

**MINUTES
REGULAR CITY COUNCIL MEETING
AUGUST 17, 2021 - 6:00 pm**

PRESENT: Mayor Pro Tempore Anthony Henry
Council Members: Stephanie Muller, Teddy Reel, and Beckey Thompson
City Manager Howdy Lisenbee
City Attorney Charles Anderson
Director of Administrative Services Molly Jacobsen
Executive Director of Commerce Economic Development Corporation Bonnie Hunter

ABSENT: Mayor Wyman Williams
Finance Director Jamie Campbell

1. Call to Order.

Mayor Pro Tem Anthony Henry called the meeting to order at 6:00 p.m.

2. Invocation.

Mayor Pro Tem Anthony Henry 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 Meeting Minutes-July 20, 2021

Council Member Stephanie Muller made the motion to approve the consent agenda as presented. Council Member Teddy Reel seconded, and the motion carried unanimously.

5. Presentation to City Council 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.

Executive Director of Commerce Economic Development Corporation Bonnie Hunter introduced to the council Frank Zwiercan of Nexii Nexus 2 noting he is the senior project manager and construction manager for the new business that will be moving into 400 Maple Street, the former Covidien building.

Mr. Zwiercan addressed the council stating that Nexii is a green building manufacturer of composite walls and roof panels. They are very sustainable, green and have a low-carbon imprint. Nexii was founded in Vancouver, Canada and has moved into the United States. Commerce, Texas is the second U.S. facility, thus the name Nexus2. There will be three more facilities constructed in the U.S. in the next three years and they are hoping to employ anywhere between 150 to 200 people once they are up and running at the end of the second quarter of next year.

1 **6. Discussion and Possible Action on a Resolution Nominating a Representative(s) for the**
2 **Hunt County Appraisal District Board of Directors.**
3

4 City Manager Howdy Lisenbee said that the City was approached by the Hunt County Appraisal
5 District as it is time for the entities to nominate representatives for that board. The first step is the
6 Council nominating one or more members to serve on that board, and then Hunt County will
7 compile all of the nominations. Then, as a taxing entity, the City of Commerce will have a
8 certain number of votes to cast for one or multiple candidates. In the past, the City has typically
9 nominated only one individual. During the election, all of the City's votes are cast to the one
10 person that is going to represent our community. The current representative is John Sands. Mayor
11 Wyman Williams reached out to him, and he is willing to continue to serve in that capacity.
12 Tonight, staff is just looking for nominations of an individual or individuals to serve on the board.
13 City Manager Lisenbee noted that the Council can nominate more than one person, and then we
14 will move into the election phase at a later Council meeting.
15

16 Council Member Beckey Thompson asked how many years Mr. Sands had been on the appraisal
17 district board. Director of Administrative Services Molly Jacobsen answered that she believed
18 that it had been at least six years. Council Member Beckey Thompson continued by asking how
19 someone in the public could inquire or apply if they were interested in that position. City
20 Manager Lisenbee said that as far as he knows, we have never advertised the position. Council
21 Member Teddy Reel asked what the nominating process is. City Manager Howdy Lisenbee
22 replied that by the October city council meeting, the City has to submit our nominee(s) to the
23 appraisal district and we have the months of August and September to talk about nominees. He
24 noted that council could do a special meeting in October to submit nominees if needed. The
25 council could adopt a resolution identifying who those nominees are and that would get submitted
26 to the appraisal district. Then they would start the election process, and the City would cast our
27 votes. Council Member Teddy Reel added that Commerce has 186 votes to cast.
28

29 City Manager Lisenbee continued that if we have multiple nominees, we could spread out our
30 votes. Historically, Commerce has only had one nominee and one person that we voted for.
31 Council Member Reel asked that if we split our vote, do we risk not having somebody
32 representing us? City Manager Lisenbee replied that he believed there will always be someone
33 from our taxing entity on the board and that it is just a matter of us picking who that individual is
34 going to be. Council Member Teddy Reel stated that he would like some time to discuss
35 nominees for this position. Council Member Stephanie Muller added that she too would like time
36 to discuss nominees for the position and would like to see about tabling this item until the council
37 could discuss this further. City Manager Lisenbee said that one of the reasons that the item was
38 brought forward early was so that the council would have time to discuss and consider their
39 options.
40

41 Council Member Teddy Reel made a motion to table the item, which was seconded by Council
42 Member Beckey Thompson. The motion carried unanimously, and the item was tabled.
43

44 **7. Discussion and Possible Action on a Resolution establishing procedures and criteria for the**
45 **funding, installation, removal and replacement of speed humps on streets within the City of**
46 **Commerce.**
47

