

MINUTES
City Council – Regular Meeting
JULY 21, 2020 – 6:00 p.m.

PRESENT: Mayor Wyman Williams
Mayor Pro Tempore Gene Lockhart
Council Members: Anthony Henry, Beckey Thompson & Stephanie Muller
Interim City Manager Ned Muse
City Attorney Charles Anderson
City Secretary Molly Jacobsen

ABSENT:

1. **Call to order:**
Mayor Wyman Williams called the meeting to order at 6:00 p.m.
2. **Invocation:**
Mayor Wyman Williams asked the audience for a moment of silence.
3. **Pledge of Allegiance:**
Council Member Anthony Henry led the Pledge of Allegiance.
4. **Consent Agenda:**
 - a. **Acceptance of Minutes:**
 - **Board of Adjustment Meeting Minutes- May 26, 2020**
 - **Parks & Recreation Advisory Board Meeting Minutes- June 10, 2020**
 - **City Council Regular Meeting Minutes- June 16, 2020**
 - **Commerce Economic Development Corporation Meeting Minutes- June 17, 2020**
 - **Building Standards Commission Meeting Minutes- June 18, 2020**
 - **Airport Advisory Board Meeting Minutes- July 1, 2020**

Council Member Stephanie Muller requested that the Airport Advisory Board Meeting minutes be removed from the Consent Agenda.

Council Member Anthony Henry made a motion to approve the consent agenda, excluding the airport advisory board meeting minutes. The motion was seconded by Council Member Stephanie Muller and the vote carried unanimously.

Council Member Muller inquired with Interim City Manager Ned Muse as to whether the Ordinance discussed in that meeting was an amendment to the budget to set aside \$75,000 for the fuel tank system. Interim City Manager Muse said it was an authorization of the funds, not an appropriation of the funds. He stated the money was still there, but he was unaware that budget amendment had taken place prior to him getting here, but he has since confirmed the passage of that Ordinance. She stated she was fine with the minutes now that she understood that money was still there and reserved for use at the fuel farm. Council Member Stephanie Muller made the motion to authorize the Airport Advisory Board Meeting Minutes and the motion was seconded by Council Member Beckey Thompson. The vote carried unanimously.

5. **Presentation to City Council Members by members of the Public. (To be conducted as close to 6:05 p.m. as possible with a three-minute limit per person. Public Comments will cease at 6:20 p.m. This period is reserved for citizens to discuss items not on the listed agenda. The response to Public Comments will be limited to 1) A statement of fact or policy; 2) Direction to take up the issue with a city staff member; 3) An offer to place the item on a future Council Agenda.**

1
2 Paige Maxwell and Devin Giles, Master students in the Social Work program at Texas A&M
3 Commerce addressed the Council. They stated this presentation was for an assignment and that
4 the Council need not act on their project unless they felt compelled to endorse the idea. The issue
5 they wanted to focus on was food availability and security in Commerce. The students stated that
6 Lamar County used to have a volunteer program where people would pick up intoxicated
7 individuals and give them a ride home. These students wanted to start a program in Commerce
8 where they focus on the food needs of the Community during the COVID-19 pandemic. They feel
9 that many people in the community may need access to food pantries, but don't have the means to
10 get themselves to the pantries. Their idea was to have volunteers who would pick up the food and
11 take it to these people. Paige stated that when the University re-opened, they could utilize an
12 online signup sheet to allow people to go online and sign up for times weekly where they would
13 go pick up groceries from the store and deliver them, or go pick people up and take them to and
14 from the food pantry. Mayor Williams encouraged the students to pursue this idea as there is a
15 need in Commerce for a service such as this one.

16
17 **6. Update from Atmos Representative Beth Dattomo regarding Atmos Energy work in or near**
18 **the City of Commerce.**

19
20 Beth Dattomo briefed the Council on work coming to the City of Commerce. Atmos would be
21 cleaning their own infrastructure lines which will begin on August 10th. Atmos sends out press
22 releases as well for informing the public. The "flaring practice" burns gas off their lines and
23 involves a continuous flame which will go for 4 days beginning on August 10th through August
24 14th and begin at 7:00 a.m. each day and go until 7:00 p.m. She cautioned that it is loud and
25 obviously warm. Atmos will be doing this work within their right of way on Live Oak by the Ben
26 E. Keith facility. Atmos will notify Ben E. Keith and go door to door to local businesses and
27 apartments nearby and notify residents of the process in advance.

