to the preparation of the 2024 tax bills
21 at the request of Trustee Howson. Schmelzer prepared a timeline and sent it to the members prior to this
22 meeting. Howson explained her request as a means to understand the tax preparation process so they
23 can make informed decisions going forward with full knowledge and awareness of what the final
24 outcomes could be. The Finance Committee will meet in January to further discuss the tax preparation
25 process.
26

27 Bhirdo inquired when the board would be discussing how to address the 2024 tax bill increase, as it did
28 not appear on this agenda. Bell responded that there will be a future discussion forthcoming.
29

30 **d) Contract; Administration Building; Construction Drawings; McMahon**

31 A recommendation was forwarded by the Parks, Property & Streets Committee to approve a contract with
32 McMahon & Associates for the construction design of the new village administration building to be
33 located on the former Logerquist property on Woodcrest Road. A copy of the contract was provided in
34 the meeting packet for the members to review.
35

36 Bell stated that he is not comfortable moving forward with a motion on this item until the board
37 determines how to proceed with the tax bill issue. No one objected. Bell added that the budget has not
38 yet been amended to cut an additional \$330,000 to cover the tax bill increase. Bhirdo did state that this
39 approval step needs to be taken regardless of whether they decide to proceed with the construction this
40 year. Schmelzer recalled that the village auditor advised that reducing the debt doesn't help with the tax
41 levy issue. Also, borrowing for this particular project will not be paid until 2026, thereby not affecting the
42 2025 budget.
43

44 *It was the consensus of the board that no action be taken on this item until after January.*
45

46 **e) Contract; Administration Building; Civil Site Design; Stantec Consulting**
47

1 A recommendation was forwarded by the Parks, Property & Streets Committee to approve a contract with
2 Stantec Consulting for the preparation of civil site design services (engineering and land surveying) for the
3 new administration building to be located on the former Logerquist property on Woodcrest Rd. The
4 anticipated cost of services is \$35,500.

5
6 *It was the consensus of the board that no action be taken on this item until after January.*

7
8 **f) Monthly Financial Report and Appropriations**

9 The monthly financial statements were prepared and included in the meeting packet for the members to
10 review. No questions were asked.

11
12 *A motion was made by Bhirdo, seconded by Orozco to pay the monthly bills in the amount of \$235,934.02*
13 *as presented. Motion carried – all ayes.*

14
15 **Agenda Item No.9 Staff Reports**

16
17 Parks & Streets Director Linczmaier prepared a report which was included in the meeting packet. No
18 questions were asked on the information presented.

19
20 **Agenda Item No. 10 Committee Reports**

21
22 **Finance Committee:** Minutes of the December 10, 2024 meeting of the Finance Committee were included
23 in the meeting packet. No questions were asked.

24
25 **Fire Board:** The Fire Board will be meeting on December 30, 2024.

26
27 **Ad Hoc Green Tier Legacy Community Committee:** The Green Tier Legacy Community Committee has
28 not met. Schmelzer reported that the Sunshine House is extremely interested in a county-wide facility for
29 stretchy plastics recycling and work has started on research for such a facility.

30
31 **Historical Society:** Minutes of a recent Historical Society meeting were included in the packet. Champeau
32 had no further comments.

33
34 **Housing Committee:** The Housing Committee met on December 3, 2024, but minutes were not available
35 for inclusion in the board packet. Schmelzer reported that they have approached a community in
36 Colorado to talk about their model and are waiting on a response. The committee has met with a builder
37 to discuss home designs, which will need to go to the Plan Commission for review.

38
39 **Library Commission:** Minutes of the November 11, 2024 meeting of the Library Commission were
40 submitted. Trustee Harff reported that the insurance will not cover the replacement cost of the
41 vandalized picnic table, so it will be replaced using contingency funds. Harff noted that there have been
42 concerns about tree-trimming, and whether that work should be conducted by village staff rather than
43 the library's contracted landscaper.

44
45 **Marina Committee:** The Marina Committee met on November 13, 2024 but minutes were not submitted
46 for inclusion in the meeting packet.

47
48 **Parking Committee:** The Parking Committee has not yet met.

Parks, Property & Streets Committee: The Parks, Property & Streets Committee minutes from December 2, 2024 were included in the meeting packet. Orozco inquired if the snowmobile trail map had been approved and Howson responded affirmatively.

Personnel Committee: The Personnel Committee met this morning, and minutes were not available in time for this meeting.

Plan Commission: Minutes from the November 26, 2024 meeting of the Plan Commission were included in the meeting packet. No additional questions were asked.

SBAA: No minutes were provided. Orozco reported that SBAA will be meeting tomorrow. Orozco shared that Bickford has stepped down as Chair and the treasurer has also stepped down also. They will be working to fill those two vacancies and conduct the budget meeting in the coming weeks. The Parade Committee will have an update next month on changes to Fall Fest. Orozco also noted that the SBAA is concerned about the shuttle bus sitting outside all winter. Schmelzer thanked Orozco for sharing as no one had approached village staff about that issue.

Tourism Zone Commission: No minutes were provided. Howson reported that at the last Executive Committee Meeting the chair asked Destination Door County to cut their budget by 20% (about one million dollars). DDC agreed to come back in January with a revised budget.

Sewer and Water Utility Committee: The Sewer and Water Utility did not meet in December.

Village Hall Planning Task Force: The Village Hall Planning Task Force has not met recently.

A motion was made by Orozco, seconded by Howson to approve the various committee reports as presented. Motion carried – all ayes.

Agenda Item No. 11. Matters to be placed on a future agenda or referred to a committee, official or employee

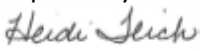
The following items were recommended for future discussion:

- Discussion to address the 2024 tax bill increase to be referred to the Finance Committee
- Parking on STH 57 during Christkindlmarkt to be referred to the Parks, Property & Streets Committee

Agenda Item No. 12 Adjourn

At 7:21 P.M. a motion was made by Orozco, seconded by Harff to adjourn the December 17, 2024 meeting of the Village Board of Trustees. Motion carried – all ayes.

Respectfully submitted,


Heidi Teich,
Village Clerk