48 City Manager Howdy Lisenbee said that he had been in Commerce nine months. During that
49 time, he had been approached several times by different members of the community asking if it is
50 possible to have speed bumps somewhere in their neighborhood to slow down traffic that is

1 passing through their neighborhood. Technically, there is a difference between a speed bump and
2 a speed hump and on a city street, it would be more of a speed hump.
3

4 The city does not have a policy for this at this time. Across municipalities, there is a broad range
5 of answers from an automatic "no" to "everybody gets a speed hump wherever they want them."
6 City Manager Lisenbee noted that the City needed to find an answer somewhere in the middle.
7 He noted that if you study traffic engineering, in most cases, speed humps actually make the
8 problem worse. Most traffic studies will show that when there's no speed hump, traffic will flow
9 through at what the general population assumes is a reasonable rate. Then when a speed hump is
10 put in, they still want to get through in the same amount of time, so they slow down to go over the
11 hump, and then they accelerate to make up for the time they lost at the hump. This is why most
12 cities just say "no" to speed humps.
13

14 City Staff drafted a policy to discuss with the council to see if we could find some middle ground.
15 As it is proposed right now, the first step would be that if a citizen wants a speed hump in their
16 neighborhood, they would have to do the legwork to get a valid petition of the majority of the
17 property owners in that neighborhood who would agree and sign off on wanting a speed hump.
18 That way there won't be one or two people requesting a speed hump that everybody else is
19 opposed to.
20

21 The first step in the process is a petition of at least over 50% of the homeowners in that affected
22 area. Then step two is some street qualifications, laid out in this proposed policy. The speed limit
23 must be 25 miles per hour or less on the street. If the segment of road has a higher speed limit
24 than that, it would not qualify for a speed hump. Also, the street must have no more than one lane
25 of travel in any direction. If it is a three, four or five lane road, it does not qualify. The street must
26 serve direct access to predominantly residential properties, so we would not do a speed hump in a
27 commercial or industrial area. Additionally, the street may not be part of a state highway system.
28 The requested street may not be close to or near the Commerce public safety building. The
29 primary reason for that is when fire and emergency response vehicles need to leave in a hurry, we
30 do not want them hitting those speed humps, which would add wear and tear to the vehicles. The
31 street must not have curves or grades that would interfere with safe travel. It may not be placed at
32 a driveway or the entrance to a property. Finally, the street should demonstrate a history which
33 represents the need for traffic calming.
34

35 The policy was written rather broad, mainly so that we could visit with law enforcement and see
36 from their point of view if there really is a safety issue. If the street satisfies all of these
37 conditions, then that street would qualify for a speed hump.
38

39 The other piece of the policy would be what type of speed hump would be installed. Most people
40 think of a permanent asphalt installation that once it is there, it is there permanently. Those are
41 quite expensive to install and even more expensive to remove, so what we are proposing is
42 looking at a pretty highly durable plastic and rubber speed humps that are available now that can
43 be put in as a temporary configuration. If the resident gets the petition and it qualifies, then we
44 can put out temporary speed humps. They can be deployed pretty quickly, at a very low cost,
45 probably at roughly \$800 per location. Then the neighborhood could test drive it. If everybody
46 hates it, then they could come back to us and request that it be removed. The city could just pull it
47 up and we would not have altered any street configuration. Manager Lisenbee noted that if
48 people feel strongly about the safety of their street, the City wants to be responsive to those
49 needs.
50

1 Council Member Beckey Thompson asked if the people who are asking for speed humps are
2 residents of the same stretch of road or is it about roads in different areas throughout the city.
3 City Manager Howdy Lisenbee replied that he has had three, different requests from three
4 different neighborhoods. So far, only one of the people has put a petition together, but we still do
5 not have a clear policy.
6

7 Council Member Stephanie Muller asked from where the funding would come. City Manager
8 Howdy Lisenbee replied that the funding would come from our street maintenance budget. We
9 have the proposed policy written that as long as funds are available, we can install a speed hump.
10 However, if the budget for that year has been expended, then we would not install one until future
11 funds are available.
12

13 Council Member Beckey Thompson said that she was curious if a speed hump was installed in a
14 neighborhood, and the residents in the neighborhood did not really complain but other citizens
15 did, what would be the procedure then? City Manager Howdy Lisenbee informed the council that
16 if that person were not a property owner or a resident of that particular neighborhood, that person
17 would not have the standing to request that the speed hump be placed or removed. The people
18 who live in that neighborhood are the ones who typically complain about the speed of traffic and
19 want that traffic to slow down for their safety and the safety of their children.
20

21 Council Member Stephanie Muller asked which streets the request for speed humps involved.
22 City Manager Howdy Lisenbee said that he remembered that two of them were Plum Street in the
23 Norris community and Harlow Road.
24

