

**MINUTES
SPECIAL CITY COUNCIL MEETING
SEPTEMBER 7, 2021 - 6:00 p.m.**

PRESENT: Mayor Wyman Williams, Mayor Pro Tempore Anthony Henry, Council Members Stephanie Muller and Terry Reel

STAFF PRESENT: City Manager Howdy Lisenbee, Director of Administrative Services Molly Jacobsen, Finance Director Jamie Campbell, and Director of Public Safety Chris Bassham

OTHERS PRESENT:

ABSENT: Council Member Beckey Thompson

1. Call to Order.

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

2. A Resolution Authorizing an Agreement between the Texas Department of Transportation (TxDOT) and the City of Commerce for the Street Closure of Business 224/Main Street and Washington Street on the Fourth Weekend of September in 2021 through September 2025 for the Annual Bois d'Arc Bash hosted by the Commerce Chamber of Commerce.

Director of Administrative Services Molly Jacobsen discussed with Council the agreement between the city of Commerce and the Texas Department of Transportation (TxDOT) regarding street closures related to the Bois d'Arc Bash. Historically, this agreement was done in five-year increments so that it did not have to be renewed every year. It was due for renewal last year, but the Bois d'Arc Bash was not held last year due to the COVID-19 pandemic. She said that she was in the process of finalizing details of the agreement with TxDOT. The finalized agreement will be signed-off on by the City Manager and be on record for the next five years. The agreement gives the city permission to close state right-of-way streets for the event, only on the 4th weekend of September annually.

Mayor Pro Tem Anthony Henry made a motion to approve the resolution and five-year agreement with TxDOT. It was seconded by Council Member Stephanie Muller and carried unanimously.

3. Receive a Report, hold a Discussion and Conduct a Public Hearing to consider the proposed Fiscal Year 2022 Budget.

City Manager Howdy Lisenbee noted that the city is required to hold one public hearing as part of the budget process. Staff felt it would be good to have two public hearings to allow for input from the community regarding the proposed FY 2022 budget.

He noted that while creating the budget, staff kept in mind that every dollar spent was someone else's dollar and is used to provide services to benefit the community. The City has approximately 2,837 households. Households of families make up 33% of that number, 7% are married couples without children, 5% are singles, and 19% are seniors living alone. That 19% is significant because that is 43% higher compared to the state, which means we have to consider our senior citizen population too when creating our budget. Also, 46% of our households live at

1 or below a \$25,000 annual income. The median household income is \$28,135, which is 55%
2 below the state average median household income. This means that at least half of our population
3 lives below the poverty line. He asked the question, "At what we are costing the community and
4 the dollars we are given, does the community feel that they are getting value for their dollars?"
5 He noted that staff was intentionally mindful of both the cost, services and the value of those
6 services we provide to the community while creating our budget.
7

8 The General Fund provides general services to the community, and the other major fund is the
9 Public Utility Fund. The General Fund proposed amount for the FY 2022 budget is \$6,696,037,
10 which is an increase of 15.9% from the FY 2021 budget. Of the General Fund, 70% of those
11 expenditures is used to pay salaries and benefits to the people providing services in our
12 community. He noted that for public safety, most employees were paid about 19% below the
13 market wage. Utilizing American Rescue Plan, or ARP funding, the City will bring these
14 employees up to a market wage, and over the course of the next three years and next three
15 budgets, the City will wean itself off the ARP funding to subsidize this cost and allow the General
16 Fund to absorb the entire cost of their salaries without utilizing the ARP funding.
17

18 The amount budgeted for the Enterprise Fund is \$5,771,705, which represents a 5% increase over
19 last year's budget. The Public Utility Fund will be increased by \$277, 696, which is mostly driven
20 by the request for four (4) new staff positions. There will also be capital improvement projects
21 dedicated to maintaining infrastructure in the City and additional funds to double our team of
22 utility workers from three to six people in order to better manage and maintain our system.
23

24 The budget is available online and the public is encouraged to provide input this evening at the
25 public hearing.
26

27 Mayor Wyman Williams opened the public hearing at 6:14 p.m. No member of the public came
28 forward, and the public hearing was closed at 6:15 p.m.
29

30 **4. Discussion and Possible Action on the FY 2022 Budget.**
31

32 City Manager Howdy Lisenbee noted that this item was in place should the council choose to
33 make changes to the proposed budget. No proposal was made to take action on the proposed FY
34 2022 Budget.
35

