

April Election Voters: Here is a Case Study in How Your Mayor and Aldermen are Serving You

Lotus Recovery Homes, Inc. (Lotus) currently has three sites operating under Conditional Use Permits (CUPs) issued by the City of Manitowoc Common Council:

- 419 Park Street (Park Street)
- 1111 Marshall Street (Marshall Street)
- 404-406-408 N. Lake Street (Lake Street)

None of these sites have been licensed as Community-based residential facilities. They are not licensed, monitored or audited by the State of Wisconsin. There are no requirements for background checks or training of staff.

Manitowoc city government is the only overseer of what happens at these sites. The City Code of Ordinances has no regulations or rules for operating “recovery residences.” There are no record keeping requirements. Except for an annual review process, there are no requirements that the operator make any report to the City of matters such as police visits, resident injuries, resident failure to pass urine screenings, resident vacating without notice, illegal drugs found on the property or misappropriation of personal property. The City regulates these operations only on an *ad hoc* basis as zoning issues, through the Conditional Use Permit process.

The Park Street CUP

In 2015, the CUP for Park Street was issued to Lotus’ predecessor, The Crossing of Manitowoc County, Inc. (The Crossing). At the time of its CUP application, The Crossing provided an **Operation Plan** and other detailed information about how the facility would be staffed so it could achieve

- 1) the success of those it was serving, and

2) the security of the neighborhood.

In correspondence to the City of Manitowoc Plan Commission, The Crossing told the Plan Commission:

“Our home will have a live in parent/advocate to provide safety, structure, and stability as she facilitates daily life and operations. She will support the resident family’s goals while helping them to establish routine and structure for a successful life.

Our home of restoration will reflect the same beauty, respect, and integrity toward our client/guests as well as for our community as our other programs and locations have.”

In its **Operation Plan** for Park Street, The Crossing provided the following details of its staffing and security to the Plan Commission:

I. Staffing

The Crossing’s Restoration home will have a **live in staff persons** (referred to as a Resident Advocate) to provide safety, structure, and stability as she facilitates daily life and operations. . . . **The role of Resident Advocate will be filled by two individuals. They will work either a 4 day or 3 day shift to cover the home 24 hours.** In the event that one of the two Resident Advocates are absent another qualified and trained staff person will be available for coverage. . . .

Staffing needs will be addressed every 6 months in order to ensure a safe and adequate environment for everyone.

IV. Safety and Security Plan

The Crossing’s Restoration Home (RH) **will have a staff person on site at all times while residents are in the home.** For this reason there will be no keys provided to residents.

With the foregoing assurances -- and definition of "Resident Advocate" (an employee who resides in the building) -- the Plan Commission recommended, and the Common Council approved, a CUP with the following requirement for staffing **as the very first requirement of the CUP:**

- A. . . . **A resident advocate shall be present in the Residence at all times when residents are present.**

In 2023, Lotus succeeded The Crossing as the operator of Park Street. The CUP issued to Lotus was identical to that issued to the Crossing regarding staffing requirements. In pertinent part, Lotus's 2023 CUP provided:

- A. . . . A resident advocate shall be present in the Residence at all times when residents are present.

Lotus accepted the CUP in 2023 without objection to its requirements and began operations at Park Street.

Then Lotus immediately and purposely failed to honor the staffing requirement.

The CUP's requirement of continual staff oversight is clear enough on its face. And Lotus, as the successor and supposed partner of The Crossing, would have been familiar with the staffing obligations. As Manitowoc's City Planner has reported to the Plan Commission and Common Council:

The Crossing . . . turned this service over to Lotus Recovery Homes, Inc in 2023 because **Lotus was better equipped to serve the residents** on their path of getting back to independent living. **The Crossing is still a partner with Lotus.**

Yet here's what Lotus has told the Plan Commission and Common Council of its compliance or lack thereof.

“At all times, one of the residents has served as the Resident Advocate.”

This is not a slip-up. This is not something that happened to Lotus. This is not something out of Lotus' control. It shows what Lotus thinks about the Council's conditions. Lotus made a considered decision that it would violate the very first requirement of its CUP. And it made that violation every moment of every day. What did the City Planner, the Plan Commission and the Common Council do or say about this purposeful violation when the Park Street CUP came up for renewal?

ABSOLUTELY NOTHING

Alderman Brey is the Common Council's representative on the Plan Commission. He sat on his hands and kept his mouth shut, allowing the renewal to sail through without any questions. The matter was before the Plan Commission for 75 seconds, which included the City Planner's presentation. There was no discussion by the Plan Commission. It took less than 14 seconds for the motion to approve to be made, seconded, discussion declined and voted upon. The matter was placed on the Common Council's Consent Agenda.

So, on December 16, 2024 the Common Council renewed Lotus' Park Street CUP on the same terms. **The Council did this without deliberation or hearing, and without a separate vote on the issue.** No alderman took the matter off the "Consent Agenda." There was not a mention of the Park Street CUP at the council meeting, much less any discussion of it.

The Lake Street CUP

Now the Lake Street CUP will be before the Common Council at its meeting on February 17th.