25 Mayor Pro Tem Anthony Henry proposed that the council discuss this item at a later time when
26 Mayor Wyman Williams was present. The council members agreed. This item was tabled for
27 future discussion.
28

29 **8. Discuss, consider, and adopt a Resolution designating a planning services provider for the**
30 **2021 Texas Community Development Block Grant (TxCDBG) Planning and Capacity**
31 **Building Fund for applications and project implementation.**
32

33 Howdy Lisenbee, City Manager, said that we have discussed a couple of times the need to update
34 the comprehensive plan for our community. The latest one that we could find expired in 2020. It
35 was written 20 years prior to that in 2000. There is a grant funding program through the
36 community development block grant that would allow a consultant to come in and walk us
37 through the process of updating or developing our comprehensive plan.
38

39 In order to apply for that grant through The Department of Agriculture (TDA), you have to have a
40 pre-approved planning administrator to help you submit the grant, and then if you get the grant,
41 do the planning. We went through a request for proposals process where we sent proposals or
42 requests directly to five entities that were on that pre-approved list from the Department of
43 Agriculture. We also published it in the paper for any other potential interested parties. We had
44 two firms that submitted. The first firm was Grant Works with a home office in Austin, but they
45 are located all over the state. The second firm was Mundo and Associates out of Rockwall.
46

47 We reviewed the proposals that were submitted, in terms of experience and qualifications. Both
48 were very strong firms, and both would be capable of doing an excellent job. When it came down
49 to cost, Grant Works was the low bid at \$65,000. The reason for that bid is that through the Texas
50 Department of Agriculture in this program, a community of our size is eligible for up to a
51 \$65,000 grant, which would include a 15% match. Grant Works said that they would do it for that

1 \$65,000 cap that TDA puts on the project. Mundo and Associates listed \$71,950, so they were a
2 little bit higher. While both firms were highly qualified, Grant Works presented the low bid, so it
3 is our recommendation to go with Grant Works. We are requesting approval of the resolution and
4 naming Grant Works as our planning administrator.
5

6 Council Member Stephanie Muller made the motion to accept the resolution awarding the grant
7 planning services to Grant Works. The motion was seconded by Council Member Beckey
8 Thompson, and the motion passed unanimously.
9

10 **9. Discussion and Possible Action on Resolutions Approving Tax Resale Deeds for 4 Properties**
11 **within the City of Commerce.**
12

13 **a. Resolution Approving a Tax Resale Deed for the Property located at Henry Street**
14 **(Property ID #95646)**

15 **b. Resolution Approving a Tax Resale Deed for the Property located at Mosley Street**
16 **(Property ID #11323)**

17 **c. Resolution Approving a Tax Resale Deed for the Property located at Champion Lane**
18 **(Property ID #70459)**

19 **d. Resolution Approving a Tax Resale Deed for the Property located at W Mosley Street**
20 **(Property ID #113320)**
21

22 Molly Jacobsen, Director of Administrative Services, said that the council has become pretty
23 familiar with these tax resale deeds which come from either the school district's tax attorneys or
24 the city's tax attorneys. The council saw eight of these last month, and we have four again this
25 month. Director Jacobsen noted that this is a positive sign of interest, growth and development in
26 our community. The four properties are on West Mosley Street, Mosley Street, Henry Street and
27 Champion Lane. Director Jacobsen provided to the council a table of the four properties which
28 includes the 911 addresses if there is one for those properties, the amount of the bid that was
29 submitted by the highest bidder, the appraised value according to the Hunt County Appraisal
30 District, and a column that mentions the year that these properties were struck off the tax roll due
31 to delinquent taxes. She noted that two of these properties were struck off the tax roll in 1996,
32 which means that these properties have not been generating any revenue for the city for 25 years
33 now.
34

35 Director Jacobsen noted that none of the four properties have any outstanding liens against them,
36 and three of the four properties have proposals from the highest bidder for single family home
37 development. Staff is asking for the city council to approve on behalf of the city of Commerce the
38 approval of all four of these tax resale deeds.
39

40 Council Member Stephanie Muller moved to accept the resolution approving the tax resale deeds
41 for these four properties listed. Council Member Teddy Reel seconded, and the motion carried
42 unanimously.
43

44 **10. Public Hearing, Discussion and Possible Action on the Fiscal Year 2022 Budget.**
45

46 City Manager Howdy Lisenbee said that we submitted the 2022 proposed budget to the council,
47 and then we had a workshop at the beginning of August to discuss the FY 2022 Proposed Budget.
48 Now, we are at the home stretch of the process of actual adoption of that budget. Tonight, we
49 have the opportunity to discuss the budget, and we will be calling a special meeting on September
50 7th for a public hearing and a workshop to discuss the budget and the tax rate. Then on September
51 21st, we will hold the final meeting, public hearings and formally adopt the budget at that time.

