

CITY COUNCIL WORK SESSION

Monday, March 31, 2025 at 6:00 PM

Lester Public Library - Community Room, 1001 Adams Street, Two Rivers, WI 54241

MINUTES

1. CALL TO ORDER

President Stechmesser called the meeting to order at 6:01PM

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL BY DEPUTY CITY CLERK

Councilmembers: Mark Bittner, Doug Brandt, Shannon Derby, Bill LeClair, Darla LeClair, Tim Petri, Bonnie Shimulunas, Scott Stechmesser.

ABSENT: Adam Wachowski (arrived at 6:17PM)

ALSO PRESENT: Police Chief, Ben Meinnert; Public Works Director, Matt Heckenlaible; Library Director, Jeff Dawson; Parks and Recreation Director, Mike Mathis; Electric Utility Director, Brian Dellemann; City Attorney, Sean Griffin (participating via telephone); and City Manager, Greg Buckley

A. CONSIDERATION OF ANY COUNCIL MEMBER REQUESTS TO PARTICIPATE IN THIS MEETING FROM A REMOTE LOCATION

Motion carried with a roll call vote.

Motion made by Bittner, seconded by Derby to allow Councilmembers D. LeClair and B. LeClair to participate in this meeting from a remote location via telephone.

Voting Yea: Stechmesser, Bittner, Derby, Brandt, Petri, Shimulunas

4. ACTION ITEMS

A. 25-056 Resolution Designating May 10, 2025 as International Migratory Bird Day

Parks and Recreation Director, Mike Mathis gave a brief summary and presented and read aloud the resolution titled, "International Migratory Bird Day Resolution."

Recommended Action:

Motion to waive reading and adopt the resolution

Motion carried with a roll call vote.

Motion made by B. LeClair, seconded by Derby Voting Yea: D. LeClair, Bittner, Derby, B. LeClair, Brandt, Petri, Shimulunas, Stechmesser

B. 25-057 Consider Amendment to TID 8 Capital Grant to Pop-Start Restaurant Group, LLC, to Extend Certain Deadline Dates Associated With Grant Assistance for Improvements at 1033 22nd Street

Mr. Buckley started by reporting that renovation of the property is underway, then gave a brief recap of the grant that was given and timeline of project. The purpose of this amendment is to extend the deadlines associated with the \$10,000 capital grant, originally approved by the City Council in August.

The original terms required the completion of certain capital investments, including the purchase of equipment and exterior improvements, totaling at least \$100,000. The capital investment was tied to a March 31, 2025, deadline for both the completion of renovations and the submission of supporting documentation for the grant. After a recent meeting with one of the restaurant partners and their banker, it was determined that a three-month extension, moving the deadlines to June 30, 2025, would be beneficial. This extra time would provide some breathing room, although the restaurant partners are still aiming to open in May, 2025.

Additionally, the Business and Industrial Development Committee has committed to a \$63,000 loan to assist with the project, alongside a \$315,000 loan from a bank/SBA loan. The restaurant partners are also contributing private equity to the project. There have been no draws on the City loan to date. The pizza oven has arrived and is scheduled to be installed on April 4, and other improvements are underway.

To ensure the project's success, the Business and Industrial Tax Credit (BITC) has authorized an increase in the city loan amount to cover additional costs incurred during the renovation, up to \$20,000, bringing the total city loan to \$83,000. These funds would cover documented capital costs, including repairs to a 20-year-old refrigerator unit. However, the full \$20,000 increase may not be necessary, depending on final costs.

The BIDC's approval of that loan increase was contingent upon the final review of loan documents by a BIDC Committee and the bank's agreement to increase its loan authorization by a matching amount, for working capital. Despite these delays, there is significant optimism about the project's progress and the restaurant's opening in May.

Recommended Action:

Motion to authorize extending the deadline dates as recommended by the City Manager Motion carried with a roll call vote.

Motion made by Brandt, seconded by Bittner Voting Yea: D. LeClair, Bittner, Derby, B. LeClair, Brandt, Petri, Shimulunas, Stechmesser

5. DISCUSSION ITEMS

A. Update on City Hall Elevator Project

Mr. Buckley reported the state elevator inspector visited today, and the City is expecting the final approvals for the project. Unfortunately, the approval was not granted due to the absence of required signage and labels on some of the elevator features. If Schindler provides an email with photographic proof that the signs and labels are correctly installed, the elevator can be able put back in service.

As for the project's budget, Mr. Buckley reported that \$120,000 was budgeted, with provision for up to \$10,000 for incidental electrical costs. Staff is still waiting to finalize the costs, but it

looks like the project may exceed the budget by up to \$10,000.

Note: Councilmember Wachowski arrived at 6:17PM

- B. Discuss Proposed Amendments to Various City Ordinances (to be Presented for Action at Upcoming Meetings)
 - Ordinance to Amend Chapter 6-9, Massage Establishments, to Eliminate Local Licensing Requirement for Massage Establishments and Massage Technicians--Already Subject to State Licensing Requirements

Council discussed proposed change to the City of Two Rivers' ordinance on massage establishments (Section 6-9) involves removing the local licensing requirement for massage businesses and massage technicians.

The City Manager explained that this came about after an inquiry from a business owner considering opening a new establishment that includes massage services. While a local license requirement appears in City ordinances, it appears that the City has never issued a license for a massage establishment or technician. Further, the State of Wisconsin already requires massage therapists to be state-licensed. Research into neighboring communities revealed that many don't have local licensing requirements, with only some cities, like Green Bay, imposing such requirements.

