

MINUTES
REGULAR CITY COUNCIL MEETING
JULY 20, 2021 - 6:00 pm

PRESENT: Mayor Wyman Williams
Mayor Pro Tempore Anthony Henry
Council Members: Stephanie Muller, Teddy Reel, and Beckey Thompson
City Manager Howdy Lisenbee
Finance Director Jamie Campbell
Executive Director of Commerce Economic Development Corporation Bonnie Hunter

ABSENT: City Attorney Charles Anderson
Director of Administrative Services Molly Jacobsen
Director of Public Safety Chris Bassham

1. Call to Order

Mayor Williams called the meeting to order at 6:00 p.m.

2. Invocation

Mayor Williams asked the audience for a moment of silence.

3. Pledge of Allegiance

Council Member Stephanie Muller led the Pledge of Allegiance.

4. Consent Agenda

a. Acceptance of Minutes:

- City Council Special Meeting Minutes- March 2, 2021
- Planning & Zoning Commission Meeting Minutes- April 13, 2021
- Building Standards Commission Meeting Minutes- April 15, 2021
- Beautification Commission Meeting Minutes- April 22, 2021
- Parks & Recreation Advisory Board Meeting Minutes- May 12, 2021
- Building Standards Commission Meeting Minutes- May 20, 2021
- Board of Adjustment Meeting Minutes- May 25, 2021
- Planning & Zoning Commission Meeting Minutes - June 1, 2021
- Commerce Economic Development Corporation Special Meeting Minutes- June 1, 2021
- Parks & Recreation Advisory Board Meeting Minutes- June 9, 2021
- Commerce Economic Development Corporation Special Meeting Minutes- June 11, 2021
- City Council Regular Meeting Minutes- June 15, 2021
- Commerce Economic Development Corporation Meeting Minutes- June 17, 2021
- City Council Special Meeting Minutes- June 17, 2021
- Parks & Recreation Advisory Board Special Meeting Minutes- June 30, 2021

b. Consider and Take Action on:

- Motion Authorizing Appointment of Ann Reel to the Beautification Commission.
- Motion Authorizing Approval of an NCT9-1-1/PSAP Interlocal Agreement for 9-1-1 services with the North Central Texas Council of Governments (NCTCOG).
- Motion Authorizing Agreement with Josh & Heather Weatherbee for mowing of the Commerce Landfill

1 Mayor Pro Tem Anthony Henry moved to approve the consent agenda as presented. Council
2 Member Beckey Thompson seconded, and the motion carried unanimously.
3

- 4 **5. Presentation to City Council by members of the Public. (To be conducted as close to**
5 **6:05 p.m. as possible with a three-minute limit per person. Public Comments will cease at**
6 **6:20 p.m. This period is reserved for citizens to discuss items not on the listed agenda. The**
7 **response to Public Comments will be limited to:1) A statement of fact or policy;**
8 **2) Direction to take up the issue with a city staff member; 3) An offer to place the item on a**
9 **future Council Agenda**
10

11 Patricia Cifuentes presented to the Council. She noted that her and her family moved to
12 Commerce in 2019 and she desires to be more involved in the community. Her presentation was
13 concerning a recent ordinance for establishments in Commerce to sell alcohol during extended or
14 late-night hours.
15

16 She presented data from the National Institute of Health to the council. She noted some strategies
17 for targeting the university campus and surrounding community that could be used to help
18 promote a healthier environment for our students. These strategies are designed to change the
19 campus and community environment where student drinking occurs. Often the major goal is to
20 reduce the availability of alcohol because research shows that reducing alcohol availability cuts
21 consumption and harmful consequences on campuses as well as in the general population. She
22 noted that alcohol can play a large role in criminal activities and violence. Excessive drinking has
23 the ability to lower inhibitions, impair a person's judgement and increase the risk of aggressive
24 behaviors. Because of this, alcohol related violence and crime rates are on the rise throughout the
25 country. She noted that the greatest number of reported drunk driving crashes occurred at night
26 beginning at approximately 9:00 p.m. with fatal drunk driving crashes occurring most often
27 between 2:00 a.m. and 3:00 a.m. She felt this was important to note because Commerce has a
28 university student population of 12,109 coming in the fall.
29

30 She stated that as a community, we have had some situations with the student population with
31 general concerns such as COVID-19, the new variant and things that people are concerned about,
32 such as being parents of young children. She felt that these extended hours of alcohol
33 consumption was concerning on so many levels for their health and well-being. She noted there
34 is also the responsibility that we hold as a community for the students who are coming to our
35 campus. Finally, she noted we have young workers who get off work at night and will be
36 encountering people coming out of bars at these late hours. She feels strongly that this is not the
37 right time to increase the hours of drinking right before school starts at the University.
38

39 Another member of the public to address the council was Tessie Fulton. She stated that she
40 completed her undergraduate and social work here at Texas A&M-Commerce and is currently
41 doing her master's degree in Social Work. She moved to Commerce in 2017 and lived on-campus
42 until November 2020 when she graduated and moved. She added that this presentation is part of a
43 required class project to take a big step in our community and advocate for something she
44 believes could be useful. The topic of her presentation would be affordable housing.
45