1 Under Texas law and the regulatory requirements, the only public hearing we are required to have
2 is actually scheduled for September 21st. We will then adopt the budget and the tax rate. Staff is
3 recommending that we have more public hearings just to promote and allow for a transparent
4 process. We did not publish tonight as a public hearing, but it is an opportunity to answer any
5 other questions the Council or citizens may have after the workshop that we had, or if there are
6 some things that the Council wants staff to research and prepare for our first public hearing on
7 September 7th.
8

9 There were no questions or discussion from Council, and no action on this item was required at
10 this time.
11

12 **11. Discussion and Possible Action on the fiscal Year 2022 Proposed Capital Improvements**
13 **Plan.**
14

15 City Manager Howdy Lisenbee began by saying that at the same time as we are proposing and
16 adopting an operating budget, we are proposing a capital budget. It has been a number of years
17 since the city has had funding capacity to do capital construction projects. He noted that capital
18 projects, from an accounting point of view is any item that is over \$5,000 and has a useful life of
19 over five years. When staff put together our capital requests, it is anything that we are going to
20 spend public resources on that will become an asset or that will extend the life of an existing
21 asset. We have minor improvements that are within the operating budget that Council has
22 reviewed, like a lawn mower, a large safety fan for the fire department, and some minor
23 improvements for the utility fund. Those are relatively small dollar amounts, and those are
24 actually included in the operating budget.
25

26 Outside of the operating budget is our major capital projects, and we are projecting to have
27 approximately \$6.3 million of capacity in the coming fiscal year to spend on capital projects.
28 Manager Lisenbee reminded the Council that in our recent workshop, we had a discussion on
29 what some of those projects could be. At the end of that discussion, we had some general clarity
30 of where Council would like the money to go, but we did not have specific clarity on what the
31 scope of some of those projects would be. We do not have to have that clarity tonight, but by the
32 time we get to the September 21st meeting when we adopt the budget, City Council will need to
33 adopt a capital plan that has some specifics in terms of the scope of what those projects would be.
34 The general discussion tonight is mainly to make sure that we are still moving in the direction
35 that the council is comfortable with and what thoughts the council might have about specific
36 scopes of work.
37

38 Within the \$6.3 million, we are not actually requesting all of that funding because some of that
39 may be needed for design and closing costs. For fiscal year 2022, street and drainage
40 improvements, we are looking at about \$1,250,000. We already have \$1,500,000 for streets in the
41 current 2021 fiscal period. Then in the outlying years, we would have additional funding to
42 allocate to streets, so over a five-year period, we are looking at about \$9,000,000 of investment in
43 our streets. He believes the projects should be spaced out because we have to design the streets
44 first. Then there is a relatively small construction window that you can do quality asphalt work.
45 For example, you do not want to do those in the middle of winter. Also, there is a tremendous
46 amount of work going on in the southern end of the county, so he does not know how many civil
47 contractors would be available. Therefore, streets and drainage in the proposed plan for one year
48 would be \$1,250,000.
49

50 City Manager Howdy Lisenbee continued by saying that we discussed a new animal shelter with
51 the project budget of \$1,200,000. We also discussed various park system improvements for

1 approximately \$1,550,000. He noted that staff and Council had discussed various downtown
2 improvements, including improvements to the farmers' market, and our ability to have and
3 support events there for approximately \$1,500,000. Then we were looking at some much-needed
4 improvements to the public library, which would include ADA accessibility and accessible
5 restrooms on the first floor. Staff is looking at a budget of about \$800,000 for these improvements
6 to the library.
7

8 Manger Lisenbee noted that this what he left the workshop hearing from the council and that was
9 that as we move to September 21st, especially for the park system improvements, the animal
10 shelter and the public library improvements, we need some clarity on the scope of work that the
11 council would be comfortable with moving forward on.
12

13 Council Member Teddy Reel asked what the process is for providing the city manager with
14 clarity on capital improvements. City Manager Howdy Lisenbee responded that if we go to the
15 bond market and say we are going to do park improvements, and that is all we say, that may be a
16 little too broad. However, if we say we are going to do a splash pad at this Park, playground
17 improvements here or parking lot improvements there the bond council would probably be more
18 comfortable if we could provide those details. Beyond that, Manager Lisenbee noted that if they
19 were comfortable with \$1,550,000, but Council did not want a splash pad, then they could start
20 giving him some scope of work on what kind of projects they would like to do instead with that
21 money. He finally noted that all of our parks were in need of some care; and he just needs to
22 know how much the council would like to see in each park to give him some scope of work
23 clarity.
24

