



**TWO
RIVERS**
WISCONSIN

CITY COUNCIL WORK SESSION

Monday, November 28, 2022 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. PUBLIC HEARING

- A. Proposed 2023 City Budget – Brief Review by City Manager, Including Review of Budget Related Resolutions to be Presented for City Council Action at the City Council meeting on December 5, 2022

5. DISCUSSION ITEMS

- A. Opportunity for Council Discussion of any Matters Pertaining to the 2023 City Budget

- B. Discuss the Review and Revision of City Council Goals at Future Meeting--Last Reviewed December 2021

6. ADJOURNMENT

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

Please note, upon reasonable notice, efforts will be made to accommodate the needs to disabled individuals through appropriate aids and services. For additional information or to request this service, please contact the Office of the City Manager by calling 793-5532.

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.

CITY OF TWO RIVERS

Resolution Adopting the General Fund Budgets
for the City of Two Rivers, Wisconsin
Fiscal Year Ending, December 31, 2023

WHEREAS, a public hearing was held on November 28, 2022 by the City Council of the City of Two Rivers on the proposed budget for the City of Two Rivers Debt Service Fund and General Fund for the fiscal year ending December 31, 2023.

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the City Council of the City of Two Rivers; that there is hereby appropriated for the fiscal year ending December 31, 2023 to the General Fund the sum of \$11,442,950.

GENERAL GOVERNMENT	\$	1,254,655
PUBLIC SAFETY	\$	6,260,905
PUBLIC WORKS	\$	1,635,034
HEALTH & HUMAN SERVICES	\$	379,372
CULTURE, REC. & EDUCATION	\$	1,249,767
OTHER FINANCING USES	\$	663,217
TOTAL GENERAL FUND	\$	<u>11,442,950</u>

BE IT FURTHER RESOLVED, that the proposed budget for the City General Fund, a copy of which is on file in the office of the Finance Director and open to inspection during regular business hours, is hereby approved.

Adopted: December 5, 2022

Council Member

Gregory E. Buckley, City Manager

CITY OF TWO RIVERS
Resolution Adopting Budgets for Other Funds
for the City of Two Rivers, Wisconsin
Fiscal Year Ending December 31, 2023
Page 1 of 2

BE IT RESOLVED, by the City Council of the City of Two Rivers that the City Council hereby approves the following administrative budgets for 2023, the same being on file in the Finance Department and open to inspection during regular business hours:

CAPITAL PROJECT FUNDS

403 – Harbor Masterplan Implementation	\$	1,512,000
410 – Bike Trail Construction Fund	\$	87,636
415 – Central Park Renovation Fund	\$	1,600,000
417 – Industrial Park Development Fund	\$	169,650
419 – Landfill Fund	\$	130,500
451 – Street Construction Fund	\$	898,000
452 – Bridge Construction Fund	\$	90,000
454 – Parks and Cemetery Construction Fund	\$	608,000
455 – Fire Equipment Fund	\$	111,300
457 – Public Works Equipment Fund	\$	355,000
459 – City Hall Equipment Fund	\$	135,000
460 – Management Information Fund	\$	40,000
461 – Police Equipment Fund	\$	159,300
Subtotal:	\$	<u>5,896,386</u>

SPECIAL REVENUE FUNDS

202 – Sandy Bay Highlands Development Fund	\$	118,000
205 – Housing Revolving Loan Fund	\$	138,000
207 – Affordable Housing Fund	\$	92,000
216 – American Rescue Funds (ARPA)	\$	750,000
218 – Docks and Harbors Fund	\$	15,500
235 – TIF #6	\$	5,012
236 – TIF #7	\$	133,800
237 – TIF #8	\$	297,410
238 – TIF #9	\$	185,000
239 – TIF #10	\$	49,150
240 – TIF #11	\$	45,789
241 – TIF #12	\$	48,170
242 – TIF #13	\$	150