36 **5. Receive a Report, hold a Discussion and Conduct a Public hearing to consider the proposed**
37 **tax rate of \$0.82 per \$100 of assessed valuation as of January 1, 2021 for Fiscal Year 2022.**
38

39 City Manager Howdy Lisenbee noted that the tax rate, like the budget, also requires one public
40 hearing, but staff allowed for two public hearings to allow for input from the public. He noted
41 that an \$0.82 tax rate is especially high, but that there is about a \$42,000 valuation per capita in
42 our community. He noted that a \$0.01 tax rate will produce about \$40,000 while it would produce
43 about \$235,000 in the City of Greenville. He noted that hiring one police officer costs about
44 \$55,000-\$60,000, including benefits. He noted that our City faces unique challenges in providing
45 the level of service necessary to our community while trying to fund those services from dollars
46 generated by this tax rate.
47

48 Mayor Wyman Williams opened the public hearing at 6:23 p.m. No one came forward, and the
49 public hearing was closed at 6:24 p.m.
50

1 City Manager Howdy Lisenbee commented that about half the citizens in the community
2 subsidize fire services for the entire community as our fire department provides services to the
3 University, who is exempt from paying property tax as they are a state institution.
4

5 **6. Discussion and Possible Action on the Proposed Tax Rate of \$0.82 per \$100 of assessed**
6 **valuation as of January 1, 2021 for Fiscal Year 2022.**
7

8 No action was taken on this item by the Council at this time.
9

10 **7. Receive a Report, Hold a Discussion and Conduct a Public Hearing on the Proposed FY**
11 **2022 Capital Improvement Plan (CIP).**
12

13 City Manager Howdy Lisenbee commented that it had been a number of years since the
14 community had invested significant money in community infrastructure. He noted that while City
15 Hall and the Public Safety building were still in good shape, there were other buildings and
16 services in the community that needed dire attention.
17

18 The city's financial advisors have been directed to refinance some 2012 general obligation bonds,
19 and as a result, the city will have the ability to finance about \$6,500,000 to do capital projects in
20 Fiscal Year 2022.
21

22 Staff and Council have been discussing street and drainage improvements and options for various
23 improvements to the public library, animal shelter, parks systems and downtown infrastructure.
24

25 Last year, \$1.5 million was authorized in funding of street and drainage improvements, while
26 \$1.2 million has been reserved for these street and drainage improvements in the FY 2022 budget.
27 The Council has also discussed about \$800,000 in library improvements which would include
28 making the building accessible by ADA standards. Council and staff have talked about a new
29 animal shelter, park improvements to our various park systems, and various downtown
30 improvements.
31

32 Mr. Allen of Freese & Nichols, a regional engineering firm whom the Council awarded a contract
33 for engineering of street and drainage improvements to in May of 2021, addressed the Council.
34 He noted that recently, they were able to get traffic counts on various streets in Commerce. The
35 streets were put into three categories: City Reconstruction, City Maintenance and TxDOT
36 Maintenance. Below are the streets identified as in need of work and their categories that they fit
37 into.
38

39 **City Construction:**

- 40 · Bonham Street – from Earl to Washington
- 41 · Sycamore Street – from Park St to the railroad
- 42 · Washington Street – from Live Oak to Culver
- 43 · Hickory Street – from Chestnut to Maple
- 44 · Monroe Street – from Culver to Charity
- 45 · Charity Road -from State Hwy 24 to Monroe

46
47 **City Maintenance:**

- 48 · Monroe Street – from Live Oak to Walnut
- 49 · Park Street – from Maple to Culver

50
51 **TxDOT Maintenance:**

- Live Oak Street -from State Hwy 24 to Washington St
- Washington Street -from Live Oak to Alamo

City Manager Howdy Lisenbee stated that based on the CIP that we have been discussing, about \$2,500,000 for street construction would be available this year. He noted that the City needs to keep a street that is in good condition with lots of traffic in good condition, or we will end up spending more than necessary later on down the road because the condition of the street will have deteriorated. He clarified that a spending plan for the streets was necessary, so that Council will know what is left to spend on the other capital improvement projects.

The next capital improvement project that City Manager Howdy Lisenbee addressed was the public library. Although the city owns the library building, it does not operate the library. It is operated by the Friends of the Commerce Public Library. The historic building is over a hundred years old and the Council has been talking about Americans with Disabilities Act (ADA) access for that building.