46 She stated that as a renter herself for several year, it was difficult to find housing. She is also a
47 student case manager at the university, so one of the things she does is help students find housing
48 whenever their situation may change, or they are not living on-campus anymore. She wanted to
49 share her experiences and offer some possible solutions to be considered.
50

51 When she moved off-campus in November of 2020, she struggled to find affordable housing
52 located in a convenient area that worked with her lifestyle. With almost 37% of the population

1 living in poverty, not including students living on or off-campus, rent continues to increase while
2 wages do not. This makes it very hard to hit that 30-33% level of income that you are supposed to
3 be able to show proof of wages which equal three times the cost of monthly rent. This is a
4 nationwide problem, but Commerce can come together as a community to alleviate this issue for
5 its residents.
6

7 She noted that there is no one-size-fits-all solution. However, some states and cities have
8 implemented different incentive programs with their housing authority or with private landlords
9 that include tax breaks for allowing Section 8 vouchers or other low-income vouchers,
10 partnerships with public housing authority or interest-free loans for those private landlords to be
11 able to make repairs and keep housing in good condition without astronomically raising the price
12 of housing that doesn't match what wages look like today. Because it is such an outstanding issue
13 across the country, it would be silly to think that we could fix it in one day, one month or even
14 one year. However, she noted the sooner we start to take steps, the sooner we will be able to see
15 our community grow and feel a sense of community with students who have moved in as well as
16 with local residents.
17

18 The third member of the public to address the council was Lauren Kimmel. She said that she is
19 also pursuing a master's degree in social work. She has lived in Commerce for four and a half
20 years and works at the university.
21

22 She stated that the most vulnerable populations in our community are the elderly and their
23 caretakers. The lack of care coordination, affordable housing, transportation, supplemental food
24 programs and caregiver support service are a few of the common problems that these residents
25 face daily. This lack of support leaves seniors and their families with daily challenges that
26 diminish the quality of life for these residents. This problem came to her attention when she
27 started searching for a place to volunteer in our community with seniors. However, she could not
28 find a single program in our community that was dedicated to the well-being of our seniors in the
29 way of activities and socialization. Even nutrition, transportation and caregiver programs are
30 extremely scarce in our community. She has interviewed several senior citizens, active
31 community members and the senior resource and transportation center in Greenville. She also
32 worked at United Way and with many of the Hospice and aging agencies in Hunt County. In each
33 interview and over her work with Hunt County United Way, there were great concerns for the 9%
34 of our population, about 871 residents who are our senior citizens. In 2018, at least 114 of our
35 senior citizens lived below the poverty line, a number that is on the rise as we continue with
36 poverty in our community and our nation. In 2013, 36% of our seniors lived alone, and most of
37 those, at least 13%, did not have access to a vehicle. This does not only affect our seniors but also
38 their caretakers. Caretakers have little formal support agencies to turn to in the city. She noted
39 that the Centers for Disease Control (CDC) reported in 2019 that caregiving may cause financial,
40 emotional and physical hardships. Studies showed often elevated depression, worse physical
41 health and increased early death.
42

43 The number of both caretakers and senior citizens continues to grow with the aging of America.
44 According to the U.S. Census Bureau, in 2016, the U.S. surpassed 50,000,000 senior citizens
45 aged 65 years or older. As the post-World War II baby boomers age, we are going to see that
46 number continue to rise. These seniors are also experiencing longer life expectancies than before,
47 so this causes a more urgent need in our community. Since the city currently has little to no
48 nonprofits or social support specifically catered toward seniors, often these seniors have to rely
49 on Hunt County services rather than just Commerce services.
50

51 She noted that a potential solution to this problem would be for these communities' support
52 systems and stakeholders to form support and allow program implementation to empower seniors

1 in Commerce. The city should support programs and resources available for seniors in Hunt
2 County such as the Senior Resource and Transit Center, as they already send four buses to our
3 city daily that not only help seniors but also our general population and deliver Meals on Wheels.
4 Supporting these programs available to seniors gives them a lesser chance of falling through those
5 gaps in services. She asked the council to consider these prevalent issues in our community and
6 reminded the council that we cannot continue to ignore the needs of one of our most vulnerable
7 populations in our city.
8

9 **6. Discussion and Possible Action on the Appointment of a Citizen to the Animal Shelter**
10 **Advisory Board**

11 Howdy Lisenbee, City Manager, stated that the city charter creates a number of advisory boards
12 and commissions that support the role that City Council plays. In even large communities and
13 small communities, it is not always feasible to expect a five or six-member city council to have
14 the breadth of knowledge and experience of the A-to-Z services that local governments serve, so
15 they create committees and boards to specialize in particular areas of interest. Then those boards
16 can make recommendations to the city council whenever there is a policy or a project that would
17 be undertaken in that particular area. The Animal Shelter Advisory Board is one such group
18 created by the city's charter.
19