CITY OF TWO RIVERS
Resolution Adopting Budgets for Other Funds
for the City of Two Rivers, Wisconsin
Fiscal Year Ending December 31, 2023
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<u>SPECIAL REVENUE FUNDS (continued)</u>		
243 – TIF #14	\$	150
244 – TIF #15	\$	652,150
245 – TIF #16	\$	902,150
246 – TIF #17	\$	150
250 – Senior Center Fund	\$	113,472
258 – Community Tourism Fund	\$	241,346
259 – Tourism Development Fund	\$	270,000
260 – Urban Forestry Fund	\$	53,533
261 – Recreation Concessions/Beer Sales	\$	33,115
262 – Recreation Special Events Fund	\$	28,000
263 – Tree Planting Fund	\$	49,500
270 – Paramedic (Act 102) Fund	\$	14,000
290 – Business and Industrial Loan	\$	307,500
291 – Community Development	\$	161,911
Subtotal:	\$	<u><u>4,704,958</u></u>
 <u>ENTERPRISE FUNDS</u>		
640 – Solid Waste Utility	\$	854,059
650 – Water Utility	\$	2,953,625
660 – Electric Utility	\$	9,853,580
670 – Telecommunications Utility	\$	15,885
680 - Stormwater Utility	\$	590,292
690 – Sewer Utility	\$	2,970,966
Subtotal:	\$	<u><u>17,238,407</u></u>
Total:	\$	<u><u>27,839,751</u></u>

Adopted: December 5, 2022

Council Member

Gregory E. Buckley, City Manager

CITY OF TWO RIVERS

Resolution Adopting the Debt Service Fund Budget
for the City of Two Rivers, Wisconsin
Fiscal Year Ending, December 31, 2023

WHEREAS, a public hearing was held on November 28, 2022 by the City Council of Two Rivers on the proposed budget for the City of Two Rivers General Fund and Debt Service Fund for the fiscal year ending December 31, 2023.

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the City Council of the City of Two Rivers; that there is hereby appropriated for the fiscal year ending December 31, 2023 to the Debt Service Fund the sum of \$2,802,820.

BE IT FURTHER RESOLVED, that the proposed budget for the Debt Service Fund, a copy of which is on file in the office of the Finance Director and open to inspection during regular business hours, is hereby approved.

Adopted: December 5, 2022

Council Member

Gregory E. Buckley, City Manager

CITY OF TWO RIVERS

**Resolution Adopting Tax Levy for the City of Two Rivers, Wisconsin
Fiscal Year Ending, December 31, 2023**

WHEREAS, The City Council of the City of Two Rivers, Wisconsin, has, pursuant to law, determined the amount of tax which is levied against all the real and personal property included in the 2022 tax rolls (2023 Budget) for general city operations; and

WHEREAS, various governmental bodies for whom the City of Two Rivers either levies or collects taxes upon the taxable real and personal property in the City of Two Rivers for the purposes of such governmental bodies have duly determined the amount to be levied or collected by taxation of such real and personal property in the City of Two Rivers;

NOW, THEREFORE, BE IT FURTHER RESOLVED, by the City Council of the City of Two Rivers that the following amounts and rates of tax are hereby levied upon all of the taxable real and personal property in the City of Two Rivers on the 2022 tax rolls, and the Finance Director is hereby directed to spread the amount thereof upon the tax rolls for collection, as follows, to-wit:

PURPOSE	TAX LEVY (Including TID)	(Two Rivers School District) TAX RATE	(Manitowoc School District) TAX RATE
General City	\$ 2,369,426	\$ 4.675	\$ 4.675
Debt	\$ 2,652,310	\$ 5.233	\$ 5.233
Library	\$ 664,795	\$ 1.312	\$ 1.312
Two Rivers Public Schools	\$ 4,455,866	\$ 9.079	\$ -
Manitowoc Public Schools	\$ 121,281	\$ -	\$ 7.551
Lakeshore Technical College	\$ 447,188	\$ 0.882	\$ 0.882
Manitowoc County	\$ 3,005,941	\$ 5.931	\$ 5.931
TOTAL:	\$ 13,716,807	\$ 27.112	\$ 25.584

Adopted: December 5, 2022

Council Member

Gregory E. Buckley, City Manager

Status Report on 2021-22 City Goals
As adopted by City Council on June 21, 2021
Review Date: December 28, 2021

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 sale set to close in January 2022, for construction of a spec home by a local developer. That developer has shown interest in securing rights to a second parcel, for a second spec house.

- 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 Sleger 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 appearances—“Be My Guest” on WOMT, “Breakfast Club” on WCUB. Department Head presentations to Rotary, Optimists, Kiwanis, TRBA Plus, city departments participation in TRHS job fair and mock interviews for students.

- Continue to implement short informational videos on various City services, produced by Communications Coordinator.

After initial feature on Water Department, ‘on hold’ pending decision on filling Communications position.

