

**MINUTES
REGULAR CITY COUNCIL MEETING
SEPTEMBER 21, 2021 – 5:30 p.m.**

PRESENT: Mayor Wyman Williams
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
Finance Director Jamie Campbell
Director of Public Safety Chris Bassham
Director of Public Utilities T J Jones
Community Development-Jon Harper

ABSENT:

1. Call to Order.

Mayor Wyman Williams called the meeting to order at 5:30 p.m.

2. Invocation.

Mayor Wyman Williams asked the audience for a moment of silence.

3. Pledge of Allegiance.

Council Member Beckey Thompson led the Pledge of Allegiance.

4. Consent Agenda.

a. Acceptance of Minutes:

- Beautification Commission Meeting Minutes-June 24, 2021
- Parks & Recreation Advisory Board meeting Minutes-July 14, 2021
- Beautification Commission Meeting Minutes-July 22, 2021
- Parks & Recreation Advisory Board meeting Minutes-August 11, 2021
- Commerce Economic Development Corporation Meeting Minutes-August 16, 2021
- City Council Regular Meeting Minutes-August 17, 2021
- City Council Special Meeting Minutes-September 7, 2021
- Planning & Zoning Commission Meeting Minutes-September 15, 2021

b. Consider and Take Action on:

- A Resolution Authorizing the Approval of an Agreement for the lease of Ground Hangar #5 at the Commerce Municipal Airport between the City of Commerce and Matthew Wood and Authorizing the City Manager to Execute all Necessary Documentation.

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

5. Presentation to City Council by members of the Public. (To be conducted as close to 6:00 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.

Jace Hood, an event planner, addressed the Council proposing a Breast Cancer Awareness event. The event would be a fundraiser for the Breast Cancer Research Foundation. He stated that an event he held last year was successful, raising over \$2,500 helping over 234 women.

1 The proposed event would be held in the Commerce city gym. He noted that he left a PowerPoint®
2 presentation with Molly Jacobsen, Director of Administrative Services and that he just needed the
3 guidelines from the City for hosting an event like this in a city-owned building. He noted that he would like
4 to schedule another meeting after the Council looks over the PowerPoint® presentation to answer any
5 questions.
6

7 City Manager Howdy Lisenbee told the Council that the current policy of the City for use of the city gym is
8 for sports events only because of concern about damages to the new wood floor at the facility. Mr. Hood
9 let the Council know that he has a partner who is willing to give a padded tarp that would cover the entire
10 gym floor. He further noted that the event would not be using any tables or chairs, except for about 15
11 chairs around the perimeter.
12

13 City Manager Howdy Lisenbee advised Mr. Hood that the Council could not take any action during public
14 comments, but that he would follow up with him.
15

16 **6. Presentation of Proclamation for Constitution Week.**
17

18 Mayor Wyman Williams read aloud the Proclamation for Constitution Week, which designated September
19 17th through 23rd as "Constitution Week", marking the two hundred & thirty-fourth anniversary of the
20 drafting of the Constitution of the United States of America by the Constitutional Convention.
21

22 **7. First Reading - Public Hearing and Possible Action on an Ordinance Authorizing a Change in Zoning**
23 **from AG (Agricultural District) to PD (Planned Development District) for Property ID: #34145,**
24 **Legal Description: A0913 RILEY I W, TRACT 15, ACRES 8.799, Property ID: 25335, Legal**
25 **Description: A0388 GRILSKI, TRACT 18, ACRES 8.429, Property ID: 127763, Legal Description:**
26 **A0913 RILEY I W, TRACT 15-1B, ACRES 10.678, Property ID: 112345, Legal Description: A1276**
27 **SAYLE N A, TRACT 31, ACRES 7.435, Property ID: 96043, Legal Description: A0913 RILEY I W,**
28 **TRACT 15-1, ACRES 10.678, and Property ID: #127762, Legal Description: A0913 RILEY I W,**
29 **TRACT 15-1A, ACRES 3, known as 315 Oak Lane, Commerce, Texas 75428.**
30