With 46% of our population at or below the poverty level, the City is in need of a library that will give them opportunities to improve their life and their conditions. Libraries can and should play a very pivotal role in that part of our society. It is hard for the Friends of the Library to provide that important service because of the condition of the building. The City had an architect come in and do some evaluations from which we developed three different options of what it would take to get ADA access and also have ADA accessible restrooms on the first floor of the library. City Staff and Friends of the Library also had conversations with the Texas Historical Commission. We found out that from their viewpoint, because the loading dock that is on the back side of that building was not an original part of the building, there is a full suite of options to get access into the rear of the building and also put restrooms there because it is easy to get utilities there. The plan will cost about \$500,000 and for an additional \$100,000, improvements could be made to the parking lot. The budget contains \$800,000 for the library. The extra \$200,000 would be used for some much needed improvements to the interior of the library.

City Manager Howdy Lisenbee then talked about the animal shelter. The animal shelter is a very hot topic in the community and is discussed considerably on social media. The city put out a very brief, three-question survey recently related to the necessity of a new animal shelter. The first question was "would you support a new animal shelter?" Additionally, if residents answered yes, they were prompted with "what would you like to see in the shelter?" There were over 400 responses to this survey, and 85% of those responses were strongly in favor of this project. The amount originally budgeted for the shelter project was \$1.2 million dollars. City Manager Lisenbee has since talked with some people that he knows in the construction industry who have constructed shelters in the past. The \$1.2 million dollars would be utilized as \$0.2 million dollars for design and then would only leave \$1 million dollars for the actual construction of the shelter. Manager Lisenbee noted that right now, animal shelters are being built for around \$250 per square foot. A million-dollar construction budget using \$250 per square foot would build about a 4,000 square foot animal shelter. The city's current animal shelter is about 2,000 square feet. Mr. Lisenbee posed the question, "does a 4,000 square foot animal shelter give us what we think the community needs?" He thinks the shelter would probably need to be closer to 5,000 square feet and believes that \$1.2 million dollars is not enough. He stated that it probably needs to be more in the ball park of \$1.5 to \$1.8 million dollars, especially in light of what construction costs are right now.

City Manager Howdy Lisenbee said that the next two categories in the CIP are park improvements and downtown improvements. Our parks and recreation system desperately needs

1 some investment because we have entire parks that are full of very old, hand-me-down park
2 equipment that frankly is not safe. Manger Lisenbee noted that if we did playground and some
3 site improvements at, for example Ivory Moore Park, \$250,000 to \$300,000 would be a major
4 shot in the arm for that park, but it would not touch the baseball field. There is decent playground
5 equipment at City Park, but for the volume of traffic that park gets, the playground is undersized.
6 For \$150,000, a larger playground that was accessible to ADA children could be funded.
7

8 Finally for Parks, Manger Lisenbee stated that splash pads are a very economical way to provide
9 water recreation to a large segment of the community, further noting that a \$750,000 splash pad is
10 probably the right size for our community. With design costs added, an \$800,000 budget would
11 be needed. Having the splash pad located at City Park would make it centrally located, so families
12 would not have to cross a state highway. Also, water and sewer infrastructure are in place to
13 support this type of project.
14

15 Centennial Park and Eddie Moore, where the baseball complex is, were also discussed. There are
16 a number of things that could be done to that baseball complex to improve its usability, especially
17 in inclement weather. However, the school system is also proposing to do a major investment in
18 their baseball complex. The City Manager posed the question, do we need to duplicate that
19 expenditure? Manager Lisenbee stated that Council had talked about \$1,500,000 for park
20 improvements. There have also been some questions about if now is the right time to do a splash
21 pad? Manger Lisenbee noted that we as a staff and the Council have to ask ourselves, what is the
22 value we are providing to the community for the money the community is giving to us?
23

24 Along these same lines, and looking at the downtown area, the question has been asked if there is
25 a place that we can invest some money there that would give us a return on that investment.
26 Downtown is one of those areas that we could use some of the capital project dollars to hopefully
27 spur more development with some property improvements. At a minimum, Manager Lisenbee
28 said that we needed to look at sidewalk improvements. The farmers' market area desperately
29 needs some investment to make it more functional and more usable for more than just a farmers'
30 market. There are some improvements to downtown that we could make to increase the number
31 of events that can happen in this area. Events downtown bring people into our downtown area
32 which brings business to these businesses, which would spur more development. Manager
33 Lisenbee noted that it would be a wise investment to spend some money downtown but the
34 question is, how much? The improvements could include sidewalk improvements, some aesthetic
35 improvements, some restrooms, improved parking and improving the farmers' market.
36