2021-22 Strategic Goals & Objectives

III. Drive strategic community development.

- A. Secure the former Hamilton property for redevelopment by 2021 year-end.

On hold, pending results of additional site investigation activities required by WDNR per letter to property owner Thermo Fisher Scientific from that agency, dated July 16, 2021. Thermo Fisher's environmental consultant presented a work plan for those additional activities to WDNR on September 10; that work plan was approved by WDNR on September 23. In an email exchange with WDNR staff on December 10, City Manager was informed that the report presenting results from those additional investigative activities should be filed with that agency by mid-January.

City Manager periodically touches base with City's contact at Thermo Fisher Scientific, to affirm the City's continued interest in the property. Last contact was on December 10, following communication with DNR cited above.

- B. Emphasize continued redevelopment in the City's downtown and downtown waterfront areas

- Secure developer for that portion of the former Eggers East property not being used for storm water management facilities.

See earlier discussion about dialogue with developers about this site (p. 3)

- Construct "Phase 2" of South Breakwater Trail project—a trail segment south along the shoreline, behind DPW and back out to Mariners Trail just north of the Lighthouse Inn property. Pursue possible funding assistance from Friends of Mariners Trail.

Phase 2 trail was graveled by City DPW crews in the Summer of 2022; staff will pursue funding for paving in 2022.

- 2021 Budget provides funding for downtown façade and sign grants, \$22,000 to supplement to Main Street funds. Work with Main Street to publicize these programs and show tangible improvements downtown.

City has provided matching 50 percent of the funding for Main Street grants to Schroeders (\$7,000 façade grant, \$1,000 sign grant); Linda Loves Cheesecake (\$700 sign grant), Weichert Real Estate (\$10,000 façade grant) and Cool City Brewing Company (\$2,500 start-up grant). Total City share for 2021 grants: \$10,100. Funds are again budgeted for this purpose in 2022, and there are several active prospects for such grants.

- 2021 Budget provides funding for planning and preliminary design for proposed downtown splash pad and ice skating rink.

Citizen committee was appointed in January and worked through June with park planning consultant to develop conceptual plans and cost estimates. Preferred site is Central Park West; project would involve a complete redesign and reconstruction of the park as a focal point for downtown activities year-round.

Base on the conceptual design and cost estimates as approved by the Committee and given preliminary endorsement by City Council, the City applied for a grant from the West Foundation and was awarded a \$300,000 grant in September 2021.

Outstanding design issues were ironed out with City Council in November. Council has endorsed the final conceptual design and included \$250,000 in borrowing for project in 2022 City Budget; another \$250,000 in borrowing for this project is expected in 2023.

Plan is now to aggressively pursue fund-raising for the balance of the project cost (approximately \$800,000), with a goal of putting the project out for bids early Summer 2022, for construction starting Fall 2022 and wrapping up Spring 2023. Target project dedication for Summer 2023.

Fund-raising committee recommended by City Manager and approved by City Council first convened in early December and is in process of contacting a limited number of prospective local business donors in advance of rolling out a broader community appeal in January 2022.

Project is being promoted as providing the following benefits:

- **Creating a new quality of life amenity for local residents**
 - **Reinforcing downtown as Two Rivers' central gathering place and enhancing its sense of place.**
 - **Providing an attraction to help build to year-round tourism.**
 - **Strengthening downtown revitalization efforts, by bringing people downtown for activities 365 days per year.**
- City Council rep and City Manager actively participate as members of the Main Street Board: 2021 projects initiatives include expanded façade/sign grant program in cooperation with City; grant program for start-up businesses; new hanging planters downtown and informational kiosks at Neshotah Beach and Memorial Drive Wayside. Push to make these things happen.

Main Street has pursued each of these initiatives in 2022: Several grants were awarded for worthwhile projects; new planters were installed (but need to be more impactful, with better flowers); kiosks arrived late in the year, but will be in use for the 2022 tourist season. In addition, Main Street brought the community a new special event that was very well-received and will continue in future: the Bryan Lee Memorial Blues Festival. Main Street has also continued to organize other downtown special events, including the Cool City Car Cruise and Show, Ethnic Festival, Brew Dash, Wine Walks, Downtown Trick or Treat and the Hometown Christmas Parade.

That said, City reps and other Board members need to continue to push for more impactful Main Street initiatives in the area of economic revitalization—helping full vacant downtown storefronts. Current dialogue on the Main Street Board about the organization’s strategic plan should result in more focused efforts. A proposed move of Main Street’s offices from City Hall to a downtown storefront may help with the program’s visibility and perceived accessibility to local downtown businesses.