31 City Manager Howdy Lisenbee said that the City had been approached by a developer regarding a planned
32 development. The City has a zoning ordinance that establishes various zones within the community, and
33 within those zones there are land uses that are allowed by right and others allowed by a conditional use
34 permit. He noted that there are some uses that typically are not allowed within a given zone. When there is
35 a zoning application, several different paths can be followed. Typically, if it is zoned "Ag" or
36 "agricultural", then a request will be made that it be changed to a residential zone. However, a "planned
37 development" zone gives some flexibility to allow for a mixture of uses within a given zone, rather than
38 restricting it to just one use. For this development, a planned development has been submitted rather than
39 any one particular zoning. Staff reviewed the application, attached to the Ordinance, and it satisfies and
40 complies with all the requirements of City regulations for a planned development district. This rezoning
41 application was presented to the Planning and Zoning Commission last week at a duly authorized meeting
42 of the Planning and Zoning Commission. In addition, a public hearing was held, and the commission took
43 it into consideration and deliberated the situation for some time. The planned development, as it was
44 submitted, was approved with one addition. They requested that there be some discussion and/or
45 negotiation between the developer and neighboring industry Hydro Aluminum to allow for a buffer between
46 the industrial use and the residential use that is being proposed within the planned development. After the
47 meeting with the Planning and Zoning Commission, the applicant did conduct a meeting with Hydro staff
48 and City staff. The developer presented some modifications to their plan, which they are prepared to
49 discuss tonight. The bottom line is that this planned development would result in not quite 300 residential
50 lots in the area behind Commerce Elementary School. City Manager Lisenbee noted that the developer's
51 request satisfies all the conditions that the City has, so staff is recommending approval of the planned
52 development district zoning change.
53

54 Mayor Wyman Williams opened the public hearing for agenda item #7 at 5:37 p.m.
55

1 Ryan Joyce addressed the Council. He stated that when this project came before them, about 90 days ago,
2 they saw the need for Commerce to grow and provide additional housing. He feels that they can not only
3 help improve the housing in Commerce but do it in a way that would be very appealing to not only the city
4 but also to current and future residents. They have partnered with Bloomfield Homes for this project.
5

6 Clint Vincent, Vice President of Land for Bloomfield Homes spoke to the Council next. He said that
7 Bloomfield Homes started in 2005. He introduced Don Dykstra, the founder of the company, Mike Collins,
8 their Director of Community Development, Todd Winters, the civil engineer on the project, and Kim
9 Douglas with Douglas Properties, the third-party developer who would be developing the property.
10

11 Mr. Vincent said that Bloomfield Homes does not sell low-price or low-quality homes; but instead they sell
12 lifestyle, which is above the standard type of "bare-bones" house. He noted that the emerging markets
13 contain people who want a chance to live in a small town. One of the advantages that Bloomfield Homes
14 has is that they are the builder as well as the developer, and they take pride in that.
15

16 The proposed property for this project is located near Commerce Elementary School. One of the things that
17 Bloomfield Homes likes to do when they lay out a subdivision is to have a mix of lot sizes next to each
18 other. This gives a custom feel to the neighborhood. In their original layout, they had lots backing all the
19 way up against the southern property line. On the other side of that property line is located the Hydro
20 Aluminum Plant. He noted that following the Planning & Zoning meeting, they changed their plans to
21 create a buffer area. There is an existing stand of trees in that buffer area that they plan to leave, and they
22 will plant additional trees. The industrial area of Hydro will be a minimum of 127 feet away from their
23 houses. Other things that they will include in the neighborhood will potentially be things like a splash pad
24 and playgrounds.
25

26 He noted that Bloomfield Homes build super quality houses with covered front porches and balconies. The
27 exterior of the homes will be a combination of stone and brick as well as landscaping and a completely
28 sodded yard with irrigation. He further summarized that their houses have open flowing areas and dramatic
29 windows which allow for an abundance of natural light. He stated they even have some energy efficiency
30 built into their homes which include LED lighting, radium barrier decking, and dual-pane, vinyl windows.
31

32 He finally noted that Bloomfield is pretty proud of their homes, which will add about \$90,000,000.00 in
33 property values to the City of Commerce and our property tax base.
34