28
29 **7. Discussion and Possible Action Awarding Hotel Occupancy Tax (HOT) Allocation Grant**
30 **Money.**

31
32 Council Members Stephanie Muller and Beckey Thompson recused themselves from voting on
33 this item as they serve on boards which are requesting money. Mayor Williams recused himself as
34 well since he serves as an ex officio member of one of the boards seeking money. The City
35 attorney stated that since these boards were not businesses, he didn't think the recusal was as
36 necessary but understood them feeling the need to not vote as it may be perceived as a conflict of
37 interest.

38
39 Interim City Manager Muse reminded the Council that the Northeast Texas Children's Museum
40 has requested \$7,500, Texas A&M Commerce athletic department has requested \$7,500, and the
41 Chamber of Commerce requested \$1,000.

42
43 Council Member Anthony Henry made the motion to award \$1,000 to the Chamber of Commerce,
44 \$7,500 to the Northeast Texas Children's Museum and \$7,500 to Texas A&M University
45 Commerce Athletics as requested by all parties in their respective proposals. The motion was
46 seconded by Mayor Pro Tem Gene Lockhart and the motion carried.

47
48 **8. Discussion and Possible Action on a Resolution Directing the City's Financial Director to**
49 **Calculate the Voter-Approval Tax Rate due to the Declaration of Disaster declared by the**
50 **Governor of Texas and the President of the United States.**

51
52 Finance Director Jamie Campbell told the Council that this would allow her to calculate the Voter-
53 Approval Tax Rate of 8%, which would give us an extra 8% on the M&O side. Director
54 Campbell stated that this would not obligate the Council to that tax rate but rather just gives her
55 permission to calculate it and plug it into the budget for consideration by the Council at a later
56 date.

1
2 Mayor Pro Tem Gene Lockhart made a motion to approve this Resolution and allow the Finance
3 Director to calculate the Voter-Approval Tax Rate. The motion was seconded by Council
4 Member Beckey Thompson and the vote carried unanimously.
5

6 **9. Discussion and Possible Action on the Release of a Request for Qualifications (RFQ) for**
7 **Engineering Services related to the Fuel Farm at the Commerce Municipal Airport, funded**
8 **by CARES Act Funding and the TxDOT RAMP Grant.**
9

10 Interim City Manager Ned Muse discussed that this was recommend to the Council by the Airport
11 Advisory Board at their last meeting. The City's airport is currently out of the business of selling
12 fuel. The cost of replacing the fuel farm will be around \$185,000. Part of those funds will come
13 from the money Council Member Stephanie Muller inquired about at the beginning of the meeting
14 which were set aside at the end of 2019 by Council in a budget amendment. City staff is still
15 working through other means to fund the project. The airport received an allocation from the FAA
16 and TxDOT as part of the COVID-19 recovery efforts for \$20,000. In addition to that, the City
17 has TxDOT RAMP Grant funds available which can be used for improvements at the Airport.
18 The Airport Advisory Board is requesting that the Council grant the Interim City Manager the
19 authorization to request proposals from qualified engineering firms to engineer the fuel farm at the
20 Commerce Municipal Airport to get a better idea of the actual cost. This item will come back to
21 Council at a later date for the selection of a firm.
22

23 Council Member Beckey Thompson made the motion to authorize Interim City Manager Ned
24 Muse to release the RFQ. Council Member Anthony Henry seconded the motion and the vote
25 carried unanimously.
26

27 **10. Discussion and Possible Action on Release of a Request for Qualifications (RFQ) for**
28 **Engineering Services related to Public Utilities Infrastructure Improvements Funded by**
29 **Texas Water Development Board Drinking Water Funds.**
30

