CITY COUNCIL
WORK SESSION

Monday, October 27, 2025 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 BY CITY CLERK
Councilmembers: Mark Bittner, Doug Brandt, Shannon Derby, Bill LeClair, Darla LeClair, Tim Petri, Bonnie Shimulunas, Scott Stechmesser, Adam Wachowski

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

5. DISCUSSION ITEMS

A. Discussion of Community Investment / Infrastructure and Equipment Demands

Summary: A review of future capital and equipment needs for operating departments and annual capital funding.

B. Discussion of a Resolution Reaffirming the City's Commitment to Financial Sustainability and Responsible Debt Management with a Self Imposed Debt Cap

Summary: An introduction of the City commitment to voluntarily impose upon itself a higher standard of fiscal discipline and conservative borrowing than that required by the State of Wisconsin statutory debt limits.

C. Discussion of an Ordinance to Create Chapters 2-7-16 of the Municipal Code Establishing a Policy for Responsible Capital Borrowing

Summary: An introduction of a financial policy that would link the City's annual plan for capital borrowing directly to the equalized assessed property values.

D. Tour and Discussion of Aging City Hall Parking Deck Issues

Summary: Staff will lead a tour of the City Hall underground parking deck to highlight infrastructure issues that will need to be addressed in the next two or three years.

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

CITY OF TWO RIVERS
A RESOLUTION AFFIRMING THE CITY'S COMMITMENT TO FINANCIAL SUSTAINABILITY AND RESPONSIBLE DEBT MANAGEMENT

WHEREAS, the City of Two Rivers recognizes that sound financial management and prudent use of public debt are essential to maintaining the community's long-term fiscal health, infrastructure, and quality of life; and

WHEREAS, the consistent application of carefully developed debt management policies enables City officials to make informed funding decisions, enhance credit quality, and secure favorable interest rates; and

WHEREAS, Article XI, Section 3 of the Wisconsin Constitution and Section 67.03(1) of the Wisconsin Statutes limit municipal general obligation debt to no more than five percent (5%) of equalized value, ensuring that debt remains within reasonable and sustainable levels; and

WHEREAS, the City of Two Rivers voluntarily imposes upon itself a higher standard of fiscal discipline by striving to maintain its total general obligation debt at or below sixty percent (60%) of the statutory limit, equivalent to approximately three percent (3%) of equalized value; and

WHEREAS, the City's Debt Service Policy provides that:

- Long-term borrowing shall be limited to capital projects as defined by Wisconsin Statute § 67.04;
- Bonds and notes shall not exceed the useful life of the asset being financed and shall have a maximum maturity of twenty (20) years;
- At least fifty percent (50%) of all outstanding debt shall mature within ten (10) years;
- The City shall prioritize the use of revenue bonds, special assessment bonds, and other self-supporting financing mechanisms whenever practical; and
- Long-term debt shall not be used to fund ongoing operations; and

WHEREAS, maintaining transparency, accuracy, and full disclosure in all financial reports, bond prospectuses, and communications with credit rating agencies is vital to the City's fiscal integrity; and

WHEREAS, the City Council desires to reaffirm its ongoing commitment to the principles of financial sustainability, responsible borrowing, and long-term stewardship of taxpayer resources.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Two Rivers, Wisconsin, that it hereby reaffirms its commitment to financial sustainability through the continued implementation and enforcement of its adopted Debt Service Policy; and

BE IT FURTHER RESOLVED that the City Council directs staff to ensure that all future borrowing decisions are consistent with this policy, aligned with long-term capital improvement planning, and reflective of the City's ongoing commitment to fiscal responsibility and community investment.

Approved this ____ day of ___________, 2025.

Council Member

Kyle Kordell, City Manager

CITY OF TWO RIVERS

ORDINANCE

An Ordinance to create Chapters 2-7-16 of the Municipal Code of the City of Two Rivers, Wisconsin, establishing a policy for responsible capital borrowing.

The Council of the City of Two Rivers, Wisconsin, ordains as follows:

SECTION 1. Subsection 2-7-16 of the Municipal Code of the City of Two Rivers, Wisconsin, is hereby created as follows:

SEC. 2-7-16. - RESPONSIBLE CAPITAL BORROWING POLICY.

(A) Purpose and Intent. The City Council finds that the responsible and strategic use of capital borrowing is essential to maintaining and improving the City's public infrastructure, facilities, and services. The purpose of this policy is to:

1. **Formally tie the City's annual plan for capital borrowing to the real growth in its borrowing capacity, as measured by the change in equalized assessed property value.**
2. **Ensure that the City reinvests in its future by funding critical capital projects in a planned and sustainable manner.**
3. **Maintain a strong financial position and credit rating by adhering to prudent debt management practices and staying well within all legal and fiscal limits.**

(B) Annual Capital Borrowing Target. During the preparation of the annual budget, the Director of Finance shall calculate a target for new general obligation debt issuance for the forthcoming fiscal year. This target shall be directly indexed to the annual percentage change (increase or decrease) in the City's total equalized assessed value according to the most recent determination and certification by the Wisconsin Department of Revenue. This target shall serve as a primary guide for the City Manager's budget recommendation and City Council's consideration.

(C) Prudent Debt Limitations. All capital borrowing authorized by the City Council shall be subject to the following limitations:

1. **Statutory Limit: The City's total outstanding general obligation debt shall not exceed seventy-five percent (75%) of the constitutional and statutory debt limit (currently 5% of equalized assessed value as established by Wis. Stat. § 67.03).**

2. **Debt Service Ratio: The City shall strive to maintain a ratio of annual debt service expenditures (principal and interest) to total general fund operating expenditures of not more than twenty-five percent (25%).**
3. **Debt Payout: The City shall seek to structure its debt portfolio so that at least fifty percent (50%) of its outstanding principal is scheduled to be retired within ten (10) years.**

(D) Exception for Emergencies. The limitations and targets established in this section may be exceeded by a supermajority vote (at least two-thirds) of the City Council if necessary to respond to a declared public emergency or to seize a unique and time-sensitive opportunity for significant community benefit, provided that a clear financial plan for managing the increased debt is approved simultaneously.

(E) Annual Reporting. As part of the annual budget document, the Director of Finance shall provide a comprehensive debt analysis that:

1. **States the proposed capital borrowing target and its relation to the change in equalized assessed value.**
2. **Demonstrates compliance with all debt limitations set forth in this policy.**
3. **Presents key debt ratios and compares them to policy targets and municipal benchmarks.**
4. **Forecasts the long-term impact of the proposed borrowing on the City's debt portfolio and future tax levy.**

SECTION 2: Severability. If any provision of this ordinance is invalid or unconstitutional, or if the application of this ordinance to any person or circumstances is invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the other provisions or applications of this ordinance which can be given effect without the invalid or unconstitutional provision or application.

SECTION 3: Effective Date. This ordinance shall take effect upon passage and publication as provided by law.

Adopted by the Council of the City of Two Rivers, Manitowoc County, Wisconsin this _____ day of ___________, 2025.

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Scott Stechmesser
President, City Council

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Kyle Kordell
City Manager

Attest:

____
Amanda Baryenbruch, City Clerk

Approved as to form and legality:

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Sean P. Griffin
City Attorney