35 The next speaker was Dan Luckett, the Director of Operations at Hydro Aluminum. He read a statement to
36 the Council noting that Hydro has been and is pleased to be part of the Commerce community for almost 20
37 years now and looks forward to being here for many years to come. He stated that they appreciate the
38 support from the City helping to establish the plant in 2002. He further summarized that Hydro is proud
39 that they have been able to maintain and grow their employment base and continue to invest in Commerce,
40 as was the case with their other expansion in 2017. He noted that Hydro is not opposed to the development
41 project overall, as they want to see Commerce grow and continue to prosper. However, they have some
42 concerns with the location of this project. He noted that one of their primary concerns is the noise they
43 produce during normal operations and having a residential neighborhood located extremely close to their
44 operations. He stated that Hydro met with the developer last week, and the revised plan is much improved.
45 This improvement consists of replacing the closest residential lots, adding the green space, leaving the
46 existing tree line and adding additional trees. However, he noted that Hydro would also like to have them
47 add a berm along the northern edge area, where the Economic Development currently owns land now and
48 then continue down the other side, so that it would connect to the berm that they have today. He stated that
49 Hydro is willing to make available some of their property in these areas so that this can happen.
50

51 Hydro requests that the City require these additional improvements to the plan as part of the approval
52 process. If the noise complaints continue after the houses are developed and built, the only other option
53 would be that Hydro would probably have to construct a building over their scrap yard which is where a
54 majority of the noise comes from. Mr. Luckett noted that would probably cost \$1 to \$2 million dollars.
55

1 Mr. Lockett stated it is important that their operations can continue to grow and expand so that they're able
2 to thrive in an ever-changing and competitive industry. In order to do that, he felt that Hydro must be able
3 to operate as they have in the past 19 years. He noted that they want to be on record noting that future
4 expansion of their operations could trigger the need for them to request variances from the city. If that were
5 to happen, he requested that the City consider the fact that this neighborhood is being developed with full
6 knowledge of existing operations at Hydro Aluminum. Mr. Lockett said he trusted that the City will
7 continue to support operations and employment of Hydro that they are able to provide here in Commerce.
8

9 Mayor Wyman Williams stated that he has heard very few complaints about the noise coming from Hydro
10 Aluminum. He said that people seem to adapt in situations such as these but noted that the City certainly
11 appreciates Hydro being a fine corporate citizen to the City of Commerce.
12

13 Mayor Wyman Williams closed the public hearing on agenda item #7 at 5:54 p.m.
14

15 City Manager Howdy Lisenbee stated that the City recognizes and wants to validate the concerns that have
16 been expressed by Hydro Aluminum. He noted that staff has even had some conversation about permitting
17 processes and that staff is fully committed to be supportive in any future air quality permits or anything like
18 that that the City can do to assist on those permit applications. In a perfect world, you can buffer heavy
19 industrial uses by moving into a heavy commercial district and then transitioning into a general business
20 and then transitioning into residential. However, he noted there are some unique conditions that face us in
21 Commerce. He noted that while we are not landlocked, most of the raw land within our community is
22 either land owned by the university and not available for development or does not have any existing
23 utilities in place, which significantly increases the cost of seeing development happen on those properties.
24 He noted that this particular property does have many of those advantages as there are already major water
25 lines serving that area. There are already major sewer trunk lines serving that area as well. Therefore, the
26 infrastructure cost to establish a development of this type is very attractive in this location for those
27 reasons. The City feels that there is a balance between the needs that we have for homes and supporting the
28 businesses and the industries that are already here. Further, the City recognizes that the developer has made
29 significant commitments to reduce the number of lots and change their layout. But we also recognize the
30 validity of Hydro's concerns. Staff feels that this is an elegant compromise, and we continue to endorse
31 approval of the planned development as it is now presented.
32

33 Council Member Stephanie Muller moved that the Council accept the first reading of this Ordinance to
34 permit the rezoning of this property, with the amendment of adding the buffer. This motion was seconded
35 by Mayor Pro Tem Anthony Henry and the motion carried unanimously.
36

37 **8. First Reading-Public Hearing and Possible Action on an Ordinance Authorizing a Change in Zoning**
38 **from AG (Agricultural District) to PD (Planned Development District) for Property ID: 34146, Legal**
39 **Description: A0913 RILEY I W, TRACT 17, ACRES 26.2036.**
40

41 City Manager Howdy Lisenbee informed the council that this property is connected to the same subdivision
42 that is being proposed as a planned development. The first group of tracks were privately held, and they are
43 under contract to be sold to the developer. However, this other particular tract of land is held by the
44 Commerce Economic Development Corporation (CEDC). The CEDC has a commitment to sell to this
45 developer as well, but it has to be rezoned also.
46

47 Mayor Wyman Williams opened the public hearing for agenda item #8 at 5:59 p.m. No one came forward
48 to speak, and Mayor Williams closed the public hearing at 6:00 p.m.
49