20 The charter outlines six positions. One of those is a licensed veterinarian. That is currently held
21 by Dr. Jon Manning. One of the positions is a county or municipal official which was former
22 Mayor Pro Tem Gene Lockhart. When he rotated off the city council, he vacated that position.
23 Another position is one person whose duty includes daily operations of the shelter; for us that is
24 Chelsie Bass, our animal control officer. One representative needs to be from an animal welfare
25 organization, which is currently held by Mackenzie Ryer. Then two of the positions need to be
26 local citizens. We have Lisa Coffey serving currently and then we have one vacancy. We now
27 have two vacancies on the Animal Shelter Board; one is a citizen, and one is a county or
28 municipal official. The county or municipal official position has traditionally been filled by one
29 of the city council members.
30

31 This item today is to discuss the appointment of a citizen. We have two citizens who have
32 submitted applications. One is from Judy Grau and the other is from Sharon Arce.
33

34 Council Member Thompson stated that she is not familiar with Mrs. Arce, though she knows the
35 name. She continued that she does know Judy Grau and noted that when Commerce had its
36 veterinary clinic, Mrs. Grau was a very good pet owner and trainer. Mrs. Thompson noted she has
37 experience in that area, so Mrs. Grau would be her recommendation. Mayor Pro Tem Henry
38 added that Mrs. Arce has been active in the community for a long time and would also be a great
39 candidate.
40

41 Council Member Beckey Thompson asked if Ms. Arce had shown interest in any other boards or
42 commissions. Council Member Stephanie Muller replied that Ms. Arce had shown interest in
43 Planning and Zoning. City Manager Lisenbee added that her application said that she has
44 managed several businesses.
45

46 Council Member Teddy Reel made a motion to appoint Sharon Arce as a citizen to the Animal
47 Shelter Advisory Board. Council Member Stephanie Muller seconded the motion, and it carried
48 unanimously.
49

50 **7. Discussion and Possible Action on the appointment of a City Council Member to the Animal**
51 **Shelter Advisory Board.**

1 City Manager Lisenbee said that the charter required that one of the vacancies on the Animal
2 Shelter Advisory Board be filled by a county or municipal official. It has traditionally been filled
3 by a city council member.
4

5 Council Member Stephanie Muller made a motion to nominate Council Member Teddy Reel for
6 the position. Mayor Pro Tem Anthony Henry seconded the motion. The motion carried
7 unanimously.
8

9 **8. Discussion and Possible Action on the Appointment of a Chairperson to the Animal Shelter**
10 **Advisory Board.**
11

12 City Manager Lisenbee voiced that it is somewhat odd that the charter goes into great length and
13 detail regarding the appointment of a Chairperson to the Animal Shelter Advisory Board.
14 Generally, when an advisory board is created, that advisory board is given the authority to
15 appoint its own chairperson. However, our charter says the city council will appoint the
16 chairperson of this board. Historically, it has been the city council member who serves on that
17 board as the Chairperson, but it is the council's decision.
18

19 Council Member Muller made a motion to appoint Council Member Teddy Reel as chairperson to
20 the Animal Shelter Advisory Board. The motion was seconded by Council Member Beckey
21 Thompson, and the motion carried unanimously.
22

23 **9. Discussion and Possible Action on Resolutions Approving Tax Resale Deeds for 8 Properties**
24 **within the City of Commerce**

25 **a. Resolution Approving a Tax Resale Deed for the Property located at 1808 Washington**
26 **Street (Property ID #70109)**

27 **b. Resolution Approving a Tax Resale Deed for the Property located at Booker Street**
28 **(Property ID #106624)**

29 **c. Resolution Approving a Tax Resale Deed for the Property located at Booker Street**
30 **(Property ID #79496)**

31 **d. Resolution Approving a Tax Resale Deed for the Property located at Booker Street**
32 **(Property ID #79495)**

33 **e. Resolution Approving a Tax Resale Deed for the Property located at Mosley Street**
34 **(Property ID #113326)**

35 **f. Resolution Approving a Tax Resale Deed for the Property located at Mosley Street.**
36 **(Property ID #113325)**

37 **g. Resolution Approving a Tax Resale Deed for the Property located at O'Neal Street**
38 **(Property ID #70325)**

39 **h. Resolution Approving a Tax Resale Deed for the Property located at O'Neal Street**
40 **(Property ID #70326)**
41

42 City Manager Lisenbee addressed the council by stating that the city currently has eight
43 properties that are on the agenda and are currently going through a tax resale and thus have
44 associated tax resale deeds. They are brought before the council as an entire packet but each one
45 has its own unique resolution and council has the option to approve them all with a single motion,
46 or the council can pull each one and discuss them separately.
47

48 The first property is 1808 Washington Street (Property ID# 70109). The bid amount is \$10,060
49 and the appraised value is \$10,060. It has been off the tax rolls since 2004. There are currently
50 \$6,000 in outstanding liens on this property, but when it goes through a tax resale, all those liens
51 are forgiven as part of that process. Should it sell at the bid amount, the city would receive
52 \$2,192.38 in proceeds for that property.

1
2 There are three properties on Booker Street. They have no assigned 911 addresses; they are just
3 lots currently. The first bid for the property located at Booker Street (Property ID# 106624) is for
4 \$1,500 and the appraised value is \$5,000. It has been off the tax rolls since 2007. There are no
5 liens on that property. The second location on Booker Street (Property ID# 79496) has a bid
6 amount of \$2,100 and the appraised value is \$6,650. It has been off the tax rolls since 2002 but
7 there are currently \$1,121.05 in mowing liens against that property. The third property is located
8 on Booker Street (Property ID# 79495) has a bid amount of \$2,100 and the appraised value is
9 \$6,650. It has been off the tax rolls since 2008, and there are no liens on it.