31 Interim City Manager Ned Muse stated that in 2019, the Council released an RFQ for the
32 replacement of the raw water pump station motor control center at Lake Tawakoni. He stated that
33 the City received TxCDBG funds, released an RFQ and selected KSA Engineering to engineer the
34 project. Subsequently, the decision was made to utilize Water Development Drinking Water funds
35 to pay the local share of the project. The previous administration presumed that the City could
36 utilize the same RFQ to utilize those funds. The water development board has since informed the
37 City that the previous RFQ did not meet their standards. The City is now asking to release another
38 RFQ that meets the requirements to utilize the Water Development Board funds.
39

40 Council Member Beckey Thompson made the motion to authorizing the release of this RFQ. The
41 motion was seconded by Council Member Anthony Henry and the vote carried unanimously.
42

43 **11. Discussion and Possible Action on the Appointment of a Grant Administrator for the Texas**
44 **Community Development Block Grant (TxCDBG) FAST Grant.**
45

46 Director of Public Safety Chris Bassham discussed that last year, the Department of Agriculture
47 came out with the FAST fund, which is a new grant that helps put fire trucks and ambulances in
48 rural communities. The City applied for this grant last year and did not receive it. A committee
49 met this week and reviewed proposals and is recommending the award of grant administration of
50 this project to Charles Edwards of Resource Management & Consulting Co. This grant will fund
51 \$500,000 toward a new engine, and the City will be responsible for a \$5,000 match, plus anything
52 spent in excess of the \$500,000.
53

54 Director Bassham discussed that Engine 5 is a year 2000 model and is used to run county calls.
55 The truck has hit its 20-year mark and NFPA requires you to begin replacing trucks at 20-years
56 since it becomes an increased liability and causes insurance rates to go up. Director Bassham said

1 they are currently seeing an increase in maintenance costs for the truck, even though it has
2 relatively low mileage and still has some value in potentially serving a smaller department. The
3 intention is to sale the truck and utilize those funds to fund the City's match. Council Member
4 Stephanie Muller inquired as to the cost of paying for a grant administrator. Director Bassham
5 stated that Charles Edwards has a flat rate fee of \$15,000 and that the City only received two
6 responsive bids, and the other administrator charges about \$35,000. He estimates the cost of a
7 new engine would total about \$525,000. Director Bassham believes the sale of Engine 5 would
8 bring in about \$10-\$15,000. Council Member Stephanie Muller inquired as to whether or not this
9 expense has been budgeted for. Finance Director Campbell stated that the cost of a new engine is
10 not in the budget but that the maintenance costs of Engine 5 are budgeted for and that could be
11 used to buy down the final cost of a new engine as we would not expect to pay for maintenance of
12 a new engine. Director Campbell advised Council that she has about \$10,000 in maintenance
13 budgeted for repairs to Engine 5 in FY 2021. Council Member Stephanie Muller asked if the City
14 is committing to allocating \$25-\$30,000 to a new truck if we get the grant. Director Bassham
15 confirmed that this is true. Council Member Stephanie asked Director Jamie how the City would
16 absorb that cost of \$25,000-\$30,000. Director Campbell said that it would come out of the
17 equipment replacement fund, and not the General Fund. She discussed that if the former Engine 5
18 was sold, that revenue would go into the equipment replacement fund to help replenish that fund.
19 She stated that the expense for the truck coming out of the fund for about \$25-\$30,000 could be
20 lowered by the revenue coming in for the sale of the truck at \$15,000. Then she mentioned that
21 she would lower the maintenance cost on the general fund side if the old engine was sold and
22 replaced with a new one. She said another option is to use a tax note for public safety equipment
23 to replace bunker gear and thermal cameras and use any leftover room in the tax note to fund the
24 city's match toward a new engine.

25
26 Council Member Stephanie Muller made the motion to appoint Charles Edwards as the Grant
27 Administrator. The motion was seconded by Mayor Pro Tem Gene Lockhart and the vote carried
28 unanimously.