50 Council Member Beckey Thompson made a motion to authorize the re-zoning for Property ID: #34146,
51 located on FM 3218. The motion was seconded by Council Member Stephanie Muller and carried
52 unanimously.
53

54 **9. Discussion and Possible Action on a Resolution nominating a Representative(s) for the Hunt County**
55 **Appraisal District Board of Directors.**
56

1 City Manager Howdy Lisenbee reminded the Council that this item was presented to them last month. The
2 Hunt County Appraisal District has a board of directors, and various taxing entities have representatives on
3 that board that take care of their interests and work on their behalf. There are so many taxing industries in
4 Hunt County, that not every entity gets their own representative. Every entity gets to nominate
5 representatives, and over the next couple of months, the Council will get the opportunity to vote for
6 representatives to fill position on that board. Typically, the City of Commerce and Commerce ISD together
7 have enough votes to guarantee at least one seat at the table that represents Commerce and our interests.
8 Historically, the City and the ISD have worked together to accomplish those nominations resulting in an
9 appointment to the Hunt County Appraisal Board of Directors.

10
11 Last month the Council asked for more time to think about possible nominations. Since that time,
12 Commerce ISD has nominated Mr. John Sands. He is the current representative that sits on that board on
13 our behalf. The council could nominate Mr. Sands or nominate a couple of people. However, whoever ends
14 up with the City's nomination, if Commerce ISD votes for one person, and the City votes for someone else,
15 there is a possibility that neither entity would get a representative on the board. Therefore, City staff
16 recommends some coordination with the ISD. Mr. Lisenbee noted that staff will be happy to take the
17 Council's nominations and submit them to the Appraisal District.

18
19 Council Member Stephanie Muller moved that the Council nominate John Sands, and Council Member
20 Becky Thompson seconded. The motion carried unanimously.

21
22 **10. Discussion and Possible Action on a Resolution approving a Tax Resale Deed for the Property**
23 **located at 609 N Neal St (Property ID #52900) within the City of Commerce.**

24
25 Molly Jacobsen, Director of Administrative Services, advised the Council that the City's tax attorneys
26 brought us a tax resale deed for the property located at 609 N. Neal Street. The property was struck off the
27 tax roll in 2000. City tax attorneys took it to an auction in 2018, at which time there was no minimum bid
28 received for the property. Since then, a potential buyer has come forward and submitted a bid in the
29 ballpark of \$3,500. The property was appraised for about \$3,000 in 2020. There is one outstanding labor
30 lien on the property. However, it is an old labor lien, and since the city now owns the property, and it went
31 through a sheriff's sale, that lien is no longer valid. Staff brings this before the Council for approval as each
32 taxing entity must approve before the sale and transfer of the property can occur.

33
34 Council Member Stephanie Muller made a motion to approve a tax resale deed for Property ID #52900 at
35 609 N Neal Street. Council Member Teddy Reel seconded the motion, and the vote carried unanimously.

36
37 **11. Consideration of an Ordinance Amending "Ordinance No. 20-12" which Adopted the Fiscal Year**
38 **2020-2021 ('Fiscal year 2021') Budget, providing for the adoption of amendments to the FY 2021**
39 **Budget thereto as set forth in Exhibit "A" and providing for an effective date.**

40
41 Jamie Campbell, Finance Director, said that this concerns the current budget that the City is operating in
42 now, which comes to an end September 30th. The changes that staff is asking the Council to adopt would
43 amend parts of the FY 2021 budget, adopted by the Council in 2020 with the adoption of Ordinance 20-12.

44
45 Finance Director Campbell noted that when the city manager came onboard at the end of 2020, he did some
46 restructuring, which had a net effect on the personnel expenses overall within the City's General Fund and
47 Public Utility Fund. Manager Lisenbee had decided not to fill some of the higher positions within the City,
48 and the City felt that it was necessary to demonstrate that in our FY 2021 final budget, where the changes
49 were noted within the departments and how it affected each of those budgets.

50
51 The only other funds that went above their budget expenditures were minor funds. They are typically funds
52 that are based on estimates when the budget is created, and staff trues it up toward the end of the year so
53 that the budget more accurately reflects actual numbers rather than expected numbers.