10
11 There is a property on Mosley Street (Property ID# 113326). The bid amount is \$1,500 and the
12 appraised value is \$5,000. It has been off the tax rolls since 1996. However, there is \$3,641.25 in
13 liens against that property. Another property is located on south Mosley Street (Property ID#
14 11325). The bid amount is \$1,500 and the appraised value is \$5,000. It has been off the tax rolls
15 since 1996 and there are no liens against that property.

16
17 Finally, there are two properties on O'Neal Street. The first property on O'Neal Street (Property
18 ID# 70325) has a first bid amount of \$2,000. It has an appraised value of \$14,250 and it has been
19 off the tax rolls since 2016. The second property on O'Neal Street (Property ID# 70326) has a
20 first bid amount of \$2,000 with the appraised value being \$14,890. It has been off the tax rolls
21 since 2016.

22
23 If all eight properties are sold through the tax resale, the city would receive \$4,622.26 as its total
24 portion of the value of those tax resales.

25
26 Mayor Pro Tem Anthony Henry asked if the liens on these properties are mowing liens. City
27 Manager Lisenbee replied that he believed they were. Council Member Beckey Thompson asked
28 if the school district had already approved these. City Manager Howdy Lisenbee stated that he did
29 not know how or if the school has moved on these deeds at this point, but that their tax attorney
30 was the one who brought it to the city and that usually means that the school district has already
31 approved it. Council Member Stephanie Muller asked if we know what the use of these properties
32 will be. City Manager Lisenbee replied that that information has not been shared with the city. He
33 said that the city typically does not get that information through a tax resale.

34
35 Council Member Stephanie Muller moved that the council accept the resolutions and approve all
36 8 tax resale deeds, and it was seconded by Council Member Beckey Thompson. The motion
37 carried unanimously.

38
39 **10. Discussion and Possible Action on a Resolution Contesting the Issuance of the City of**
40 **Texarkana's Water Rights Permit Application No. 13642 by Texas Commission on**
41 **Environmental Quality**

42
43 Howdy Lisenbee, City Manager, stated that every drop of water on the surface of the ground in
44 Texas is legally owned by the state of Texas. If a local government builds a large lake, it
45 technically does not own the water in the lake. That local government owns the dirt that is
46 underneath the water. The only way the local government has permission to use the water is with
47 a specific water rights permit that is issued by the state of Texas. Water rights are managed based
48 on the age of when that right was or is assigned. If you have a lake with 100,000 gallons of water
49 in it, and City A was first in line for a permit, and they claim water right number one and claim
50 80,000 gallons from that lake, then City 2 shows up, and they get a subsequent water right at a
51 later date for the other 20,000 gallons. The first city has what is known as "senior" water rights.
52 If the volume of the lake goes down, and there is less water than what everybody needs, the city

1 with the “senior” water rights has first claim on the available water. The state manages water
2 along entire river basins.

3
4 Commerce has an ownership interest in Cooper Lake, which is in the Sulphur River Basin. If you
5 follow the Sulphur River further down to Texarkana, Wright Patman Lake exists just outside of
6 Texarkana. The City of Texarkana has a water right in Wright Patman Lake for 180,000-acre feet
7 per year. One acre foot is approximately 325,000 gallons of water. Wright Patman Lake was
8 constructed before Cooper Lake, so water rights that are associated with Wright Patman Lake are
9 senior to the water rights Commerce has in Cooper Lake. If we entered a drought, and they
10 needed water in Wright Patman Lake that existed in Cooper Lake, the state could require Cooper
11 Lake to release water and let it flow downstream to let it go to the senior water rights. The City of
12 Commerce has a water right that is junior to Texarkana’s senior water right.

13
14 Texarkana has submitted a new application for an additional 176,000-acre feet of water out of
15 Wright Patman Lake. The question on the table: is the Texas Commission on Environmental
16 Quality (TCEQ) going to issue a brand-new water right with a date of 2021, so that this permit is
17 junior to Commerce’s right of water in Cooper Lake, or are they going to take the senior water
18 right from decades ago and just change the number of gallons of water?

19
20 Texarkana said that they want the new water right to be a new date and be junior to everybody,
21 but that is not in writing anywhere. The only way Commerce gets to participate in that application
22 is if we contest it and it goes before an administrative judge. Their water right would be
23 contested, and we would get to fight and argue that this new right should be junior to our right to
24 Cooper Lake, not senior to our right.

25
26 Tonight’s resolution for consideration would authorize City Manager Lisenbee to contest that
27 water right application on behalf of the City of Commerce. If we do not contest it, they have their
28 hearings, and we are on the sidelines and thus do not get participate. Staff is requesting a
29 resolution that will allow us to contest this application.

30
31 Council Member Muller made a motion to approve a resolution to contest the issuance of the City
32 of Texarkana’s Water Rights Permit Application No. 13642 by the Texas Commission on
33 Environmental Quality. The motion was seconded by Council Member Beckey Thompson, and
34 the motion carried unanimously.