29
30 **12. Discussion and Possible Action on a Resolution Authorizing Submission of an Application to**
31 **the TxCDBG FAST (Fire, Ambulance, Service Truck) Grant Program.**

32
33 Director of Public Safety Chief Bassham reminded the Council that this was the second half of the
34 last item. This allows staff to submit the application for the FAST Grant.

35
36 Council Member Stephanie Muller made the motion to accept the Resolution as written. The
37 motion was seconded by Council Member Beckey Thompson and the vote carried unanimously.

38
39 **13. Discuss and Consider Adoption of Resolution Amending the Incentive Agreement between**
40 **the City of Commerce and Multiple Investments USA (a Subsidiary of KLZ Stone Group,**
41 **Inc.), as it Pertains to the Employment Threshold.**

42
43 Commerce Economic Development Director Bonnie Hunter stated that in their packets is a letter
44 from Multiple Investments to EDC Director Hunter requesting a temporary reduction in the
45 number of employees that they hire. The current agreement requires that they hire and retain 30
46 employees. Director Hunter specified that this is a temporary request due to sales slowing down
47 related to COVID-19. Interim City Manager Muse advised Mrs. Hunter to have the EDC Board
48 make a recommendation to the Council related to this prior to bringing it to Council. Director
49 Hunter stated that currently, they employ 28 employees. They have requested that the City reduce
50 the number of employees required to meet that employee threshold and the EDC board met and
51 voted unanimously in support of Multiple Investment's request. They would like the employee
52 threshold to be reduced to 15 employees as they are struggling with retaining quality employees at
53 this time. Council Member Stephanie Muller inquired as to why the employment threshold would
54 be lowered to 15 employees when they currently have 28 employees. Director Hunter stated that
55 their sales have dropped enough recently related to COVID-19 that they may not be able to retain
56 those 28 employees with sales down.

Council Member Anthony Henry made the motion to adopt the Resolution amending the incentive agreement. The motion was seconded by Council Member Beckey Thompson and the vote carried unanimously.

14. Discussion and Possible Action on a Resolution Establishing Guidelines and Criteria for Governing Tax Abatement Agreements in the City of Commerce.

Economic Development Director Bonnie Hunter stated that a new company is coming into Commerce and has requested a tax abatement. As such, the Council needs to establish a reinvestment zone. EDC Attorney Jay Garrett has established some guidelines to do the tax abatement. The Resolution will allow for preparation of guidelines to move forward with establishing the tax abatement. EDC Director stated that Exhibit A of the Resolution includes guidelines and criteria governing property tax abatements for the City.

City Attorney Charles Anderson stated that these guidelines are required before entering into a tax abatement agreement and would establish that. He reminded the Council that this would not obligate the Council to enter into an agreement but would instead set the parameters to move forward with creating the agreement. Interim City Manager Muse mentioned that this item was also on executive session for further discussion with the City Attorney and thus the item could be discussed in executive session and acted upon later.

15. First Reading- Discussion and Possible Action on an Ordinance Amending Chapter 18, Article II, Section 18-26(a) of the City's Code of Ordinances to Re-Establish Residency Requirements Related to the Composition of the Airport Advisory Board.

Interim City Manager Ned Muse advised that this was another item covered in the Airport Advisory Board meeting minutes from July 1st. Currently, the Airport Advisory board requires that all 7 board members reside in Hunt County. The City has had issues in the past with having qualified and knowledgeable aviation residents to serve due to the limitations of living within Hunt County. City staff is requesting that the Council amend the Ordinance to allow for 2 members of that board to live outside of Hunt County.

Council Member Beckey Thompson made the motion to approve this Ordinance on the first reading. The motion was seconded by Council Member Anthony Henry and the vote carried unanimously.

