

MINUTES
REGULAR CITY COUNCIL MEETING
January 18, 2022 – 6:00 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

ABSENT: None

1. Call to Order.

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

2. Invocation.

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

3. Pledge of Allegiance.

Council Member Beckey Thompson led the Pledge of Allegiance.

4. Consent Agenda.

a. Acceptance of Minutes:

- Commerce Economic Development Corporation Board Meeting Minutes- November 29, 2021
- City Council Regular Meeting Minutes- December 21, 2021

b. Consider and Take Action on:

- A Resolution Approving a Neighborhood Empowerment Zone Agreement for the Property Located on 802 Cedar Street (Property ID #54306) with Flavio Saucedo; Authorizing the City Manager to Execute all Necessary Documentation.

Mayor Pro Temp Anthony Henry made the motion to approve the consent agenda as presented. Council Member Beckey Thompson 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.

No one came forward

6. Presentation of Proclamation honoring Rotary International and their 100 Years of Service.

Mayor Wyman Williams read the Proclamation: "Rotary International is a worldwide service organization founded in Chicago in 1905 and currently exceeds 1.2 million men and women working as volunteers in more than 35,000 clubs in over 300 countries across the globe. The Commerce Rotary Club was organized on October 18, 1921 and has served the Commerce community and its citizens providing scholarships and opportunities to study abroad to local high school and college students. The Commerce Rotary Club has supported literacy programs offered by the Commerce Public Library. They have also provided financial and other support to numerous charitable and service organizations and needy individuals throughout our community." Mayor Wyman Williams proclaimed January 20, 2022 as Rotary Day in the City of Commerce.

1 7. **Discussion and Possible Action on a Contract for Election Services between the Hunt County**
2 **Elections Administration Office and the City of Commerce for the May 7, 2022 General Election for**
3 **the Purpose of Electing a Mayor.**

4
5 Director of Administrative Services Molly Jacobsen stated that this is a contract that allows for shared
6 resources for the City's May 7, 2022 general election. The City utilizes county voting equipment and their
7 staff print ballots for us. This prevents us from having to take on the cost of all the voting equipment, all of
8 the staff, and all of the ballot printing.
9

10 Council Member Stephanie Muller made a motion to approve the Contract for Election Services with Hunt
11 County. Council Member Beckey Thompson seconded the motion, and it carried unanimously.
12

13 8. **Discussion and Possible Action on an Ordinance calling the May 7, 2022 Election for the Purpose of**
14 **electing a Mayor for a three-year term from May 2022-May 2025.**

15
16 Director of Administrative Services Molly Jacobsen said that this item is related to establishing the May 7,
17 2022 general election for the City of Commerce. In 2015, there was a charter revision that staggered the
18 terms to where Place One and Place Three run together one year, then Place Two and Place Four run the
19 next year, and the next year, the mayor runs by themselves so that we establish three, three-year staggered
20 terms. This year the position of mayor is up for re-election for the term that runs from 2022 through 2025.
21 This ordinance calls that election to be held on the uniform election date of May 7th of 2022 here at City
22 Hall from 7 a.m. to 7 p.m. Election code requires that the governing body call the election "X" amount of
23 time prior to the election, and this ordinance meets that criteria.
24

25 City Manager Howdy Lisenbee added that staff has been given a couple of different questions in relation to
26 the May election that we want to try to talk through in order to provide as much information as we can to
27 questions staff has received. One of the questions was regarding, "What if a sitting City Council person
28 decides to run for mayor?" Manger Lisenbee stated that his understanding is that during the filing period
29 for the May election, if a sitting city council member files to become a candidate for the position of mayor,
30 they have automatically resigned from their seat on the City Council. However, they continue to serve in
31 that capacity until their replacement is elected. If there is a vacancy on the city council, it must be filled by
32 an election, not an appointment, if that term has more than one year remaining. Therefore, should a sitting
33 City Council person file for mayor, then we automatically know that we would have to call a special
34 election to fill their seat. After reviewing the election calendar, and determining the filing deadline is
35 February the 18th to file for the position of Mayor, we are proposing an informal deadline of February the
36 11th. If a sitting council member chooses to run for mayor, if we could know that prior to February the 11th,
37 we could then call the special election to happen on May 7th, at the same time of the general election, and
38 have only one election to pay for. If we find out after February the 11th, then we would have to call a
39 subsequent special election on a different day and pay the cost of that entire election to Hunt County.
40 Basically, we would ask to know by February 11th if an existing council member intends to run for Mayor,
41 although we cannot enforce that deadline as the filing period is until February 18th. However, it would help
42 us as staff align calendars and have one election and one expense rather than multiple elections if the
43 informal February 11th deadline were met.
44