- Add for 2021: Place high priority on development of new, market-rate housing (rental or condo) on the downtown waterfront to aid in revitalizing downtown.

See previous comments regarding Eggers East property now owned by City; developers have also shown strong interest in the former Hamilton property, should it become available for redevelopment.

C. Develop and implement programs to encourage reinvestment in existing housing stock. Implement “Restore Two Rivers” housing program, drawing on TIF Affordable Housing Resources as well as funding from regional CDBG housing grant program and other sources.

D. Emphasize redevelopment investment along Memorial Drive

- Develop master plan for upgrades to Spirit of the Rivers Wayside and adjacent lands acquired by City in January 2020

No activity to date.

- Complete Phase 2 of Mariners Trail rehabilitation project

Completed May-June 2021

- Pursue funding for rehabilitating the balance of that portion of Mariners Trail located in Two Rivers and for replacing split rail fence along trail.

Grant application submitted May 2021; not funded. Will apply again May 2022.

- Pursue development of a safe crossing location to Mariners Trail at 12th, Madison or Columbus Street; needs to be pursued in 2021.

Potential funding for 12th Street location addressed in 2021 amendment of TID 12 Project Plan; implementation at 12th and/or Madison needs to be pursued in 2022.

- Complete improvements between Washington Street bridge and Jefferson Street (East Gateway Corridor), which included an improved, off-street trail; this \$100,000 improvement needs to be completed in 2021. Include plans for permanent display of Coast Guard motor lifeboat.

Construction started in Fall 2021; needs to be completed in 2022. Pursuing funding for structure to display the historic lifeboat.

- Aggressively pursue acquisition of CN Railroad right-of-way to aid in redevelopment in this corridor.

CN in August 2021 agreed to convey the ROW for a price of \$100,000 plus reimbursement of the RR's costs for filing for abandonment (est. at \$20,000 to \$25,000); need to address funding and enter into agreement with CN in 2022.

E. Invest in critical infrastructure, leveraging available funding from non-City sources to maximize investment.

- Complete street/utility reconstruction projects budgeted for 2021, total approximately **\$4,250,000**. Of that amount:
 - \$**251,325** of public sewer infrastructure will be funded through Clean Water Fund Program principal forgiveness
 - \$**348,800** of public water infrastructure will be funded through Safe Drinking Water Fund principal forgiveness
 - \$**250,000** of private water lateral costs will be funded through Safe Drinking Water Fund principal forgiveness

Anticipate TID No. 8 funding for **\$1,200,000** out of total borrowing of \$1,650,000 for public water and sewer infrastructure.

These funding sources account for \$2,050,152, or about 48 percent of project costs.

City committed to fund debt service on Sanitary Sewer borrowing from TID 8 (total of \$995,296), leaving some TID 8 funding available for other activities—in adopting 2022 Budget, Council committed TID 8 funding to paying off G.O. Bonds Associated with the street reconstruction component of these Projects, and to reconstruction of the Washington Park tennis Courts.

These projects were completed, on time and within budget.

- Continue to aggressively pursue funding for lead water service lateral replacement throughout the city.

Staff continues to stay on top of State and Federal grant funding opportunities, especially with passage of the Federal Infrastructure Bill. In 2017-2021, the City secured \$960,290 in Principal Forgiveness (grant) funding through WI's Clean Water Fund to help with replacement of private side LSL's. Another \$202,500 is being pursued for private LSL replacements in 2022: 31 on the 17th Street project and 50 at scattered locations.

- Implement CDBG grant-funded project for drive-up window at Senior Center \$88,000 in grant funding to cover 100 percent of project costs.

Request for proposals for design work issued, with no responses; City then obtained waiver to contract with Manitowoc firm for design work. Project specs being prepared for bidding in January 2022, with goal of presenting for City Council action on February 21, 2022.

- Develop plans for effective use of American Rescue Plan Act funds; work with County to pursue possible use of ARPA funds for city infrastructure.

Based on Manitowoc County's generous offer to match City outlays of ARPA funds on a dollar for dollar basis, it appears most prudent to expend the City's entire \$1,155,646 in ARPA funds on lead lateral replacement. City has about 2,000 LSL's; at an estimated cost of \$7,000 per lateral, \$2.3 million in City/County ARPA funds will replace about 330 LSL's, or 16.5 percent of total LSL's.