54
55 The first change is the City's Equipment Replacement Fund. Staff is requesting that it be increased by
56 \$20,000. This was a change that came after the audit was completed. The auditors requested that we start

1 having an expense on our books for the Enterprise vehicles that covers the interest expense. This is because
2 there was a recent law change on how we are supposed to carry financial leases on our books. This change
3 just puts that interest expense into the budget.
4

5 The next amendment is in the City's Debt Service Fund. This is the fund that takes in the property tax that
6 is the I&S portion, so the \$208,000 is just because it was an estimated amount before the City was issued
7 new debt this year. This difference has already been offset by the million plus dollars that the City received
8 on the bond and was already offset by the property tax we have received this year on the I&S side, so it is
9 just truing up the expenses reflected in the FY 2021 Budget.
10

11 City Council previously did a budget adjustment on the Capital Project Fund for redoing the air
12 conditioning units in City Hall and in the Public Safety building. After these adjustments, the City was
13 about \$5,000 over budget, so this amendment trues that up. While the City does have the fund balance to
14 cover that \$5,000, this just trues up the expense to match the budget.
15

16 The last change is related to Employee Benefits Trust Fund. During every payroll, staff does a transfer that
17 transfers these funds into a specified account that has its own bank account. This is where we pay our
18 medical benefits to employees out of and is just an estimate every year. It is offset by the revenue, which is
19 transferred in from the General Fund for every payroll, and then the expense is paid out for our benefits.
20

21 That is all the budget adjustments necessary for the current fiscal year for 2021.
22

23 Council Member Stephanie Muller made a motion that the Council accept the amending Ordinance No. 20-
24 12 which adopted the Fiscal Year 2021 Budget. Mayor Pro Tem Anthony Henry seconded the motion, and
25 the vote carried unanimously.
26

27 **12. Receive a Report, Conduct a Public Hearing and Action on an Ordinance Adopting the Fiscal Year**
28 **2022 Operating Budget.**
29

30 Howdy Lisenbee, City Manager, told the Council that they have had in their possession since mid-July the
31 proposed budget for Fiscal Year 2022, which begins October 1, 2021 and concludes on September 30th of
32 2022. This budget is for the major funds of the General Fund and the Public Utilities Fund, as well for the
33 minor funds that exist within our organization.
34

35 Relative to the FY 2021 Budget, there is a substantial increase to the General Fund. The bulk of that is the
36 receipt of the federal funding from the American Rescue Plan (ARP). There is also a small increase in
37 funding from keeping the property tax rate the same as a reflection of an increase in the appraisal of
38 property values. The high points of this budget primarily rest within increasing salaries for our first
39 responders. City Manager Lisenbee reminded the Council and the public that when we look at the rates we
40 are paying for our salaries and benefits to all of our staff, we have to consider market wage. Basically, from
41 Greenville east, staff evaluated what other cities are paying for jobs and classifications within the same
42 ranges to determine if the City was paying a competitive wage. The wages that Commerce was paying to
43 our first responders is significantly below the market wage for our region, and the City is looking to correct
44 that over a three-year period. This budget will accomplish that. Further, this budget allows for additional
45 training and improvements in some of the other things that we do across the City. Manger Lisenbee noted
46 that our goal is to become more effective at the services we deliver to our community so that every dollar
47 that citizens give us, we are being responsible with those dollars and providing effective results to our
48 community.
49

50 Mayor Wyman Williams called a public hearing for agenda item #12 open at 6:40 p.m. No one came
51 forward, and Mayor Williams closed the public hearing at 6:41 p.m.
52

53 Mayor Pro Tem Anthony Henry made a motion to approve the Ordinance adopting the Fiscal Year 2022
54 operating budget. Council Member Teddy Reel seconded the motion and the motion carried unanimously.
55
56

1 A roll call vote was conducted.

2
3 Mayor Pro Tem Anthony Henry voted "Yea."
4 Council Member Stephanie Muller voted "Yea."
5 Mayor Wyman Williams voted "Yea."
6 Council Member Beckey Thompson voted "Yea."
7 Council Member Teddy Reel voted "Yea."
8

- 9 **13. Consideration and Possible Action of an Ordinance Ratifying the Property Tax Revenue Increase**
10 **Reflected in the adopted Fiscal Year 2022 Operating Budget as a Result of the City requiring more**
11 **revenue from Property Tax than in the fiscal Year 2021 Budget.**
12

13 Council Member Stephanie Muller moved that based on the tax rate of \$0.82 per \$100 of assessed
14 valuation that the Council approve the ordinance ratifying the property tax revenue increase reflected in the
15 Fiscal Year 2022 budget. The motion was seconded by Mayor Pro Tem Anthony Henry.
16