35
36 **11. *Second Reading- Discussion and Possible Action on Amending Ordinance 2020-20 to***
37 ***Correctly Establish Proper Reinvestment Zone Naming Criteria for the formerly adopted***
38 ***Ordinance Establishing Reinvestment Zone 2020-01***
39

40 Bonnie Hunter, Executive Director of Commerce Economic Development Corporation, said that
41 this is the second reading on the naming of the reinvestment zone that was adopted by the council
42 in October 2020. It was previously named Reinvestment Zone 2020-01. When the appraisal
43 district submitted the paperwork to the comptroller’s office, they were told that the name did not
44 comply with their rules for naming and that they did not want numbers, dates or Ordinance
45 numbers, as part of the name. It needs to be a name, a community, a subdivision or a business.
46 Because this reinvestment zone encompasses the Zurn building, which is tied to tax abatement
47 agreements for Zurn and Huaru Pipe, and the zone goes to Industrial Drive, the zone has been
48 renamed the “Industrial Park” Reinvestment Zone. The comptroller has said that name will
49 suffice, and staff is seeking council approval to amend the original ordinance 2020-20 which
50 named this zone “Reinvestment Zone 2020-01” to be re-established as the “Industrial Park”
51 Reinvestment Zone.
52

Council Member Beckey Thompson made a motion to approve the amendment of Ordinance 2020-20 to correctly name Reinvestment Zone 2020-01 as the "Industrial Park Reinvestment Zone". The motion was seconded by Council Member Stephanie Muller, and the vote carried unanimously.

12. *Second Reading- Discussion and Possible Action on Amending Ordinance 2021- 03 to Correctly Establish Proper Reinvestment Zone Naming Criteria for the formerly adopted Ordinance Establishing Reinvestment Zone 2020-02.*

Bonnie Hunter, Executive Director of Commerce Economic Development Corporation, said that this is the same situation as the prior item and reinvestment zone; the comptroller's office is asking for renaming of the zone to comply with their naming rules for Reinvestment Zones. This is for the property located at 400 Maple Street, formerly known as the Covidien Plant. As part of the tax abatement for a potential new company, the city needed to establish a reinvestment zone. This one will be renamed from "Reinvestment Zone 2020-02" to the "Knight Street Reinvestment Zone" as that property is located at the corner of Maple and Knight Streets.

Mayor Pro Tem Anthony Henry made a motion to amend Ordinance 2021-03 to correctly name Reinvestment Zone 2020-02 as the "Knight Street Reinvestment Zone." Council Member Stephanie Muller seconded the motion, and the vote carried unanimously.

13. *Second Reading- Discussion and Possible Action on an Ordinance of the City of Commerce Authorizing the Extended Sale of Alcohol hours for current and future eligible establishments in the City of Commerce, conditioned on criteria within the 'Late Hours Permit', Establishing a Fee, Providing for an Application, Permit and Compliance procedure; Providing for a Penalty, Providing for Severability and Providing for an Effective Date.*

City Manager Howdy Lisenbee said that the council was presented with this ordinance as it was drafted, and it was approved on the first reading with some questions and direction to the staff, primarily regarding the ability to add a sunset clause to this ordinance, so that it could automatically expire in 2 years. If it was chosen to be extended, the city council would have to bring it back to the table for discussion and extend it at that time. The council requested a two-year sunset clause, so staff worked with the attorneys and confirmed that as a home rule city, we do have the ability to adopt ordinances and include automatic sunset provisions.

The draft that is presented this evening now includes a new "Section 7", which provides for a sunset provision that would have this ordinance expire on July 20, 2023. He recalled that the council wanted to see what kind of response the community had, if there was an increase in drunk driving, if there was an increase in automobile accidents, or if we began to see some negative trends within the community as a result of passing this ordinance.

The council could either bring it back and cancel the ordinance, or they could let it ride for two years and see what the data showed. The other major change is that once a local government approves this extended-hours ordinance, state law controls all of the details of a business's permit because they have to get that information from the Texas Alcoholic Beverage Commission (TABC). The city pays a fee to the state. There are portions of our ordinance that created a new permit, created a new fee and regulated some of those things that are exclusively the right of the state to manage, so the city's attorneys have recommended that we remove those portions of the ordinance since it was brought before Council on first reading last month. Therefore, this ordinance would just grant the extended hours permission, and then the establishments who participate would have to go through TABC to get permits. They would not have to get permits

1 and pay fees to the city. Staff has submitted the ordinance as revised by the city's attorneys for
2 the council's consideration on second reading.

