



**TWO
RIVERS**
WISCONSIN

CITY COUNCIL WORK SESSION

Monday, January 30, 2023 at 6:00 PM

Council Chambers - City Hall, 3rd Floor
1717 E. Park Street, Two Rivers, WI 54241

AGENDA

NOTICE: Arrangements for Addressing the City Council by Telephone, During Public Hearings or Input from the Public can be made by Contacting the City Manager's Office at 920-793-5532 or City Clerk's Office at 920-793-5526 by 4:00 p.m. on the day of the meeting

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Councilmembers: Jeff Dahlke, Bill LeClair, Darla LeClair, Tracey Koach, Tim Petri, Jason Ring, Bonnie Shimulunas, Scott Stechmesser, Adam Wachowski

4. ACTION ITEMS

A. Review and Update City Goals

Recommended Action:

Council discretion; act at this meeting or defer to February 6 regular meeting

B. Consideration of Amendments to Personnel Policy Manual Related to Overtime, Longevity, and Pay on Legal Holidays and/or City-Observed Holiday Dates as Recommended by the Personnel & Finance Committee

Recommended Action:

Motion to approve the policy revisions and direct the City Clerk/Human Resources Director to incorporate the changes into the existing Personnel Policy manual

C. Set Special Meeting for Action on Playground Equipment Bids--Staff requests special meeting on Monday, February 13 at 6:00 PM

5. ADJOURNMENT

Motion to dispense with the reading of the minutes of this meeting and adjourn

In accordance with the requirements of Title II of the Americans with Disabilities Act (ADA), the City of Two Rivers will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. If you need assistance or reasonable accommodations in participating in this meeting or event due to a disability as defined under the ADA, please call the City Clerk's office at 920-793-5526 or email cityclerk@two-rivers.org at least 48 hours prior to the scheduled meeting or event to request an accommodation. For additional assistance, individuals with hearing or speech disabilities can call 711 and be connected to a telephone relay system.

It is possible that members of and possibly a quorum of governmental bodies of the municipality may be in attendance at the above stated meeting to gather information; no other action will be taken by any governmental body at the above-stated meeting other than the governmental body specifically referred to above in this notice.

Status Report on 2021-22 City Goals

As adopted by City Council on June 21, 2021

Comments by Staff for Review Date December 28, 2021 with City Council

Comments by Staff for Review Date January 23, 2023 with Pers./Fin. Committee

City of Two Rivers 2021-22 Strategic Goals and Objectives

The following goals and objectives are presented for discussion and adoption by the Two Rivers City Council to provide clear direction for the City through 2021 and into 2022.

The City Council is for not only responsible for adopting these goals and objectives, but for monitoring the City's progress in pursuit of these goals and supporting the City Manager and staff as they development and implement policies, programmatic initiatives and capital investment in support of these goals and objectives.

The City Manager, as appointed Chief Executive Officer for the City, is responsible for coordinating city government's actions and leading City staff in pursuit of these goals and objectives; he is accountable to the City Council for success in achieving these goals and objectives.

Every City department must be aware of these goals and objectives and is expected to contribute to their pursuit and attainment. City staff will review these goals and objectives with the various citizen boards and committees of the City, seeking members' objective feedback and support for these efforts.

The City Council and City Manager recognize that the effective pursuit of these goals and objectives requires not only the support, hard work and cooperation of the City Council, City Manager, Department Heads and staff, but also requires the cooperation and support of many community partners.

After all WE ARE TWO RIVERS!

2021-22 Strategic Goals & Objectives

I. **Focus relentlessly on fiscal new revenue streams and operational sustainability.** (Ongoing)

A. Encourage and facilitate projects that will increase City tax base—both new construction and increase in market value of existing properties (Ongoing)

- Actively market available development and redevelopment sites, both City-owned and privately owned.

Marketing and development efforts related to several such sites are addressed in detail throughout this report.

- Continue development and marketing of the Sandy Bay Subdivision by the City and its realtor. Five residential lot sales in 2020. \$129,834 in revenue from sales. Construction of new homes on those lots should add at least \$1.5 million in tax base.

