



CITY COUNCIL WORK SESSION

Monday, November 25, 2024 at 6:00 PM
Council Chambers - City Hall, 3rd Floor
1717 E. Park Street, Two Rivers, WI 54241

MINUTES

1. CALL TO ORDER

Meeting called to order by President Stechmesser at 6:04PM

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL BY CITY CLERK

Councilmembers: Doug Brandt, Bill LeClair, Tim Petri, Bonnie Shimulunas, Scott Stechmesser, Adam Wachowski

ABSENT AND EXCUSED: Shannon Derby

Also Present: Gregory Buckley, City Manager; Jeff Dawson, Library Director; Dave Murack, Fire Chief; Matt Heckenlaible, Public Works Director; Kasandra Paider, Finance Director; Melissa Wiesner, Assistant Police Chief; Dave Dassey, IT. Participating by conference call, viewing the meeting on-line was City Attorney Andrew Adams.

- A. Motion to allow remote participation by Councilmembers Bittner and D. LeClair.
Motion carried with a roll call vote.
Motion made by B. LeClair, seconded by Petri.
Voting Yea: B. LeClair, Brandt, Petri, Shimulunas, Stechmesser, Wachowski

4. PUBLIC HEARING

Public Hearing on 2025 Proposed City Budget

- A. Review of Resolutions to be Acted on at the December 2, 2024 City Council Meeting
City Manager distributed copies of the 2025 Budget Resolutions that will be considered by the Council on December 2 and gave an overview of each.

--Resolution Adopting the General Fund Budgets for the Fiscal Year Ending December 31, 2025: This budget totals \$12,530,657 for 2025, up 3.65 percent over 2024, and is within the 3.7% increase allowed under Wisconsin's Expenditure Restraint law.

--Resolution Adopting Budgets for Other Funds for Fiscal Year Ending December 31, 2025: Consists of Capital Project Funds totaling \$3,818,512, Special Revenue Funds totaling \$5,227,529 and the various utility funds totaling \$17,614,009. The grand total for the Other Funds is \$26,660,050.

--Resolution Adopting the Debt Service Fund Budget for the Fiscal Year Ending, December 31, 2025; The Debt Service Fund Budget is funded primarily through tax dollars, with some transfers from other funds. It is used to pay the principal and interest on the City's General Obligation debt, focusing mainly on non-utility debt. The grand total for the Debt Service budget is \$3,067,849

--Resolution Adopting Tax Levy for the Fiscal Year Ending, December 31, 2025;

The Council sets the tax levy for three City funds: General City Fund, Debt Service Fund, and Library Fund. The current levy situation shows the General Fund Levy is at a slight increase, the Debt Service Levy decreases slightly, and the Library Levy remains unchanged. The result of these adjustments will lead to no change in the overall city property tax levy for the next year. Total proposed City levy (TID in) is \$16,470,165. Levies for other taxing entities are included for information purposes.

Mr. Buckley reported that, under levy limits the City could levy about \$42,000 more in aggregate than what the current budget proposes. Debt service levies are not capped due to the allowance for unlimited tax pledges required to cover debts from general obligation borrowings. Library and General Fund levies are subject to a cap based on the state's calculation of net new construction, which was under 0.8% this year.

--Resolution Approving Business Improvement District Levy and Assessment Rate for 2025
This is in support of the Two Rivers Main Street Program. This levy is up by about \$2,500, which reflects the addition of the Bank First National property. Bank First had been mistakenly omitted from the BID Levy for several years, but that has been corrected. The intention of this Levy is to remain revenue-neutral. The BID Board recently met, reviewed current assessed property values within the district, and voted to set the levy rate at \$1.77 per thousand dollars of assessed value, down from \$2.00 per thousand the previous year. This decision aligns with maintaining consistent BID revenue, particularly in light of the inclusion of Bank First National in the levy. The Board opted not to take advantage of the revaluation and higher assessed value.

B. Public Hearing

Public Hearing on 2025 Proposed City Budget.

Council President Stechmesser opened the first, second, and third calls. No one from the public came forward. Council President Stechmesser closed the public hearing.

5. DISCUSSION ITEMS

A. Discuss Proposed 2025 City Budget

The City Manager gave a handout addressing 2024 Tax Levies Applicable to Properties in the city of Two Rivers, and gave a brief overview.

The Manitowoc County levy applicable to the City of Two Rivers will be up by \$202,000, almost 7%. The Lakeshore College levy increase is about \$39,600 or 9%. The School District levy increase is \$1,382,950 or 27.6%.

In aggregate, the taxes levied against properties in the City is up by 11.7%, outside TIF districts. City levy constitutes less than 33.5% of total taxes while Two Rivers School District accounts for 38.8%. There was an increase of almost \$415,000,000 in assessed property value, marking an 81.46% rise.