37 Mayor Wyman Williams opened the public hearing at 7:55 p.m.
38

39 Andrew Baker, president of the Commerce Public Library Board, addressed the council. He
40 thanked the Council for their willingness to invest in the library facility and noted that they are
41 excited to have a space that is more functional, accessible and usable. One of the concerns he
42 noted that the Friends of the Library would have, in regard to public restrooms, would be with the
43 monitoring and cleaning of those facilities if they were located downtown. In the past, they have
44 discussed that as a possible option, but at this point, the board is not optimistic about the idea of
45 downtown bathrooms also serving as a library bathroom facility.
46

47 The public hearing was closed at 7:56 p.m. with no further comments from the public.
48

49 **8. Discussion and Possible Action on the Fiscal Year 2022 Proposed Capital Improvements**
50 **Plan.**
51

1 There was no action taken for this item.

2
3 **9. First Reading-Discussion and Possible Action on an Ordinance Amending Ordinances**
4 **2021-08 to reflect modified City of Commerce Water and Wastewater Rates.**
5

6 City Manager Howdy Lisenbee noted that part of the proposed budget involved an analysis of the
7 Public Utility Fund. The Public Utility Fund has been losing money every year for a significant
8 amount of time and supplements the General Fund. Over the past eight years, there was no
9 conversation about adjusting the water rates. Last year, a small adjustment was made to the base
10 rates, but consumption rates were not addressed. In looking at aging infrastructure, this was a
11 priority for staff this budget year. In examining utility rates, it is important to understand it is an
12 enterprise fund and, by design, should function like a business. In the General Fund, taxes are a
13 source of revenue. For example, when the fire department responds to a call, they are not paid for
14 their services. Therefore, the funding model for a fire department looks different than a utility
15 fund, where the people who use the service should be the ones responsible for paying for the
16 service. In our Public Utility Fund, and with the way our rates are structured, the residential
17 customers are subsidizing industrial and commercial customers. Where we know this happens in
18 a lot of communities, we refer back to the data provided earlier that about 50% of our community
19 lives below the poverty line and cannot continue to subsidize commercial and industrial
20 customers.
21

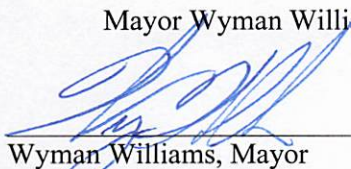
22 For water rates, Manager Lisenbee established a "life-line" rate. That first tier of consumption
23 will drop from \$3.72 to \$3.50, and the first 4,000 gallons of water were established as essential to
24 this life-line rate. He noted that about 50% of the homes in our community do not use more than
25 4,000 gallons of water per month. The bulk usage of our water is not being used by these
26 residential customers, and thus, they should not be the ones paying for it. The next tier of 5,000-
27 15,000 gallons are charged a consumption rate of \$5.00, and 16,000-50,000 gallons of water
28 moves to \$6.00. Everything over 50,000 gallons of water per month is charged a consumption
29 rate of \$7.00. Multi-family units like apartments will not receive the life-line rate since there is no
30 way to bill per living unit. They will be charged at a rate of 0-15,000, which is a consumption rate
31 of \$5.00.
32

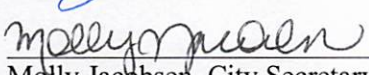
33 Commercial and industrial customers, which the city has a small number of, use a significant
34 amount of water. They have been subsidized by residential customers and thus will see a
35 significant increase in their water rates. Finally, wholesale water contracts will see a significant
36 rise in rates. There are four wholesale customers in the city, but their rates cannot be adjusted
37 arbitrarily without additionally changing their contracts.
38

39 On the first reading, Mayor Pro Tem Anthony Henry moved to approve the Ordinance. The
40 motion was seconded by Council member Stephanie Muller, and the vote carried unanimously.
41

42 **10. Adjourn.**
43

44 Mayor Wyman Williams adjourned the meeting at 8:18 p.m.

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49 _____
50 Wyman Williams, Mayor

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Molly Jacobsen, City Secretary



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10/19/2021
Date

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