3
4 Council Member Stephanie Muller made a motion to accept the second reading with the noted
5 amendments from the first reading. Council member Beckey Thompson seconded the motion.
6 Mayor Pro Tem Anthony Henry opposed the motion and the motion carried with a 4-1 vote, with
7 one member of the City Council voting against the Ordinance authorizing the late/extended hours
8 sell of alcohol within the City of Commerce.
9

10 **14. City Manager's Report; discussion of same**

11
12 • **Public Input Feedback**

13 City Manager Lisenbee stated that he would take a few moments to provide feedback to
14 the public comments that were made at the beginning of the meeting. He noted that for
15 whenever there is an item that is brought before the council by a member of the public
16 that is not an action item already on the agenda for the council to consider, the council is
17 not allowed to deliberate, take action, or make any moves on items that are brought
18 before them. However, staff is allowed to respond and provide information to those
19 comments.
20

21 Mrs. Cifuentes's comments regarding extended hours for the sale of alcohol have been
22 noted. There is an automatic sunset provision in the version that was adopted this evening
23 that will allow us to track crime and accidents and see what the resulting trends are from
24 a social and a criminal point of view.
25

26 In response to Mrs. Fulton's issue of affordable housing, City Manager Lisenbee relayed
27 that in the past two weeks, Executive Director of Commerce Economic Development
28 Corporation Bonnie Hunter and he had a very encouraging conversation with a major real
29 estate developer who is looking to potentially bring a 200-300 home subdivision to
30 Commerce. Many of those would be within a price range that is affordable to high school
31 teachers, college professors and occupations of the like. He said that they also had a very
32 promising conversation with a different developer that specializes in multi-family
33 residential apartments and town homes. They had another conversation today with a
34 residential developer that does single family homes. Their product is in the \$150,000-
35 \$200,000 per home range. He noted the City was aggressively pursuing developers. One
36 of the challenges that we face is finding builders are busy in Rockwall, Royse City,
37 Caddo Mills, and in the southern end of Hunt County. Developers are interested in
38 coming north because there is a market, and it is saturated at that end of Interstate 30.
39 There is interest in developers coming to our community, and we are aggressively
40 pursuing developers to try to get something done. The City is aware of and agrees with
41 everything Ms. Fulton said, and it is a major concern for our community.
42

43 City Manager Lisenbee thanked Ms. Kimmel for speaking. He noted that as staff, we
44 also recognize a major portion of our population that is underserved. Our understanding
45 of the demographics is that 19% of our households are senior adults who live alone, and
46 that is 43% higher than the state average for a community our size. Therefore, we have a
47 significant portion of our population that is elderly. City Manager Lisenbee added that he
48 has talked with Senior Center Resources and Public Transit (SCRPT), an organization
49 that last year provided approximately 20,000 rides for seniors. Half of those rides
50 generated out of Commerce, Texas. Our proposed FY 2022 budget includes money to
51 support SCRPT because they requested support from us to continue that service to those
52 members of our community. We also have some projects in the proposed budget to

1 potentially create spaces for senior recreation and senior activity events. One of the
2 reasons there is very little to no activity here for Seniors is because there is no good place
3 for it to happen. Prior to COVID, SCRPT did attempt to get some programs off the
4 ground. They were mostly focused at a meeting room at the clinic in the emergency room
5 on the edge of town. That space is no longer available because of medical concerns and
6 because of the COVID-19 pandemic. There is not a space available in the community
7 right now for those activities to happen. We have some projects in the proposed budget to
8 try to create some of those spaces so that either the city or some of our community
9 partners can start creating events and services and programs to address the needs of those
10 members of our community who are underserved.

11
12 **• Finance Update**

13 Finance Director Jamie Campbell addressed the mayor and council with a detailed sales
14 tax analysis for June and July.

15
16 **• June 2021 Detail Sales Tax Analysis**

17 June's sales tax was higher then last year's collections for the month of June. We
18 are seeing a handful of vendors that are having healthy growth month over
19 month, so it is good to know that the increase is not some random one-off
20 payment the City received but rather signs of continued growth. Also, it was
21 noted the City has quite a few vendors who are paying quarterly, so we should
22 expect to see another increase in September.

23
24 **• June 2021 Property Tax Revenue**

25 For June property tax, as of June 30th, the City was only \$20,000 shy of reaching
26 the total budgeted property tax revenue, which is 97% of our overall tax levy.
27 Finance Director Campbell said that she was pretty confident the City will hit
28 that budgeted number in the next month or so and exceed budgeted property tax
29 collections for the year.

30
31 **• July 2021 Detail Sales Tax Analysis**

32 Regarding July sales tax, the City has surpassed budgeted sales tax revenue.
33 The City has gotten just over \$1,000,000, and that will continue to grow over the
34 next two months. Looking at the retail side, it is again like in June where we are
35 not seeing one specific vendor or a couple of specific vendors. It is for a handful
36 of vendors that are having healthy growth increases.

37
38 The City's accommodation in food service has been increasing. Even though it is
39 not a strong revenue for the City, it is important to note that the variations in the
40 fluctuations and the growth that we are seeing are not just in retail but in other
41 industries that we have here in Commerce.