- F. Complete update of 2010 Comprehensive Plan and related City plans by year-end; emphasize community development and redevelopment needs and priorities in new Comp Plan.

Chapters of the Plan have been reviewed at several Plan Commission meetings, but more work is needed. Funding contract with WI Coastal Management has been extended into 2022, and Plan Commission and staff will devote more time to the new Comp Plan in first quarter of 2022; pursue adoption by June 30, 2022.

- G. Develop a renewed economic development strategy, to include resources formerly devoted to the City's participation in Progress Lakeshore.
- H. Pursue a new Tourism Services Agreement with the City of Manitowoc and the Manitowoc Area Visitor and Convention Bureau, by September 1, 2021 (current five-year agreement expires December 31, 2021). Provide for improved strategic planning and performance measures for area tourism development efforts. Be ready to implement a strategy specific to Two Rivers if a new Tourism Services Agreement cannot be negotiated.

City staff and Room Tax Commission members worked hard on a new agreement through September 2021, when the Manitowoc Room Tax Commission announced that it would no longer consider any agreement involving the MAVCB. Focus has since shifted to a “Plan B” for Two Rivers. A proposal for interim director services and assistance in setting up a local, Two Rivers-based tourism not-for-profit is currently under consideration by the Room Tax Commission. City needs to continue dialogue with the MAVCB about its plans for use of its remaining financial assets, and with City of Manitowoc about any future cooperative ventures.

Worth noting: 2020 and 2021 have been banner years for tourism in Two Rivers, based on room tax revenues. Such revenues generally ranged from \$115,00 to \$119,000 in recent years, but totaled \$143,287 in 2020 (20 percent increase over prior year) and are projected to be close to \$250,000 in 2021 (67% increase over prior year).

I. In pursuit of all the above goals, make strategic use of development incentives

- Make strategic use of TIF for housing initiative cited above and for 2021 infrastructure work cited above. Will be reviewing opportunities for additional activities to be funded by TID 7 (Old Hospital), such as neighborhood infrastructure and Neshotah Park improvements. This TIF should have the ability to fund up to \$1 million in additional neighborhood investment. (Ongoing)

2022 Budget as adopted anticipates tapping TID 7 for \$600,000 for 17th Street reconstruction; this will require a TID 7 Plan amendment be adopted in first quarter of 2022.

- Stay on top of State and Federal funding programs that may assist with local development, including Community Development Block Grant funding and various funding programs offered through the WEDC (Idle Sites, Community Development Investment Grants, etc.), any special COVID relief funding.

City is in the middle of the application process for WEDC CDI Grant for \$250,000 for Cool City Brewing Company, as previously addressed, and will soon be applying for WEDC Idle Sites Grant for Paragon/Art Dumke proposal. Application has also been made in recent months for Tourism Capital Grant funding and Neighborhood Investment Grant funding. Currently pursuing a neighborhood income survey required to apply for CDBG Public Facilities funding (up to \$1 million) for Roosevelt Ave. reconstruction, planned for 2023.

2021-22 Strategic Goals & Objectives

IV. Continue to grow a vibrant, sustainable, safe & connected community while respecting our traditions & history to attract new residents, visitors & new businesses.

- A. Address the need for additional tools (ordinances, policies, grant and loan programs) and enforcement resources (possible additional personnel) to address deteriorated and blighted properties.

2022 Budget provides sufficient funds to increase Community Service Officer from 0.5 FTE to 1 FTE.

City ordinances were recently amended to better address nuisance properties.

Plan Commission has begun discussion of an ordinance related to the licensing of vacation rentals, and in first quarter of 2022 also discuss an ordinance requiring the registration of all rental properties. Recommendations to City Council will be forthcoming from these discussions.

- B. Develop design standards and incentives for investment in historic properties This goal has been a subject of discussion at several meetings of the TR Main Street Design Committee, including consultation with representatives of the State Historical Society. A current topic with that committee.

After considerable discussion, this matter has been tabled by the Main Street Design Committee, for now.

- C. Develop design standards and incentives for new development and redevelopment in the downtown and downtown waterfront areas.

No specific policy recommendations to date.

- D. Develop and adopt a local historic preservation ordinance including creation of a City Historical Commission. (Ongoing)

In process. in tandem with B and C above.

No action to date.

- E. Update and continue implementation of 2013 Bike/Ped Facilities Plan

- F. Update 2014 Park and Open Space Plan.