17 A roll call vote was conducted.

18
19 Mayor Pro Tem Anthony Henry voted "Yea."
20 Council Member Stephanie Muller voted "Yea."
21 Mayor Wyman Williams voted "Yea."
22 Council Member Beckey Thompson voted "Yea."
23 Council Member Teddy Reel voted "Yea."
24

25 The vote was unanimous, and the motion carried.
26

- 27 **14. Receive a Report, Conduct a Public Hearing and Possible Action on an Ordinance Adopting the Tax**
28 **Rate of \$0.82 per \$100 of assessed valuation as of January 1, 2021 for Fiscal Year 2022.**
29

30 City Manager Howdy Lisenbee voiced that as part of the adoption of the City's Fiscal Year 2022 budget,
31 we have to adopt a budget first and then adopt the tax rate that supports that budget, and that this item calls
32 for a public hearing. Staff is recommending that we maintain the current tax rate of \$0.82 per \$100 of
33 assessed valuation.
34

35 Mayor Wyman Williams opened a public hearing on agenda item #14 at 6:44 p.m. No one came forward,
36 and Mayor Williams closed the public hearing at 6:45 p.m.
37

38 Council Member Beckey Thompson moved that the Council pass the Ordinance adopting the tax rate of
39 \$0.82 per \$100 of assessed valuation as of January 1, 2021 for Fiscal Year 2022, which is a 7.9% increase
40 from last year and will raise the tax, maintenance and operation portion on a \$100,000 home by
41 approximately \$44.11. Council Member Terry Reel seconded the motion.
42

43 A roll call vote was conducted.

44
45 Mayor Pro Tem Anthony Henry voted "Yea."
46 Council Member Stephanie Muller voted "Yea."
47 Mayor Wyman Williams voted "Yea."
48 Council Member Beckey Thompson voted "Yea."
49 Council Member Teddy Reel voted "Yea."
50

51 The vote was unanimous, and the motion carried.
52
53
54

15. **Receive a Report, Conduct a Public Hearing, Discussion and Possible Action on an Ordinance by the City Council of the City of Commerce, Texas Accepting the Fiscal Year 2022 Capital Improvement Plan.**

City Manager Howdy Lisenbee stated that as the final piece of this budget process, the City has the operating budget, which supports the City's normal day-to-day operations for the course of the next fiscal year and is supported by the property tax rate. There are a number of capital projects which will be done from this budget.

A number of workshops and discussions were held previously related to the Capital Improvement Plan (CIP). In the final determination, what staff and Council have looked at is in this current budget year is us having about \$6.5 million of capacity for capital projects. Meaning the City has about \$6,050,000 in projects being proposed. Those projects include street and drainage improvements, public library improvements, an animal shelter, improvements to our parks and recreation systems, and downtown events improvements. Staff is requesting the adoption of the Fiscal Year 2022 capital projects plan as part of this budget.

Mayor Wyman Williams opened a public hearing for agenda item #15 at 6:47 p.m.

Brett Scroggins, a citizen of Commerce, addressed the Council. He noted that he does not see the point of spending \$1,000,000 right now on a splash pad when the City has tons of problems with streets. He said that it was stated last time that \$1,000,000 will not fix the streets, but \$1,000,000 would do a lot more than zero would do. He feels that a splash pad in Commerce would require maintenance that will have to be figured into the budget every year going forward. He questioned what if something cracks, or something breaks on the splash pad? Where will the money come from to make repairs to the splash pad?

Mayor Wyman Williams closed the public hearing at 6:50 p.m.

Council Member Stephanie Muller moved that the Ordinance adopting the CIP Plan be passed with an amendment that would move \$1,000,000 from the parks system improvements splash pad to the multi-year street and drainage improvements for this year. Council Member Beckey Thompson seconded the motion. Council Member Stephanie Muller and Council Member Beckey Thompson voted "Yea" on the motion. Mayor Wyman Williams, Mayor Pro Tem Anthony Henry and Council Member Teddy Reel voted "Nay" on the motion. The motion failed.

Mayor Wyman Williams asked if there was another motion. Mayor Pro Tem Anthony Henry made a motion that the ordinance be passed as presented. Council Member Teddy Reel seconded the motion. Mayor Pro Tem Anthony Henry, Council Member Teddy Reel, and Mayor Wyman Williams voted "Yea" on the motion. Council Member Stephanie Muller and Council Member Beckey Thompson voted "Nay" and the motion carried with the adoption of the FY 2022 CIP Plan as presented.