25 Council Member Teddy Reel stated that he appreciated the workshop that the council had and the
26 amount of effort that was put into the 300-page presentation.
27

28 Council Member Stephanie Muller added that at the council's special meeting on September 7th,
29 the council could then go over specifically how to allocate capital improvements in the budget.
30

31 Council Member Beckey Thompson said that during the special meeting on September 7th, she
32 would like to discuss upgrading the lighting at the baseball fields. Council Member Stephanie
33 Muller wanted to know if discussion was finished about the splash pad and the dog park and
34 asked if acquiring property by the farmers' market downtown could be part of the capital
35 improvement discussion.
36

37 Council Member Beckey Thompson inquired about what the plans were at Eddie Moore Park in
38 the upcoming fiscal year. City Manager Howdy Lisenbee replied that the scope of work we were
39 looking at was really not to resurface any of the ball fields, but instead to work on the fencing.
40 Council Member Beckey Thompson asked for clarification on what was in the capital
41 improvements budget for Eddie Moore Park, as far as lighting or new equipment. City Manager
42 Howdy Lisenbee said that there was not anything related to that in the FY 2022 budget. Council
43 Member Beckey Thompson said that Eddie Moore Park is not used a lot and needs some
44 maintenance. City Manager Howdy Lisenbee said that the lighting at that park comes down to
45 what standard the council would want to use. He continued that he would look at little league
46 lighting standards for that complex because you probably would not have UIL competitions there.
47 He noted that it costs about \$350,000 per field to do UIL standard lighting and you would
48 potentially be looking at about \$200,000 per field for lighting just for night-time practices. He
49 added that Council could have a more robust conversation about the lighting at the Sports
50 Complex at the council's special meeting on September 7th.
51

1 There was no action taken by the Council at this time related to the FY 2022 Capital
2 Improvement Plan (CIP).
3

4 **12. Presentation, Discussion and Possible Action on the Financing Plan for the Fiscal Year 2022**
5 **Proposed Capital Improvements Plan.**
6

7 City Manager Howdy Lisenbee addressed the council saying that Jorge Delgado with Hilltop
8 Financial Services had been asked to come to tonight's council meeting to speak on behalf of the
9 City's financial advisors. Manager Lisenbee noted that one of the things that makes it possible
10 for us to even have a conversation about a capital improvement program is looking at the room
11 we have with current tax rates to do some financing of these projects. The first piece is going to
12 be a refinancing of a prior 2012 issue. Interest rates right now are at historic lows and the City has
13 a very attractive bond rating right now. The City has an opportunity to refinance a 2012 issue
14 and the savings that we realize from that refinance will add some of the capacity for future
15 projects. We asked Hilltop to provide a presentation to go over that refinancing and talk about
16 what some of our options are for this 2022 capital improvements program.
17

18 Jorge Delgado addressed the council saying that he had worked with Commerce for about six
19 years now and is part of a team that has worked with the City of Commerce for a very long time.
20

21 The financial advising team has worked with Commerce's finance director and city manager such
22 that it meets the Council's budgetary goals that are being discussed right now, including the tax
23 rate setting process and providing flexibility for long-term planning. He noted that part of the
24 duties as the City's financial advisors is to identify and advise you of any opportunities to
25 refinance for debt service savings, and in other words, provide for interest savings. He noted the
26 City has a series 2012 debt that becomes pre-payable on February 15, 2022. He noted that while
27 we are early in the process, federal tax law allows us to refinance that series as soon as 90 days
28 before the prepayment date, so we can get to it in November of 2021. The next step in the
29 process, if you move forward with this plan of finance, would be for us to lock in a rate as soon as
30 October and capture the low interest environment, hit the 90-day window and then take that
31 savings as soon as that day. Today is intended to establish a plan of action. No formal action is
32 needed from the Council's end; they are just seeking direction from the Council to get to work
33 with legal folks and put together everything that would be needed in order to be back here in front
34 of the Council with a final interest rate and final savings figure in October, during the regular
35 meeting.
36

37 The financial advisor comes to Council today with a very conservative look at the savings. The
38 reason being that Council will not be able to lock anything in until October. The longer time that
39 we have, the more opportunity for interest rates to fluctuate, so the bond attorneys built in .25% in
40 addition to the current interest rate. That would signify about \$755,000 worth of cash flow
41 savings for the city. He noted that growth savings, after all the financing costs that are involved
42 and one of these refinancings, the city could be looking at about \$755,000 of debt service savings.
43 That would be over time, not all in one year and the City would be realizing those savings
44 anywhere from fiscal year 2023 to 2037, so it would allow for future flexibility should the
45 Council move forward with another big project in the future.
46