16. City Manager's Report; discussion of same.

- **Public input feedback.**
- **Finance Update.**
 - **Funding Challenges for Fiscal Year 2021-** Interim City Manager Ned Muse reminded the Council that for the last probably 10 years, Commerce has moved money around, primarily from the Utility Fund into the General Fund, in order to balance the budget. He stated that while this was not atypical, what is not normal, is that money has not been replaced. He stated that this something that needs to be addressed soon by the Council. Finance Director Campbell said the deficit has increased over the years from about \$400,000 to now about \$700,000. The Finance Director is working with financial advisors to get the City back into balance and to discontinue budgeting that deficit. Director Campbell mentioned that the average water bill would need to be increased by about \$20/month to cover the deficit. Had the City raised water rates by \$2.50/annually for the last 8 years, this situation would likely not still be happening. Prior to 2012, the City was adjusting water rates annually, even just slightly. Returning to that practice will help with this deficit. With infrastructure aging, there is also an increase in maintenance costs that should be accounted for. In addition, water rates will be going up

in future years to purchase water, so these rates will also have to account for that.

- **Sales Tax-** The City collected \$91,000 in sales tax in July, which is higher than last year's collections in July and also exceeded budgeted collections for the month. Sales Tax analysis by trade revealed that retail trade and manufacturing was the largest contributor to sales tax in July of this year.
- **Property Tax-** The City has surpassed FY 2020 budgeted property tax collections by \$57,000 as of the end of June. The City has reached about 98.62% of the overall tax levy, which is normal for Commerce.
- **Calendar of upcoming events and meetings.**
 - The FY 2021 Budget will be presented to the Council on August 4th but will be posted on the City's website by August 1st, consistent with the City Charter.
- **Personnel.**
- **Projects update.**
- **Intergovernmental events and issues.**
 - **Coronavirus (COVID-19) Update**

Council Member Beckey Thompson made the motion to recess into executive session. The motion was seconded by Council Member Stephanie Muller and the vote carried unanimously. The council recessed into executive session at 7:14 p.m.

17. Recess into Executive Session:

• **§551.071 (1) and 551.071 (2): Consultation with Attorney on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act and Consultation with Attorney regarding pending or contemplated litigation.**

- *Carmen Ponder v. the City of Commerce, Texas and Kerry Crews, Case No. CV-01205-C*
- *Orvis Wain Reynolds v. the City of Commerce, Case No. CV- 01577-S*
- Water Supply Contract with North Hunt
- Sale of City owned Property in Proximity to Commerce Municipal Airport
- Contract with Municipal Court Judge Lana Adams
- Contract and Fees with City Sanitation

• **§551.087: Discussion regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; OR the offer of a financial or other incentive to a business prospect described by Subdivision (1).**

- *Approval of Sale of City-Owned Property at 806 Plum Street via Tax Resale*
- *Project Piper II*

18. Reconvene into Open session: In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into Regular Session to consider action, if any, on matters discussed in Executive Session, including without limitation:

The council reconvened into open session at 9:08 p.m.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

Related to Agenda Item Number 14, Council Member Stephanie Muller made a motion to accept the Resolution as presented. The motion was seconded by Council Member Anthony Henry and the vote carried unanimously.

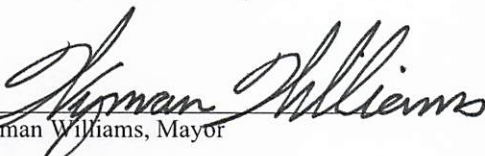
A motion was made to give Interim City Manager Muse the authority to negotiate a salary with Judge Lana Adams and execute any necessary documentation. The motion was seconded by Council Member Stephanie Muller and the vote carried unanimously.

19. Discussion and Possible Action on a Resolution Accepting the high bid for the resale of the property located at 806 Plum Street (Property ID #54646) in Commerce, Texas.

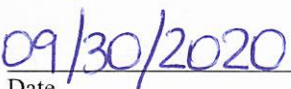
Council Member Anthony Henry made the motion to authorize a Resolution accepting the high bid for the resale of the property at 806 Plum Street. The motion was seconded by Council Member Beckey Thompson and the vote carried unanimously.

20. Adjourn:

Council Member Beckey Thompson made the motion to adjourn. Council Member Stephanie Muller seconded the motion, resulting in a unanimous vote to adjourn. The meeting was adjourned at 9:14 p.m.


Wyman Williams, Mayor


Molly Jacobson, City Secretary


Date

07.21.20.MINS