16. **Second Reading- Discussion and Possible Action on an Ordinance Amending Ordinance 2021-08 to reflect modified City of Commerce Water and Wastewater Rates.**

City Manager Howdy Lisenbee said that the last part of the budgeting process is looking at the utility rates that the City charges for water and sewer service. The current rate structure that we have effectively penalizes residential customers and asks for them to subsidize commercial and industrial customers. With that rate structure that has been in place for the last at least eight years, the Public Utility Fund continues to lose money which is not sustainable over the long term.

The newly proposed rates correct this subsidy and allows for a lifeline rate for basic domestic needs of our residential customers. It minimizes or removes the subsidies, and it gets the public utility to a break-even point. The fund balance carried by our public utility does not meet our current three-month threshold. Financial policies call for each fund to have three months of operating reserves in fund balance. This rate adjustment does not move us back toward the fund balance because this is a fairly substantial adjustment by itself.

1
2 City Manager Lisenbee noted that while there may be some rate shock as we bring rates back into line with
3 where they should be, that ultimately this year we would just be proposing rates that correct the subsidy and
4 get us to a break-even point. Then in future years we will start rebuilding the fund balance in the public
5 utilities fund. Manager Lisenbee stated that while the City feels both of those moves are necessary, we are
6 not prepared to accomplish all of that in one year. Staff is asking for approval of these amended water and
7 wastewater rates as they have been presented.
8

9 Council Member Beckey Thompson made a motion to approve an ordinance amending Ordinances 2021-
10 08 and amended proposed water and wastewater rates. Council Member Stephanie Muller seconded the
11 motion, and the motion carried unanimously.
12

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

15 **• Public Input Feedback**

16 City Manager Howdy Lisenbee thanked Mr. Hood for coming to speak on behalf of breast cancer
17 awareness research. He noted that Mr. Hood has done events with the City and in the City before. He
18 stated that if we can find a way to protect the floor of the gym and meet his needs, we will bring a
19 recommendation to Council in the near future.
20

21 **• Finance Update**

22 Finance Director Jamie Campbell addressed the Council.
23

24 **-Property Tax August 2021**

25 Due to a large number of appeals and homestead exemptions that were backdated to the previous year,
26 the county actually produced more refunds than payments received in August. Therefore, our revenue
27 actually decreased slightly in property tax, but only by about \$4,000. Although we are very close to our
28 budgeted tax levy of 97%, the overall tax levy actually decreased compared to last month. As a result,
29 the City may or may not hit budgeted numbers. One noticeable difference this year is that delinquent
30 property taxes being paid is over budget by about \$30,000, which makes up for the \$17,000 that the City
31 is short. Finance Director Campbell noted that she believed as a result of the many tax resales we have
32 seen over the last few months, some delinquent properties are falling off and finally bringing in some
33 revenue.
34

35 **- Detailed Sales Tax Analysis September**

36 For this fiscal year, we have surpassed our budgeted sales tax revenue of \$1,000,000 and last year's total
37 revenue by an additional \$120,000 for a total of \$1.27 million dollars, which is great news. Moving into
38 the retail, we see that once again, retail trade is surpassing every prior year. We are also seeing that
39 growth continue in other industries like accommodation, food services and manufacturing.
40

41 Taking a look at the City's retail trade, for the first time in 48 months, our online sales tax revenue has
42 been less than the same month in any previous year. This is the first time that we have actually seen that
43 activity in the last 48 months. It is still very close to what we received this time last year, but we are
44 hoping in the next few months with Christmas coming around we will see that jump back up. Overall,
45 sales tax is slightly less than last year but still greater than our budgeted numbers and still greater than
46 our overall collections at this time last year, which is a great sign of growth..
47

48 In our accommodation and food service industries, we are seeing continued growth. It shows that we
49 have new restaurants coming in, and that they are successful.
50

51 **• Calendar of Upcoming Events and Meetings**

52 Director of Administrative Services Molly Jacobsen addressed the Council.
53

54 The uniform election date occurs this year on November 2nd, and City Hall will be a polling place, the
55 only polling place in Commerce for early voting, which begins Monday, October 18th and runs for
56 two solid weeks through October 29th. The last day to register to vote is always 30 days prior to the

election, so make sure if you are not registered to vote, you do so by Monday, October 4th.