42
43 **• Calendar of Upcoming Events and Meetings**

44 City Manager Lisenbee informed the council that on July 24th, there will be a charity
45 night at Cork and Brew to support Commerce Lil' Angels. On July 24th, there will be an
46 all-day picnic community event at Ivory Moore Park. The city is trying to coordinate
47 with the Texas Department of Emergency Management (TDEM) to set up a vaccination
48 tent at the event. There continues to be a mosquito spraying schedule; the next spraying is
49 scheduled for July 26th. The City is excited to add adult recreation activities to the city's
50 parks. One of the programs that we will be bringing in the near future is a cornhole
51 league that will be held in downtown Commerce. Either on Fridays or Saturdays, the
52 league will open and probably last for about eight weeks. Then during the Bois d'Arc

1 Bash, we will have a championship tournament event. The City received many
2 expressions of interest from groups that want to participate.
3

4 • **Personnel**

5 • **Projects Update**

6 • **Fiscal Year 2022 Proposed Budget**

7 City Manager Lisenbee presented the council with a 300-page proposed budget book for
8 fiscal year 2022. He created a summary document of the budget for the council.
9

10 In fiscal year 2021, the city had a total revenue of \$5,346,260. We are projecting it is
11 going to close with right at or just under those numbers. We believe we will exceed that
12 revenue budget because sales tax continues to come in strong.
13

14 The fiscal year 2022 proposed general fund revenue budget is \$6,730,677. The bulk of
15 that is the American Rescue Plan funds that came from the federal government. There is a
16 significant influx of cash that comes from that.
17

18 On the expenditure side for the general fund, fiscal year 2021 was a \$5.778 million dollar
19 expense budget. We expect to come in under budget. The budget that we are proposing is
20 \$6,730,150. The details of that are all included throughout that budget book. The bulk of
21 those expenditures are related to personnel changes. The council had requested that we
22 take a look at police and fire salaries for our first responders. These were below the pay
23 for cities our size in this region of Texas, so we are proposing to correct that.
24

25 Our other major fund is our public utility fund. It consists of water, sewer and solid waste
26 funds. Our 2021 budget for revenue was \$4.8 million dollars. We are projecting that we
27 are going to come in at a little over 5 million dollars, so revenues will come in over
28 budget. For fiscal year 2022, the proposed revenue is \$5 million and almost 800,000
29 dollars.
30

31 On expenditures for fiscal year 2021, the operating expenditures were projected to be
32 \$4.4 million dollars. We think we are going to come in at about \$3.7 to \$3.8 million
33 dollars, so we are going to come in under budget for expenditures. After operating
34 expenditures, that is when we transfer money to the general fund. In the budget for fiscal
35 year 2021, we adopted a budget that transferred roughly a million dollars out of the utility
36 fund into the general fund. The way we budgeted that fund was going to operate at a loss
37 of almost \$650,000. We believe we are going to be right at break-even in the actual
38 expenditures because revenues are coming in over budget and expenditures are coming in
39 under budget, so we believe we are going to close this fiscal year at basically break-even
40 and not experience a loss.
41

42 For fiscal year 2022, we have a budget that operates and does the transfer of \$990,000
43 and breaks even, so we are not budgeting the public utility to operate at a loss.
44

45 We have the minor funds which are usually internal service funds, so there is a list of all
46 of those other funds and what we are projecting to close out the year.
47

48 In one of the City's workshops two months ago, the council indicated that you wanted
49 staff to be able to take on some capital projects that would either build new facilities,
50 renovate existing facilities, or replace existing facilities. We talked about what a number
51 of those capital projects could look like. A memo given to the council members

1 containing a four-year capital improvements plan. The plan is broken out into minor
2 projects, major projects and equipment replacement.

3
4 He reminded the council that minor projects are items that are \$100,000 or less. Those
5 are typically funded out of current year operating revenues. A capital project is a one-
6 time expenditure to establish a new asset, renovate an existing asset or replace an existing
7 asset.

8
9 In the modern improvement fund, we are looking at about \$128,000 worth of projects in
10 the general fund and about \$75,000 worth of projects in the utility fund. Those are all
11 funded through operating revenues in the budget as presented in the book.

12
13 Major improvements are not in the book because the Council has some decisions to make
14 about what they want to do. Staff has proposed \$7,350,000 in capital projects for the
15 general fund and \$1,750,000 in capital projects for the public utility fund. We have
16 approximately \$5,000,000 in this coming year in the general fund to do projects. We
17 actually have more requests than we have dollars to spend. On August 2nd, when the
18 Council has a budget workshop, they will then decide what they want to do now and what
19 should be deferred. Also, there are some equipment and equipment pieces that need to be
20 replaced.

21
22 City Manager Lisenbee pointed out that both of the fire engines have grants associated
23 with them, so if we are able to get the Texas Fast Grant, we only have to pay \$120,000
24 for that \$620,000 fire engine. The price of a new brush truck is \$250,000. If we are
25 successful in getting a Texas Forest Service Grant, we would have to spend only \$70,000.
26 We typically finance those with short-term notes through local banks.

27
28 The last thing is a chart that looks at a five-year window for fiscal year 2021. The council
29 issued \$1.5 million for street and drainage improvements that we are currently working
30 with an engineer to design. We will have some cost estimates for our August 2nd meeting
31 and can talk about what some of those streets are at that time.

32
33 Other projects on the chart include the potential to renovate the A. L. Day building and
34 use it as a community center. That space could be a place to start creating programs for
35 seniors. The animal shelter project would designate \$1.2 million to the development of a
36 new animal shelter that has the capacity to meet our growing need within the community.
37 Staff is looking to design the shelter in fiscal year 2022, and the construction would
38 happen in fiscal year 2023. Then there are primarily parks and recreation programs that
39 we have talked about adding that increase and change what we offer to this community in
40 terms of recreation and fitness programs.