47 Mr. Delgado noted that this all impacts your debt service / ad valorem side, and that is where your
48 savings is realized, on the tax rate side. He noted that again, if we would move forward today
49 without that cushion being built in, the City would be looking at \$900,000 worth of savings over
50 the course of several years. Mr. Delgado concluded that he would like to come back in October
51 and tell the Council more specifically what is what they are actually going to get as he does not

1 know what rates are going to do in the future and for now, he wants to take a conservative
2 approach.
3

4 He noted that the Commerce City Council did something similar earlier in the year with the
5 certificates of obligation that were issued. The straightforward process would go out and get a
6 rating with the expectation being that we would get affirmed again as a City with an A+ bond
7 rating. However, we do need to recapture that rating in order to capture an investment-grade
8 interest rate. This would be a bank-qualified issuance, so the good thing about moving forward
9 this calendar year is that the city can only issue up to \$10,000,000 per calendar year on a bank-
10 qualified basis. This allows for banks to get a tax break if they buy the city of Commerce bonds.
11 The certificate of obligation this year, plus this refinancing, would put the City around
12 \$9,000,000. The City would capture a lower rate, so it is a good process to move forward this
13 calendar year and take advantage of the low interest rate environment.
14

15 Mr. Delgado noted that a quick fact is that the advisors track the bond buyer index, which is a
16 major index for the tax extent interest rate environment. The lowest that it has ever hit is 2.02%.
17 As of last week, it was at 2.04%, so that is only .02% higher than it has ever been. He noted that
18 as we continue to see those rates stay, it is a nice way of capturing a low rate and adding
19 flexibility for the City's plans moving forward. The City's financial advisors will come back to
20 the Council with a final product, a final interest rate and a savings figure in October and then the
21 Council will close in November, hit the 90-day window and move forward.
22

23 Council Member Stephanie Muller stated that it looks like our finance director Jamie Campbell
24 has put the City in a good financial position. City Manager Howdy Lisenbee added that many
25 municipalities are in worse shape than we are, so we are in a strong position right now, and
26 interest rates are incredibly low, making this plan ideal.
27

28 City Manager Howdy Lisenbee informed council that we brought this item to them to make sure
29 that they are okay with us proceeding with the refinance of the 2012 issue. If for some reason the
30 council did not want us to pursue that, that changes everything else. He noted that there is no
31 action that the council needs to take, but we wanted to present them with this information so that
32 we could keep moving forward knowing that we have the council's approval and they are
33 informed.
34

35 **13. Discussion and Possible Action on a Resolution by the Commerce City Council Approving**
36 **the Proposed Property Tax Rate which is utilized in the Creation of the FY 2022 Budget.**
37

38 City Manager Howdy Lisenbee said that as he understands the regulatory environment for our tax
39 rate adoption, we are not required to do anything until we get to the public hearing and adoption
40 of the tax rate on September 21st. If we were to propose a tax rate that required an election, there
41 are some necessary steps that we would have to take. This is one of those steps, however the City
42 is not proposing a tax rate that would require an election. However, it is a "tax increase" even
43 though we are proposing to keep the tax rate the same. There are going to be some properties that
44 due to their valuations changing, the City will see a higher property tax revenue in the FY 2022
45 budget as compared to the FY 2021 budget even though we are keeping the property tax rate
46 constant.
47

48 What staff is bringing forward today is a resolution that we are not adopting a tax rate but we are
49 basically announcing to the community that this is the tax rate that we are proposing, and here are
50 the dates that we will have public hearings for you to come talk about that if you want to.
51

1 What this resolution would accomplish is officially stating for the record that the fiscal year 2022
2 budget assumes that we adopt a rate of \$0.82 cents per \$100 valuation, which is the same current
3 rate that we have and staff is proposing to keep that rate the same. Then there are some other
4 calculations that the City is required to provide. The fiscal year 2021 current property rate is
5 \$0.82 cents per \$100 valuation. Based on the new certified tax roll from the appraisal district, the
6 fiscal year "no-new-revenue" rate would be \$0.752009 cents per \$100 valuation, basically \$0.75
7 cents per \$100 valuation. The fiscal year 2022 "voter approval" rate is \$0.795438 or \$0.79 and ½
8 cents per \$100 valuation. The "De Minimis" rate, which is a rate calculation available to cities
9 under 30,000 in population, would go from \$0.82 cents to \$0.89 cents per \$100 valuation. We are
10 not recommending the De Minimis rate as we do not need that. The City intends to just keep the
11 \$0.82 cents per \$100 valuation constant, so that allows us to maintain our operating budget and
12 have the capacity to do some of the capital projects that we were discussing earlier in the evening.