Police Chief Ben Meinnert, confirmed that any illegal activity, such as prostitution, which is often associated with "massage parlors", is already adequately covered under the city's existing laws against sexual immorality. Local inspection and regulation of legitimate massage establishments were deemed unnecessary by the Chief, who stated that he believed the State's licensing and the existing local ordinances addressing illegal activities were sufficient.

Some council members expressed concern about maintaining local authority to inspect or spot-check businesses if there are complaints about illegal activities, such as prostitution or other illicit operations. There was a suggestion to keep the ability to investigate and take action locally without having to rely on the state, which might be slow in responding. The matter is expected to be revisited with additional input from legal counsel and draft ordinance amendment in the coming weeks. 2. Amendments to Chapter 7-4, Trees and Shrubs Council discussed the current challenges regarding trees and shrubs as outlined in Chapter 7-4, particularly related to private property trees that may pose potential threats to public safety. Parks and Recreation Director Mike Mathis opened the discussion, addressing the issue of tree overhangs onto private property. He explained that he often receives complaints from residents whose neighbors' trees are overhanging their property and potentially endangering their roofs. Currently, the ordinance dictates that the city must intervene in these cases when trees are considered a public nuisance, putting pressure on city staff to get involved in private property matters.

Mike suggested amending the ordinance language from "must" to "may" when addressing trees on private property that only pose a potential risk to other private property. This change would offer the city more discretion and flexibility in dealing with these issues, as some trees may pose minimal risk but still require significant resources to address.

Staff and Council discussed using arborists to help determine if a tree is an immediate safety hazard and how the city can avoid getting dragged into unnecessary disputes over private trees. Concerns about liability arise when trees from private properties cause damage to neighboring properties. The City Manager also suggested that there is a need for better communication and policy adjustments around pruning trees in the public street right-of-way.

Pruning should be handled by City staff or City contractors. The goal is to create a clear distinction between private and public responsibilities and ensure that city resources are used efficiently. 3. Amendments to Chapter 6-13, Regulation of Short-Term Rentals

The Council reviewed proposed ordinance language making changes to short-term rental (STR) regulations, as discussed at prior meetings. The primary topics discussed included:

Maximum Occupancy for STRs: There was discussion on the maximum number of individuals allowed, with consensus to limit occupancy to two persons per bedroom, plus up to four additional "persons"

(vs. "adults" in the discussion draft), with children under age two to be excluded from the count.

Lighting Issues: Council members raised concerns about excessive lighting from STRs affecting neighbors. There was a discussion on regulating exterior lighting, with consensus leaning toward limiting lighting after 11 p.m. to prevent disturbances. However, some members were concerned about enforcing this strictly, particularly for non-party lighting like decorative lights.

STR Registration and Posting Requirements: It was suggested that STRs display important information, such as the health department inspection, noise ordinances, and emergency contact numbers within the property, similar to how hotels display their licenses.

- 4. Nuisance Abatement for Tall Grass: The Council discussed the need to align notice provisions for tall grass violations with other nuisance rules, aiming for quicker enforcement (within five days). These changes are expected to be finalized with ordinance amendments to be presented at upcoming council meetings.
- C. Discuss Proposed Budget Amendments Related to Capital Projects

The City Manager addressed possible amendments to the capital budget, highlighting a few key points:

Washington Street Bridge Project and Related Pedestrian Safety Improvements: Funds allocated for the project initially included a sidewalk widening and barrier construction. However, only a portion of the funds were used for the sidewalk and design work, as the safety barrier was ultimately rejected by WisDOT. Out of \$330,000 borrowed for this work about \$80,000 has been spend on the bridge sidewalk, and another \$60,000 to \$80,000 will be spent on pedestrian signals on Memorial at 12th/Lake and at Madison. This will leave about \$170,000 that could be re-allocated to other capital projects.

Council Chambers Audio System: The audio control system in the council chambers, which is over 10 years old and failing, requires a \$25,000 replacement; this project is not currently budgeted.

Stormwater Fund: There was a discussion about managing the stormwater fund balance, to maintain a balance of at least \$500,000. The possibility of reallocating borrowed funds from other projects was mentioned, to reduce cash outlays for storm sewer work in conjunction with 2025 street projects.

D. Discuss Setting Parameters for Redevelopment of City-Owed Former Eggers Industries Downtown Site

Mr. Buckley reported on the former owned Eggers site. The City had previously worked on a development agreement with Confluence Group, which proposed a \$22 million project with 71 market rate apartments, but that deal did not come to fruition.

Mr. Buckley is now reaching out to other developers, but feels that the City needs to set minimum development criteria for this property. He suggested that a reasonable minimum for the site would be around 32 units, focusing on market-rate apartments or condos, with an estimated investment of \$200,000 per unit. Mr. Buckley proposed retaining waterfront access for a future walkway or dock. Additionally, there is some interest in incorporating commercial spaces at ground level, and Mr. Buckley noted the importance of balancing residential and commercial development. The goal is to bring this project back into active discussions, at an April Council meeting. He mentioned possibly referring the matter to the CDA or the Finance Committee for further discussion.

6. ADJOURNMENT

Motion to dispense with the reading of the minutes of this meeting and adjourn this meeting at 7:56PM.

Motion carried with a voice vote.

Motion made by Wachowski, seconded by Derby

Voting Yea: Bittner, Derby, B.LeClair, Brandt, Petri, Shimulunas, Stechmesser, Wachowski, D. LeClair

Respectfully submitted, Valerie L. Vanderloh

Valerie L. Vanderlinden,

Deputy City Clerk