Eight lots sold in 2021, resulting in \$217,205 revenue to the City; another five lots sold in 2022, resulting in \$105,577 in revenue. One of these lots was sold for a spec house, with terms of \$1 down and the balance due within 270 days or upon sale of the home; this will be 2023 revenue.

Two new homes started in 2021 were completed in 2022. Construction began in 2022 on another six new homes; two were completed at year-end and the other four are still under construction. Four homes current in design for 2024 construction.

- Seek private developer for Phase 3 of Sandy Bay Subdivision, for either single family home sites or as a planned unit development of detached single family homes and two-family residences, maintaining a high-quality residential character.

City has contacted two developers about Phase 3—no interest to date. These efforts will continue in first quarter 2022. Phase 3 street and utility infrastructure needs to be addressed in the near future, either as a private development or City-developed like Phases 1 and 2.

- Work with developer Abbey Ridge III, LLC to assure completion of at least three additional duplex condo structures at Washington Highlands in 2021; actively encourage development on the three remaining building sites.

Three additional structures are largely completed.

- Actively pursue development of market rate housing, both condominiums and apartments, with emphasis on downtown waterfront sites.

Throughout 2021, City staff has worked with developers pursuing market rate apartment housing at 3000 Forest Avenue. TID 15 was created in 2021 to assist redevelopment of this site, which is under contract for purchase by developers—expect sale to close soon, following recent DNR sign-off on environmental questions. City Staff to review proposed development agreement with City Council on January 3, 2022. Developer to present site and architectural plans at January 10, 2022 Plan Commission meeting. 45 units; \$6.5 million development.

Staff continues to work with developers interested in construction of market rate apartments and/or condos on the City-owned Eggers East Site. TID 16 was created in 2021 to assist redevelopment of this site. Staff has prepared draft development agreement for review by developer. Expect more specifics on development proposal in first quarter 2022. 80 to 100 units; estimated \$10 million-plus development

- Pursue funding assistance for and undertake a housing market study.

Not pursued to date.

- Implement Transform Two Rivers housing improvement initiative through CDA and Community Development Office.

Transform Two Rivers Loan Program recommended by CDA in March 2021, approved by City Council April 2021. Loan program availability was communicated to property owners in target areas in Summer 2021; limited interest and no loan activity to date.

Need additional outreach and may need to look at how to further incentivize the program.

- Make use of TID 13 (created 2020), TID 8 (amended 2020) and TID 12 (amended 2021) to encourage redevelopment activities in the downtown area.

TID's 8 and 13 have been identified as available to possibly provide assistance with redevelopment of 2023 Washington Street (former Uni-Mart), Rudy's Lanes and properties at SW corner of Washington and 22nd Streets. City staff have had discussions with possible purchasers about all three of these locations within the past 6 months.

TID 12 has been identified as available to possibly provide assistance with redevelopment of former M&M Lunch and adjacent property, under contract for purchase by a Milwaukee development firm.

- Implement TID 14 at the Woodland Industrial Park, to assist business prospect pursuing 2021 construction and to provide possible incentives for further development and for extension of public street and utility infrastructure.

\$1.3 million project by Slegler Holdings/All Energy Management is moving forward, assisted by \$175,000 city loan and \$250,000 TID 14 grant. City is in discussions with WG&R Bedding about a 35,000 SF expansion project, for which the company will be requesting TID 14 assistance.

City has also worked with another firm, regarding an option to purchase property in the Woodland Industrial Park.

- City Manager and Community Development Director to continue to meet with prospective developers over the course of 2021, regarding several key redevelopment sites and greenfield sites in the city, including:
 - Former Hansen the Florist site
3000 Forest Avenue apartment development pending—see prior comment
 - Former Eggers West plant
West River Lofts affordable family housing project pending; 54 units, \$10 million investment
 - Former Eggers East site
Potential project with Fox Valley area developers under discussion
 - Former Paragon site
Under contract for sale to TRIVERS, LLC for \$1.2 million
 - Various properties on Washington Street
**Extensive staff involvement with City-owned 2023 Washington. Some dialogue with listing realtor and prospective purchasers for former Schwarz Pub & Grill, 1519 Washington
Dialogue and meetings regarding 1608-1612 Washington building, properties at SW corner of 22nd and Washington, bowling alley and others.**
 - NE corner of Monroe and 16th Streets (former Ginny's Resale)
No recent dialogue with Sheboygan-based property owner; City Mgr. just recently left him a voicemail message
 - SW corner of Washington and 22nd Streets
Staff have engaged with one developer that showed interest in properties in this area (former Inman Jewelers and others).
 - Former M & M Restaurant
Staff met in October with Milwaukee commercial real estate firm that has contract to purchase this property and adjacent parcel. Closing reportedly set to occur by January 31, 2021.
 - Burrows waterfront property on the West Twin downtown (behind Kurtz's)