13
14 This resolution would basically propose a \$0.82 cents tax rate, and staff is setting the first public
15 hearing for September 7th at 6:00 p.m. and the final public hearing for September 21st at 6:00 p.m.
16 here at the city council chambers. By adopting this Resolution, the council would vote
17 individually indicating their support of the proposed tax rate as utilized in the creation of the FY
18 2022 Budget. Director of Administrative Services Molly Jacobsen can record that information so
19 we can then give the county what they need to satisfy their requirements in posting the public
20 hearing notice and we can feel like we have been more transparent than the state would require us
21 to be in putting this information in front of the community now.

22
23 Council Member Teddy Reel said that when the council addresses the public, that it should be
24 noted that we are going to maintain the current \$0.82 cent tax rate instead of saying that we are
25 proposing an \$0.82 cent tax rate.

26
27 Council Member Stephanie Muller made a motion to approve the resolution. Council Member
28 Beckey Thompson seconded the motion. A roll-call vote was taken and resulted in the following:

- 29 ○ Council Member Stephanie Muller voted "Aye"
- 30 ○ Mayor Pro Tem Anthony Henry voted "Aye"
- 31 ○ Council Member Beckey Thompson voted "Aye"
- 32 ○ Council Member Teddy Reel voted "Aye"
- 33 ○ Mayor Wyman William was not present for this meeting.

34
35 The Resolution passed unanimously.

36
37 **14. City Manager's Report; discussion of same**

38
39 **• Public Input Feedback**

40
41 The City put out a press release recently that Nexus2 purchased the Covidien building, located at
42 400 Maple Street. They are supposed to award a construction contract for the remodel of that
43 building. The City is looking forward to working with them to see that property that has been
44 vacant for some time comes back to life and creates approximately 200 jobs over the course of
45 the next year. Nexus2 is hoping that if the construction market and their construction approach
46 takes off like they expect it will, they will have a need to expand this plant within the next five
47 years. If they expand it, they are saying that they could create upwards of 500 jobs. The potential
48 expansion of that plant would be driven by the construction market. Manager Lisenbee noted
49 that the product that they are bringing to the U.S. market is impressive and Commerce is excited
50 to be the second place in the United States to have that technology. The City is looking forward

1 to seeing where this partnership between Commerce Economic Development Corporation and
2 Nexus2 can go for the construction market in this entire region of the United States.

3
4 • **Finance Update**

5 -**Property Tax for July**

6 · The City had a tax levy of \$2,390,000. We budgeted \$2,318,000, which was 97% of the tax
7 levy. So far, through July, we have received \$2,304,000, which is 96.4% of our levy that has
8 been received so far in property tax revenue.

9
10 -**Sales Tax for July and August**

11 The City collected \$1.15 million in sales tax revenue last year. We budgeted \$1 million in
12 collections this year. So far, we have brought in \$1.16 million for FY 2021. Therefore, we
13 have already brought in more than we budgeted in sales tax revenue, and we still have one
14 more remaining of collections before wrapping up the 2021 fiscal year.

15
16 City Manager Howdy Lisenbee continued by saying that since he has been in Commerce, we
17 have not provided a monthly expense report for the organization to the council. He thinks that
18 this is something that would be beneficial for the council members to see on a monthly basis,
19 especially for the general fund and the utility fund. We have a couple of different options of
20 how we could format that and present it to the council on a monthly basis. He asked the
21 council members if that would be something that they would be interested in and if there was
22 some way that they would like to see that presented. Council Member Beckey Thompson
23 replied that whichever way he presented it to the council members would be a wonderful idea.

24
25 • **Calendar of Upcoming Events and Meetings**

26
27 Director of Administrative Services Molly Jacobsen stated that The Bread of Life Food Pantry
28 here in Commerce is doing an online auction to raise funds for the food pantry. Today is the
29 deadline if you would like to submit services or an item to be included in that auction. Then
30 bidding begins on their website this Thursday, August 19th at 6:00 a.m. Bidding will go
31 through, strictly online on their website, through Sunday, August 22th at 10 p.m. The website
32 where you can view the auction items and place your bids is:
33 <https://YourCharityAuction.com/BreadofLife>.