Draft update has been reviewed by Advisory Rec Board; needs further review by City staff and Plan Commission in tandem with Comprehensive Plan chapter on park and open space; finalize for action by City Council by March 31, 2021. Need update for DNR grant program applications due in May 2022.

- G. Foster development of the local arts community as an integral component of community quality of life and economic development

No actions to report.

- H. New for 2021: New music festival, expanded street banner art, downtown mural(s)—initiatives under the umbrella of the Two Rivers Main Street Program, with the cooperation of the City.

Blues festival was very well received in community; will continue in 2021. Banner art program, if continued, needs better publicity. Downtown murals still under discussion at Main Street.

2021-22 Strategic Goals & Objectives

V. Encourage employees' personal and professional development, invest in employees to deliver the highest quality services for our community today and tomorrow while being a preferred city for career opportunities.

- A. Recruit and retain employees whose professional and educational backgrounds and interests are consistent with the City's goals

2022 has seen successful implementation of the Electric Utility succession plan, with an internal promotion to Utility Director and the related reduction in the utility's workforce by one FTE for cost savings.

New departments heads: Parks and Rec Director hired in mid-2020 and City Clerk hired in late 2020, have proven to be strong additions to the City's management team, and are pursuing initiatives and innovations consistent with the City's goals.

Need to finalize job description and hours for Communications position; then recruit to have on board by early second quarter 2022.

- B. Retain good employees by encouraging ongoing professional development, supported by City budgeted resources and through active pursuit of grant funding.

Ongoing; departmental training goals to be identified in department head goals for 2022.

- C. Ongoing emphasis on staff development. New for 2021: Highlight professional development activities through periodic reports at City Council meetings.

To be implemented in 2022.

- D. Recruit and retain good employees by maintaining competitive, market-based pay scales.

As part of 2022 Budget, Council supported an extra-ordinary wage scale adjustment to maintain competitive wages and help retain a skilled, experienced line crew.

- E. New for 2021: Lay groundwork to implement performance appraisal process and merit pay adjustments at department head level in 2022.

Standardized evaluation form ready for implementation in 2022; for department heads, will be used in tandem with City Manager assessment of their performance in support of departmental goals (related back to City goals).

- F. Develop and maintain succession plans for positions of City Manager, department heads and other key positions.

- More work is needed in the area of employee succession, for other key management positions. Emphasis in 2021: Succession planning for City Manager position.

City Manager succession plan not yet addressed. High priority for first half of 2022 is also recruitment of a new department head for Water Utility (retirement in June 2022).

2021-22 Strategic Goals & Objectives

VI. Enhance and promote the City's identity and brand story throughout the region.

- A. Tell Two Rivers' story through effective implementation of branding strategy, using the most effective communication channels, digital and traditional
- Branding Committee and City Staff developed and implemented a cost-effective implementation plan for initial introduction of the City's brand identity; that plan is being updated to identify 2021 activities to further promote the City's brand.
 - Introduced the community to the brand story at "Celebrate Two Rivers" event in August—event was well-attended and generated positive feedback. Second annual Celebrate Two Rivers being planned for 2021

Second annual Celebrate Two Rivers successfully implemented.

- Expand logowear offerings to offer Summer and beach wear, through continued partnership with local retail outlets; net profits benefits Parks and Rec programming

Program has continued to grow, to the benefit of local retailers and the City's brand recognition.

- B. Target message to drive economic development, new residential growth, and tourism.

Will again be tasked to Communications position, when re-filled.

- C. Continue to expand "Made in Two Rivers" initiative; create "Made in Two Rivers" link on EXPLORETWORIVERS.COM website.

No new activity to report; still needs to be addressed; tie to filling Communications position.

- D. Leverage community and regional resources to help promote Two Rivers' brand story, including:

- TRBA
- Two Rivers Main Street
- Two Rivers Historical Society
- Hamilton Wood Type and Printing Museum
- Woodland Dunes Nature Center
- Local Arts Community
- Area Realtors—

- Local Employers—meetings about “Made in Two Rivers” by Brand Ambassadors
- Progress Lakeshore
- Manitowoc Area Visitor and Convention Bureau
- Chamber of Manitowoc County

Largely remains to be addressed.

- E. Convene a Brand Summit with local businesses and organizations, to better leverage community resources in promoting Two Rivers’ brand.

Remains to be addressed.