This Thursday, September 23rd is North Texas Giving Day. You can visit “northtexasgivingday.org” to donate. You will see many of our friends there: Texas A&M-Commerce, 88.9 KETR, The Boys and Girls Club, Commerce Food Pantry, The Northeast Texas Children’s Museum, the Roaring Tiger Band with the Commerce High School, and the Commerce Public Library.

September 24th and 25th, this coming weekend, will be the 35th annual Bois d’Arc Bash. Hundreds of vendors will be supplying food and shopping opportunities and lots of fun stuff, so we encourage everyone to visit downtown Commerce this weekend.

The City Manager has extended citywide mosquito spraying, which typically wraps up at the end of September. We have extended it for another two weeks, and it will still follow the Section A,B,C, and D weekly schedule. For more details, visit the City’s website at “commercetx.org.”

The Commerce Police Department will be hosting National Night Out on Tuesday, October 5th from 5:30 p.m. to 8:30 p.m. at the Eddie Moore Sports Complex. We encourage everyone to attend and bring their families.

• **Personnel**

City Manager Howdy Lisenbee reminded the Council about the fire this past weekend at the edge of town at the Dubs recycling scrapyard. The City fire department, cooperating with other fire departments, responded and were able to get it under control. No structures were in any danger, but it was a large fire, and the Commerce Fire Department was able to combine forces with local agencies and keep it under control. The City is very thankful for our first responders. One of the things that we always say is that on your worst day ever, we want our best people serving the residents of Commerce. We believe that we have incredibly good men and women as first responders and we are very thankful for the work that they do.

• **Projects Update**

• **Intergovernmental Events & Issues**

18. Recess into Executive Session:

Council Member Beckey Thompson made a motion that the Council recess into executive session regarding the Bloomfield development, which was seconded by Mayor Pro Tem Anthony Henry. The motion passed.

The council recessed into executive session at 6:01 p.m.

The Council reconvened at 6:23 p.m.

Council Member Teddy Reel made a motion to allow the city manager to continue negotiations with the developer on the Chapter 380 agreement. The motion was seconded by Council Member Beckey Thompson, and the motion carried unanimously.

Council Member Beckey Thompson made a motion for the Council to recess into executive session. Council Member Stephanie Muller seconded the motion, and the vote carried unanimously. The City Council recessed into executive session for a second time at 7:02 p.m.

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

1 -Lien Forgiveness-1612 Live Oak Street (Property ID #210591)
2 -Lien Forgiveness-221 Bishop Street (Property ID #28224)
3 -Larry Calvin and Barbara Calvin v. City of Commerce, Texas and Gay L Harrison, Cause
4 No. 90362
5

- 6 • §551.087: Discussion regarding commercial or financial information that the governmental body has
7 received from a business prospect that the governmental body seeks to have locate, stay or expand in
8 or near the territory of the governmental body and with which the governmental body is conducting
9 economic development negotiations; OR the offer of a financial or other incentive to a business
10 prospect described by Subdivision (1).
11

12 -Project East Oak Creek
13

14 **19. Reconvene into Open Session: In accordance with Texas Government Code, Chapter 551, the City**
15 **Council will reconvene into Regular Session to consider action, if any, on matters discussed in**
16 **Executive Session.**
17

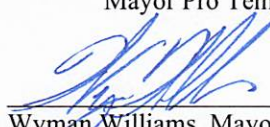
18 The City Council reconvened into open session at 7:30 p.m.
19

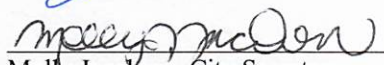
20 Council Member Teddy Reel made a motion to allow the City Manager to negotiate a 380 Agreement for
21 the 1612 Live Oak Street property. Council Member Beckey Thompson seconded the motion, and it carried
22 unanimously.
23

24 Council Member Teddy Reel made a motion to allow the City Manager to release the interest on a lien at
25 the 221 Bishop Street property. Council Member Stephanie Muller seconded the motion, and it carried
26 unanimously.
27

28 **20. Adjourn.**
29

30 Mayor Pro Tem Anthony Henry adjourned the meeting at 7:30 p.m.
31

32 
33 _____
34 Wyman Williams, Mayor
35

36 
37 _____
38 Molly Jacobsen, City Secretary
39

40 10/19/2021
41 _____
42 Date
43

09.21.2021.MINS