No marketing activity to date; did reach out to Mr. Burrows in October 2020

--Former Ralph Schroeder property on Garfield Street

No marketing activity to date

--Undeveloped portion of East Point

No marketing activity to date

--Sites in the Columbus and Woodland Industrial Parks

No specific marketing activities; see earlier references to work with Slegger Holdings and existing industrial park business WG&R Bedding; also identified as a site option to a Manitowoc company that is looking at expansion options.

--Not listed in June 2021 adopted Goals, but worthy of mention:

Former Wells Fargo Bank Property, 1718 West Park Street

Efforts to assist local developers with a proposed \$2 million redevelopment project: Cool City Brewing Company. Staff prepared and submitted a pre-application for a WEDC Community Development Investment (CDI) grant; feedback based on preliminary review by WEDC staff is very favorable as to this funding request for \$250,000.

- Strive for at least three percent annual increase in the City's equalized valuation, 2020-2021 and ongoing.

Equalized Valuation grew by 7.91 percent in 2020, based on WI DOR report issued August 2021. Increase in value in Two Rivers slightly exceeded increases in Manitowoc and for the County overall.

- B. Recruit businesses that can take advantage of available water and wastewater treatment capacity, to help stabilize or reduce rates for those utilities. Develop a targeted strategy for marketing these assets: high quality water and available water and sewer capacity.

No specific marketing/recruitment activities along these lines to date.

- C. Increase the General Fund's Unrestricted Fund Balance to \$2.2 million—improve by at least \$200,000 per year (Ongoing).

General Fund Balance at end of 2020 was \$2,280,671, up from \$2,088,101 at 2019 year-end, an improvement of \$192,570. 2021 year-end projections are for a net surplus from General Fund operations, which will again increase the fund balance.

Unrestricted General Fund Balance (fund balance net of advances to other funds with deficit balances) was (\$910,661) at 2019 year-end and improved to (\$185,544) at 2020 year-end). Expected to again improve at 2021 year-end, into positive territory.

- D. Eliminate Water Utility deficit—reduce by at least \$200,000 per year NOTE: Water Utility Deficit Cash Balance was \$1,913,413 at 2019 year-end; was reduced to \$948,537 at 2020 year-end. Of that reduction of \$964,876, \$500,000 was attributable to an inter-fund loan, \$448,537 to 2020 operations.

Water Utility Cash Balance projected to further improve, by more than \$200,000, as result of 2021 operations.

- E. Capitalize on sale/development of City-owned properties—short-term revenue from sales; long-term property tax and utility revenue from redevelopment

- **See earlier comments on Sandy Bay Subdivision lot sales and possible sale of Phase 3 land area.**
- **Community Development office and City Manager continue to engage with several prospects showing interest in residential development on the City-owned former Eggers East site.**
- **Lot sales activity at Woodland Industrial Park**

- F. Pursue the current purchase contract on the former Paragon Electric property, acquired through foreclosure in October 2019, to closing on or before July 26, 2021. **That sale (to AIM Manitowoc, LLC) did not close. Property is again under contract, as of November 29, 2021, with TRIVERS, LLC (Art Dumke).**

- G. Market for redevelopment the City-owned former gas station/convenience store at 2023 Washington Street, acquired for redevelopment in May 2020. Language has been included in project plans for TID's 8 and 13 for possible funding assistance for redevelopment. Property is listed with Berkshire Hathaway Real Estate. **City struck deal with local purchaser in August. That agreement has since been terminated, and City is again soliciting development proposals—proposals due by noon on January 14, 2022.**

- H. New for 2021: Pursue acquisition for redevelopment of the vacant, tax-delinquent parcel fronting on south side of 12th Street, between Adams and Monroe Streets.