34
35 Commerce farmers' market is going on through the end of September, so you have a few more
36 weekends to stop by on a Saturday at 1100 Bonham Alley and shop and support local vendors.
37 Director Jacobsen encouraged Council and the public to take advantage of an excellent variety
38 of vendors this year. Council Member Teddy Reel asked who is responsible for overseeing the
39 farmers' market here. Director of Administrative Services Molly Jacobsen replied that it was
40 ultimately City Manager Howdy Lisenbee. Council Member Teddy Reel said that he just
41 wanted to say thank you and he had been to a larger town recently, and they did not even have
42 a farmers' market. City Manager Howdy Lisenbee added that we are looking to expand it in
43 the near future and that is part of the potential capital projects in the downtown area for Fiscal
44 Year 2022. Manager Lisenbee noted that he believes that we can expand the space that is
45 available for the farmers' market and see even more vendors. The vendors that come pretty
46 much fill up the little wooden shed that we have currently and we do not see more vendors
47 coming unless we expand because they would not want to be out in the sun and weather. He
48 noted that if we can provide a larger space, he thinks that we will see more vendors and that
49 there are also other events and things that could happen in a space like that if improved.
50 Director of Administrative Services Molly Jacobsen added that for the most part, Farmer's
51 Market is overseen by our Parks and Recreation Department staff noting that we have a

1 grounds supervisor and several park and grounds attendants that maintain the area and that for
2 Community Development Coordinator Becky Pattillo, the Farmer's Market is a project that is
3 near and dear to her heart, and City Manager Howdy Lisenbee oversees those departments and
4 their staff. City Manager Howdy Lisenbee said most of the credit was due to Community
5 Development Coordinator Becky Pattillo and her efforts this year in running the Farmer's
6 Market.

7
8 Director of Administrative Services Molly Jacobsen stated that as most everyone was aware,
9 last year the Bois d'Arc Bash was canceled due to COVID. The decision has been made to
10 move forward with the Bois d'Arc Bash this year. As per every year, it will take place in the
11 fourth weekend of September; which will be Friday, September 24th and Saturday, September
12 25th. There will be hundreds of vendors for shopping, tons of food and live music.

13
14 Finally, mosquito spraying will continue throughout the month of September. The mosquito
15 spraying calendar is available on our website at commercetx.org for citizens to print if they
16 need it.

17
18 • **Personnel**

19
20 City Manager Howdy Lisenbee said that he and Director of Administrative Services Molly
21 Jacobsen recently met with Texas A&M University- Commerce and are close to an agreement
22 with them for the addition of student workers to our workforce. The students would work
23 during the semester, many of them as part of their financial aid package. The city would have
24 the ability to give student workers jobs that would be paid for through their federal student aid.
25 Ultimately, we are looking to get four to six student workers here at City hall and maybe at the
26 public safety building, at no cost to the city. It would give the students some work, some
27 experience and some income. Plus, it would give us some extra hands, so we are excited to see
28 that project grow and see how we can work with those students to make that successful.

29
30 • **Projects Update**

31
32 • **Intergovernmental Events & Issues**

33
34 **15. Recess into Executive Session:**

- 35
36 • §551.071 (1) and 551.071 (2): Consultation with Attorney on a matter in which the duty of
37 the attorney to the governmental body under the Texas Disciplinary Rules of Professional
38 Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act and
39 Consultation with Attorney regarding pending or contemplated litigation.

40
41 • **Opioid Settlement 2**

42
43 Council Member Beckey Thompson made a motion for the Council to recess into executive
44 session. Council Member Stephanie Muller seconded the motion, and it carried unanimously. The
45 City Council recessed into executive session at 7:03 p.m.

46
47 **16. Reconvene into Open Session:** In accordance with Texas Government Code, Chapter 551, the
48 City Council will reconvene into Regular Session to consider any action, if any, on matters
49 discussed in Executive Session.

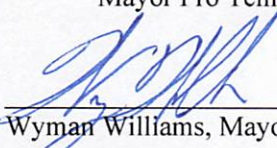
50
51 The City Council reconvened into open session at 7:12 p.m.

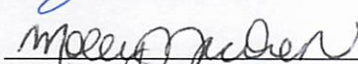
1
2 Council Member Beckey Thompson made a motion proposing the settlement between the Texas
3 Attorney General and Johnson & Johnson Distribution as presented by the City attorney. The
4 motion was seconded by Council Member Stephanie Muller, and the vote carried unanimously.
5

6 City Attorney Charles Anderson added that he would work with City Manager Howdy Lisenbee
7 and Director of Administrative Services Molly Jacobsen to get the right paperwork submitted.
8

9 **17. Adjourn.**

10
11 Mayor Pro Tem Anthony Henry adjourned the meeting at 7:13 p.m.
12

13
14 
15 _____
16 Wyman Williams, Mayor

17 
18 _____
19 Molly Jacobsen, City Secretary

20 10/19/2021
21 _____
22 Date

23 08.17.2021.MINS
24