41
42 Mayor Williams asked for an update on the dog park. City Manager Lisenbee replied that
43 we have two capital projects right now that are just waiting to bid. We have a design for
44 the dog park that is at city park. We have a layout for the fencing, and we have the
45 quantities for the fencing. It just has not been bid out yet. At the time we were getting
46 ready to bid that out, construction material prices went through the roof so staff is waiting
47 to see what happens to those construction material prices. Hopefully, they will come back
48 down soon.

49
50 The other project is at the airport. We have the full design to add a new fuel farm.
51 Because the old fuel farm is not operational, we do not offer fuel at the airport. That
52 means that regional air traffic cannot land at our airport because there is no fuel. That

1 project is ready to bid, but again, we are waiting to see what happens with construction
2 costs.

3
4 Mayor Williams asked City Manager Lisenbee to comment about the water event that
5 recently occurred at Ralph Hall Lake and about the potential effect that might have on
6 our economy in this town and the region.

7
8 City Manager Lisenbee stated that a fast application process to build a new reservoir in
9 the state of Texas takes about 20 years. You have to go through the state of Texas and the
10 federal government Corps of Engineers. The Upper Trinity River District has been
11 working for 30 years to get a permit to build Ralph Hall Lake. That permit was issued a f
12 ew years ago, and construction has officially begun on Ralph Hall Lake, which is
13 approximately 18 miles north of Commerce. We anticipate that there will be a significant
14 economic impact to our community because of our proximity to Ralph Hall Lake. If you
15 look where Commerce is located in relation to Ralph Hall Lake, Lake Tawakoni and
16 Cooper Lake, there are many lakes around us that are in a very convenient driving range.

17
18 We feel we have the opportunity to position ourselves for additional economic growth
19 and activity because of the activity to Ralph Hall. We are not currently looking to get any
20 water resources from Ralph Hall because we have more than adequate water supplies
21 between Cooper Lake and Lake Tawakoni to last us generations into the future. If we
22 participated in Ralph Hall Lake, we would have to pay. Typically, you do not want
23 today's citizens to pay for water resources that they do not have to have.

24
25 Mayor Williams then asked City Manager Lisenbee to comment on the difference in
26 ownership of Ralph Hall Lake and Cooper Lake and potential for development. City
27 Manager Lisenbee answered that when an entity like Upper Trinity tackles the
28 development of a reservoir like Ralph Hall, it is hundreds of millions of dollars, and he
29 thought that they are the sole sponsor for Ralph Hall. When Cooper Lake was built, that
30 process started decades ago around 1955. There were three entities that were involved in
31 the creation of Cooper Lake: the city of Irving, North Texas Municipal Water District and
32 the Sulphur River Municipal Water District. The city of Commerce is one of the founding
33 members of Sulphur River Municipal Water District, and that is how we have an
34 ownership interest in Cooper Lake.

35
36 In a historical reference, City Manager Lisenbee relayed that the city of Commerce was
37 100% ground water and was growing at a significant pace then. The city chose to
38 participate in the permitting and development of Cooper Lake for our long-term water
39 supplies. We were able to get into that at a very attractive cost. Then the litigation started,
40 and Cooper Lake was tied up in litigation for literally decades. Commerce was growing
41 at a rate that we needed more water than we could pull out of the ground, and Cooper
42 Lake was not going to get built anytime soon. Lake Tawakoni was available, so the city
43 was able to purchase a very attractive contract from the Sabine River Authority.
44 Therefore, we have all the water we need out of Lake Tawakoni, and we have ownership
45 interest in Cooper Lake.

46
47 We currently have a relationship with the Upper Trinity River Municipal Water District,
48 so the water that we have access to out of Cooper Lake, they are buying back from us.
49 We have an ownership interest in the lake, and we have not paid a dime for our
50 ownership interest in the lake because of our relationship with Upper Trinity. The beauty
51 of that is with our contract with Upper Trinity, when Ralph Hall is completed and online,
52 it will trigger a provision in our relationship with Upper Trinity that if we need to start

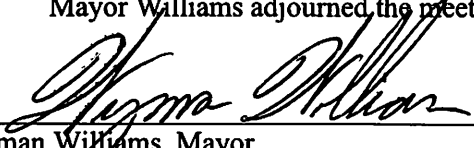
1 taking water from Cooper Lake, we would have an opportunity to do that at a much lower
2 cost than if we tried to start taking that water prior to Ralph Hall. City Manager
3 Lisenbee noted that there are many things happening in water resources in this part of the
4 state, and we are very strategically positioned right in the middle of all of it.
5

6 Mayor Williams said that he liked for everyone to know that long-term planning in water
7 for the city of Commerce is paying off very favorably. We have many options, and we
8 have much more availability than we will probably need for a hundred years, but it is
9 good to have those options.
10

11 • Intergovernmental Events & Issues
12

13 15. **Adjourn**

14 Mayor Williams adjourned the meeting at 7:21 p.m.
15

16 
17 _____
18 Wyman Williams, Mayor
19

20 
21 _____
22 Molly Jacobson, City Secretary
23

24 08-17-2021
25 _____
26 Date

07.20.2021.MINS