City has been in touch with County about acquisition through a Section 75.106 agreement, like was done with 2023 Washington Street. County is amenable to such a conveyance, but would want a purchase price in the \$20,000 range for the property. Personnel and Finance Committee at a meeting earlier this year expressed reluctance to buy the parcel, especially since a neighboring property owner owns frontage between this parcel and Adams Street.

- I. Continue to educate City Council and community on the fiscal constraints placed on cities by Wisconsin's statutory and institutional framework for financing local government; work through the WI League of Municipalities and other state-level

organizations to bring about changes in the system for financing local services.
(Ongoing)

- Address through Legislative/Intergovernmental update at regular Council meetings.
- Address through informational videos on City Government.

Topic has been addressed at Council meetings; videos on City government on-hold pending filling vacancy in Communications Assistant position.

- J. Highlight cost containment and efficiency measures achieved by the City.
2022 Budget

Addressed in City Manager's Report on 2022 Budget; will be further addressed in 2021 State of the City Report on January 17, 2022. Adopted General Fund Budget for 2022 is up 1.73 percent over 2021, up at an average annual rate of less than one percent per year since 2010.

2021-22 Strategic Goals & Objectives

II. Deliver outstanding city services & innovations for both sustainability and to support future growth.

A. Develop, implement and act upon feedback mechanisms for local residents and businesses (Ongoing)

- Pursue re-engineering/reinvigorating Two Rivers' Citizen Academy—a program started in the Police Department in the 1980's. The City of Two Rivers was a national pioneer in the development of Citizen Academy. Evaluate virtual academy options, to either replace or supplement traditional classroom and hands-on approach to Citizen Academy.

No action to date; impacted by COVID uncertainties; will be addressed for Fall 2022

- Implement regularly-scheduled community forums, with participation by City Council, City Manager and Department Heads. Begin in third quarter 2021.

Not yet addressed; impacted by COVID uncertainties.

- Resume "Coffee With a Cop" at local coffee shop, post-COVID. Consider similar initiatives by other City departments

Not yet addressed; impacted by COVID uncertainties.

- Enhance opportunities for citizen outreach to City Council, City Manager and Department Heads through messaging via the City's website.

New website being pursued through contract with MuniCode will encourage questions and feedback from citizens through the website.

- Create a mechanism for citizens to provide "Input from the Public" in advance of City Council meetings, via the City's website.

Will also be addressed though website being developed under contract with MuniCode.

B. Invest in technology to drive delivery of quality services and to achieve economies (Ongoing)

- Fully implement agenda and minutes components Granicus software for Council meetings and other public meetings by the end of July--will be a significant enhancement for the public to access what goes on at public meetings.

Problems experienced with Granicus have resulted in the City terminating that contract and securing refund of approximately \$10,500 from Granicus, which will cover the cost of contracting with an alternative vendor, MuniCode. Expect to fully implement Municode in first quarter 2022. (Still using Granicus agenda and minutes feature at this time.)

- Continue to develop and expand the "EXPLORETWORIVERS.COM" website. Encourage more local businesses to submit events; add more features on local attractions; encourage use of the site by local businesses in order to maximize the business impact of special events.

No action to date; to be addressed as part of Tourism Strategy under development.

- Advance other digital and social media initiatives, currently in process, include a "Made in Two Rivers" website, aimed at providing resources to local companies who want to leverage City branding resources and assist the City in communicating its brand story, and recently-established Instagram and Twitter accounts.

Temporarily on hold, pending final decisions on Tourism Strategy and filling of Communications Assistant position. Expect to address those issues in January 2022.

- Add cameras in parks to enhance public safety, deter vandalism and pursue ordinance violations when they occur (vandalism, illegal dumping, other offenses): Add signage about presence of cameras, as an advisory to the public and deterrent to criminal activity.

\$30,000 investment in a park security system is included in adopted 2022 City Budget.

C. Develop and implement a strategy for better informing the public about city services and infrastructure and their contribution to economic development and community quality of life.

- Presentations to community groups and service clubs by City Manager and Department Heads are ongoing.

Past 6 months: City Manager presentation to Chamber "Business Meets with Government in December, plus regular monthly radio