The City Manager distributed two additional 2 handouts and gave a brief overview of each. First, General Fund Changes- An error was identified where revenue items for transfers into the general fund were \$42,000 higher than their component parts. This led to revenue adjustments in the budget to align these figures. Adjustments made to the General Fund budget included: Building permits revenue increased by \$10,000 based on past year performance and expected 2025 activity; Plumbing permits revenue adjusted upwards by \$5,000 to align with current projections; other permits revenue increased by \$5,000 reflecting current year's projections; Recreation charges were increased by \$2,000, still below projected actuals for this year. The initial budget had a \$20,000 contingency for spending, which was reduced to zero to address the \$42,000 discrepancy. With these changes, total projected revenues amount to \$12,510,657, ensuring the

budget remains balanced.

Proposed 2025 General Obligation Borrowing (10 year) for Capital Projects- Public Works, \$1,717,497; Parks & Recreation, \$466,000; Police Department, \$136,500; Fire Department, \$112,500; Wastewater Plant—G.O. Borrowing, repay from Utility \$100,000; TID 15 borrowing for Developer Grant—repay from TID 15, \$750,000. Grand total Proposed 2025 General Obligation Borrowing for Capital Projects, \$3,282,497 (Tax Supported \$1,982,234).

B. Discuss Pricing Structure for Sandy Bay Highlands Phase 3 Lots

The Deputy City Clerk distributed a Sandy Bay lot pricing handout and the City Manager gave a brief overview of information. Infrastructures costs are \$1,476,953. Average real estate commission is about 12% (\$203,280). Title and closing costs are estimated at \$13,000. Total costs to be recovered are \$1,693,233. Lot pricing starts at \$57,000 and goes up to \$75,000. There are 26 lots available with the average price being \$65,153.85. Total price of all lots is \$1,694,000. This does not include the cost for storm water management features, interest on borrowing funds, or costs attributed to the land. Council members indicated that the proposed lot pricing and cost recovery goals were consistent with past discussions. Mr. Buckley stated that the proposed pricing structure will be presented for action by the CDA at its meeting on November 26.

5. ACTION ITEMS

Consider Council President's Proposal for City Council Listening Sessions

The Deputy City Clerk distributed handouts on proposed Listening Sessions from Council President, Scott Stechmesser. The Council President stated that he proposes quarterly listening sessions where three city council members would engage with the public from 6 to 8 PM at various locations like the library and senior center. The sessions would aim to address public concerns and foster better communication.

There was discussion amongst council and concerns were raised about the legality and procedural requirements if more than three council members attend, potentially turning the sessions into formal meetings. Legal counsel advised that these sessions should remain informal to avoid quorum issues and ensure they are not mistaken for formal council meetings. The council indicated that they wish to proceed with the sessions, emphasizing the importance of not making decisions or engaging in deliberations during these informal interactions. Attorney Adams stated that he will prepare some guidelines for the Council's consideration in setting up and conducting these listening sessions.

7. REMINDER

Two Rivers Hometown Christmas Parade of Lights is Saturday, November 30 at 5:30 PM. Participating Council Members Should be at the Staging Area (Washington Street North of 22nd) not later than 5:00 PM

8. CLOSED EXECUTIVE SESSION

The City Council reserves the right to enter into Closed Session, per Wisc. Stats 19.85(1)(e) deliberating or negotiating the purchasing of public properties, the investment of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.

--Discuss possible TID 15 Development Agreement for developer grant to assist in the redevelopment of 3000 Forest Avenue with a market rate apartment complex

Motion made by Wachowski, seconded by Petri to enter into closed session at 7:32 PM.
Voting Yea: B. LeClair, Brandt, Petri, Shimulunas, Stechmesser, Wachowski, D. LeClair, Bittner

Motion carried with a roll call vote.

9. RECONVENE IN OPEN SESSION

To consider possible actions in follow-up to closed session discussions

Motion carried with a voice vote.

Motion made by Wachowski, seconded by B. LeClair to reconvene in open session at 8:01 PM.
Voting Yea: Bittner, Brandt, B. LeClair, D. LeClair, Petri, Shimulunas, Stechmesser, Wachowski

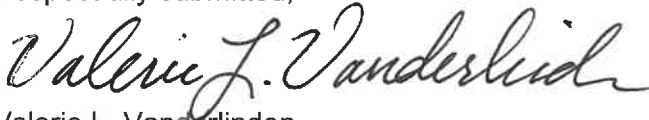
10. ADJOURNMENT

Motion to dispense with the reading of the minutes of this meeting and adjourn the meeting at 8:01 PM.

Motion carried with a voice vote.

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

Respectfully submitted,



Valerie L. Vanderlinden
Deputy City Clerk