45 Council Member Stephanie Muller made a motion to approve the Ordinance. Mayor Pro Tem Anthony
46 Henry seconded the motion, and it passed unanimously.
47

48 9. **Discussion and Possible Action on a Resolution of the City of Commerce City Council to Approve the**
49 **Purchase of Freightliner 5 Yards (adaptable to 6 Yards) Box Dump Truck from Ledwell & Son**
50 **Enterprises, Inc. for use by the Commerce Public Works Department and Authorizing the City**
51 **Manager or his Designee to Execute any Necessary Documentation.**

52
53 City Manager Howdy Lisenbee said that when we put the FY 2022 budget together, the City Council
54 approved a budget that included the allocation of funding to acquire a new dump truck. It is a five yard
55 (adaptable to 6 yards with side boards) dump truck. We identified this specific one through a state
56 purchasing vendor. We got pricing for this product, however, there are not any physically on the ground

1 right now, so once we submit the purchase order, they will start building it. We bid this purchase out
2 through several vendors, and with the lowest bid, this is the vendor chosen by staff. The City will finance
3 this through a local bank, but we cannot secure the financing until there is a VIN number. Since the truck
4 has not been built yet, there is no VIN number. When it is ready, we will come back to approve the
5 financing of this truck. The truck should be delivered sometime around this summer.
6

7 Council Member Stephanie Muller made a motion to approve the purchase. Mayor Pro Tem Anthony
8 Henry seconded the motion, and it passed unanimously.
9

10 **10. Discussion and Possible Action on a Resolution of the City of Commerce City Council to Approve the**
11 **Purchase of a New Holland Tractor with Bush Hog Boom Mower from NorTex Tractors for use by**
12 **the Commerce Public Works Department and Authorizing the City Manager or his Designee to**
13 **Execute any Necessary Documentation.**
14

15 City Manager Howdy Lisenbee recommended that the Council deny this resolution or take no action. When
16 we put this into the budget for adoption, we put a budget of approximately \$88,000 in the budget for the
17 purchase of this tractor. It requires the purchase of a tractor and then the separate purchase of a long arm
18 boom mower that you can clear rights-of-way with. The City does not have a piece of equipment like this
19 right now. We locked in pricing that was right at and within our budget. Within the past couple of weeks,
20 the vendor called us and said that the cost of the tractor had just gone up by \$10,000. It is a piece of
21 equipment that we need, so we said that we would keep moving forward with the purchase, but we wanted
22 to lock in that price of now \$97,000.
23

24 Yesterday, the vendor called again and said that the mower had gone up by another \$10,000. Manager
25 Lisenbee noted that in two weeks, we have had a 25% price increase, and the City is not willing to do that
26 as it would put us about \$20,000 over our budget. Based on what we feel are questionable cost escalations,
27 the City would prefer to wait and see if pricing changes or if there is actually some other equipment that we
28 may bring back for Council approval rather than this tractor and mower combination. Until pricing comes
29 back down, Manager Lisenbee noted that we can continue to work with the county.
30

31 The Council decided to take no action on this agenda item.
32

33 **11. Second Reading-Discussion and Possible Action on an Ordinance of the City of Commerce, Texas,**
34 **Amending the Code of Ordinances of the City, by Amending Chapter 2, 'Administration', Article III,**
35 **'Boards and Commissions', Division 3 'Beautification Commission', in part, by Amending Section 2-**
36 **81 'Created Membership', Section 2-82 'Organization', and Section 2-83 "Duties"; and, Providing an**
37 **Effective Date.**
38

39 City Manager Howdy Lisenbee stated that a number of months ago, we started looking at each of our
40 individual boards and commissions. We began with the Beautification Commission. We had a number of
41 issues regarding the ability to call an actual meeting because of vacancies and our inability to achieve a
42 quorum. At that time, Council asked staff to have some conversations and come back with
43 recommendations. The first reading of this Ordinance was last month, and this is the second reading. As a
44 reminder, there was a provision within the Ordinance that specifically said a quorum for this board is five
45 members. At present we have only five members on the Commission, so if not all five are present, we
46 technically do not have a quorum and cannot conduct business.
47