The Lake Street CUP has the very same staffing requirement, which was accepted without objection by Lotus when it sought its CUP in 2023:

A. . . . **A resident advocate shall be present in the Residence at all times when residents are present.**

Lotus has reported the following to the Plan Commission regarding its purposeful and complete lack of compliance with this staffing requirement:

Each of the three houses had an elected resident advocate. When one left, another was elected.

The Plan Commission did not notice or care about this complete failure; there was NO discussion of it at the Plan Commission's January 22, 2025 meeting. There was NO scrutiny. **Once again, Alderman Brey sat on his hands and kept his mouth shut.** Mr. Brey's conduct is in stark contrast to the assurance he gave the dozens of citizens who attended the November 20, 2023 Common Council meeting to oppose Lotus's Lake Street CUP (the same meeting where Alderman Schley said "This is the largest crowd I have ever seen at a council meeting in the 4 years I've been on council").

Alderman Brey told the citizens:

"One of the key points I will bring up is that there was nine conditions put on the Conditional Use Permit by the Plan Commission and subject to approval of the Common Council. If Lotus, or for that matter any conditional use permit holder does not support or does not follow through

with those conditions the Plan Commission and ultimately the Common Council can revoke that CUP. So trust me, I'm sure that Lotus knows they're going to be under a lot of scrutiny and eyeball watching by not just the Common Council but the residents of this community as well."

Judging from Alderman Brey's actions on the Plan Commission and Council regarding the CUP renewals for Park Street and Lake Street, it is hard to imagine a bigger lie -- at least if Mr. Brey meant *he* would be one of the people putting Lotus under "a lot of scrutiny and eyeball watching."

It gets worse. At the January 22nd Plan Commission meeting, which Mr. Brey chaired, the Plan Commission decided that Lotus should be relieved of the requirement to provide information to the City once a year about its services, financial viability and resident population.

The Plan Commission recommended dropping the following requirement from the Lake Street CUP:

Lotus . . . shall detail the activities at the Residence from the prior calendar year. This report shall include, **but not be limited to:** (i) a summary of the financing in place to operate the Residence including a summary of foundation grants, donations, lender financing and State and/or Federal grants in hand, and volunteer hours worked ; (ii) residence summary identifying the number of residents in the Residence; (iii) **a description of the services being provided at the Residence** and the number of residents accessing various services; (iv) the number of residents that were at the Residence, but left without notice; (v) a summary of agreements with third party providers for support services for residents at the Residence; and (vi) **any other information that may be requested by the Community Development Department to address identification of common characteristics or experiences of residents at the Residence.**

The Plan Commission eliminated this requirement to provide basic information without any request by Lotus; they called it a “friendly amendment.” This was initiated by Daniel Hornung whose rationale was:

“ . . . I don’t know it it’s ever benefitted the City . . . ”.

It is startling that the Plan Commission, which has the duty of oversight of all CUPs -- which are the only mechanism the City has chosen to use to regulate “recovery residences” -- would unilaterally decide to deprive the City of information. But it is particularly startling for Lake Street because:

- 1) Lake Street is much more heavily occupied than Park Street, for which the requirement was not dropped. Lotus has reported to the Plan Commission that, during 2024, Park Street was occupied by a total of 6 women, and Lake Street was occupied by a total of 39 women.

- 2) Lake Street presents a much greater public safety issue than Park Street. Lake Street gathers residents -- 14 at a time during 2024 -- who are predominantly convicted criminals who have not concluded treatment for drug abuse and who are
 - a) on probation or parole (“extended supervision”) and reporting to the Wisconsin Department of Corrections, some of them still subject to electronic monitoring by ankle bracelet, or

 - b) participating in Manitowoc County’s Drug Court Program where sentencing for their crime(s) has been deferred contingent on their successful “graduation” from Drug Court.

But the effects of the Plan Commission’s action on Lake Street are to

- 1) pretend that the staffing requirements don’t really exist, and
- 2) purposely deprive the City of any information about the operation.

At the November 20, 2023 Common Council meeting where the Lake Street CUP was opposed, Alderman Brey and several other aldermen gave assurances about how the Lake Street CUP would be treated when it came to the council for renewal.

Alderman Brey gave these additional assurances:

“I just want to go back to something mentioned by Alderman Boldt and that is that there will be an annual review of this conditional use permit. I want to go to number nine which I think should be read because I didn’t mention it but it needs to be re-emphasized once again. ‘At any date and time, non-compliance with this CUP may result in . . . issuance of citations or financial penalties or *immediate* revocation of the CUP.’ I just wanted to reiterate that once again.”

Alderman Czekala gave these assurances:

“They have to be model citizens because it is a *conditional* use permit. There are conditions. And, you violate those conditions, you lose your permit.”

Alderman Sitkiewitz gave these assurances:

“They become model citizens. Because they have to be. Because they have conditions placed upon them. And if they fail to meet those conditions they fail to exist.”

Alderman Boldt gave these assurances:

“[The Lake Street CUP] will be reviewed every year.”

So, how is the Council doing so far on keeping its promise to scrutinize and enforce the Lake Street CUP conditions?

The Plan Commission and City Planner decided the matter would be placed on the “Consent Agenda” for the February 17th Common Council meeting. No discussion or deliberation is planned. Unless an alderman requests a removal from the Consent Agenda, the CUP renewal will be voted upon by council members without discussion and only as a part of a batch of dozens of unrelated matters.

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