48 Staff is asking that the ordinance be changed to show that a quorum is a majority of the voting members.
49 The second change is that the board consists of eight appointments from the City Council. We are asking to
50 change that to a seven-member board: five to be appointed by the City Council, one member from the
51 Louse Drake Garden Club and one member from the Chamber of Commerce so that we can better
52 collaborate with other entities within the city. The final change is just analyzing the duties, and clearing up
53 some of the duties and responsibilities that were listed. Staff just removed one of the items that basically
54 tasked the Commission with "cleaning up the city" as this board does not really have the authority to take
55 any action, and so we are asking them to encourage citizens and the members to clean up the community,
56 but not giving them the power to actually take action.

Mayor Pro Tem Anthony Henry made a motion to approve an ordinance amending the Code of Ordinances of the City. Council Member Beckey Thompson seconded the motion, and it passed unanimously.

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

- **Public Input Feedback**
None

- **Finance Update**

- December 2021 Property Tax**

- Finance Director Jamie Campbell began with the property tax revenue. As of December 2021, we have reached 38% of budgeted collections as compared to 32% collections at this time last year, so the City is a little ahead of schedule.

We have received a total of \$1.29 million dollars in property tax revenue and about \$16,000 toward delinquent taxes. As property taxes are due in January, we typically see an additional 40% that are collected just in January. Typically, by the end of January, the City will be at about 72 to 75% collections, so we are still right on track for that.

January Sales Tax

Finance Director Jamie Campbell continued by saying that we are still on track for sales tax. In January 2022, we were slightly greater than our budgeted numbers, and the variance between our prior year and our current year is actually split between retail and food services. We have reached about 39%, almost 40% of our budgeted sales tax revenue for the fiscal year.

Because we are seeing some new food establishments in Commerce, we are seeing an increase in our food services sales tax collections over the last three months. They may be small establishments, but they are having a large impact for us.

Q1-FY2022 Financial Update

Finance Director Jamie Campbell stated that the general fund contains the majority of our maintenance and operations. Our public utilities and all the other funds are cogs in the system that make things work.

On the public utility side, it may look alarming that water production is over budget, but the reason why it is over budget is because we have a pass-through expense for Upper Trinity and Cooper Lake. We already have the bill for those, but we are expecting to get paid for them by February. If you take those out of the mix, the City is actually under budget. The solid waste is slightly over what we budgeted for expense, but it is covered on the revenue side. Again, it all depends on when we do our budget. For solid waste, we try to estimate how many accounts we will have open and how many students we might have that year or might not have that year and how many are on campus and how many are not.

The first quarter is always a little wonky because you have so many of those one-on-one influences that are so large. We are finishing at 26% through our budget right now when we are 25% into the fiscal year.

Calendar of Upcoming Events and Meetings

Molly Jacobsen, Director of Administrative Services, presented to the Council the following upcoming events and meetings.

The Election Filing Period for the May 7, 2022 Election is from Tuesday, 1/19/2022 at 8:00 a.m. to Friday, 2/18/2022 at 5:00 p.m.

Candidate packets are available as of now in our City Administration office. They are available for the public and for anyone interested in filing.

On the election calendar, the last day to file is Friday, February 18. The last day to register to vote for an election is always 30 days prior to the election day, so the last day in which you can register to vote, if you are not already registered, is April 7th. If you are not registered to vote after April 7th, you cannot vote in the May 7th election. Early voting will begin on Monday, April 25th at 8 a.m. at City Hall. We will host early voting through Tuesday, May 3rd at 5 p.m. Election Day will take place four days after that at City Hall from 7 a.m. to 7 p.m. We will canvass the results of that election at the regular city council meeting on May 17th. If a runoff is necessary due to a candidate not receiving a majority of the votes, then we would hold the runoff election on Tuesday, May 24th. If we only have one candidate for mayor, then we have the option to cancel that election. If we have only one candidate, at the conclusion of the filing period, we would ask for a special city council meeting on February 22nd, at which time we could cancel the election with as much advanced notice as possible.

The Daddy-Daughter Dance that is put on by the Northeast Texas Children's Museum and will be on Saturday, 2/5/2022. Tickets can be bought in advance on the Northeast Texas Children's Museum website.

- **Personnel**

City Manager Howdy Lisenbee introduced our newest addition to the city team, Ms. Jessica Abrams. She is the new executive assistant and has already proven to be an incredibly valuable member of our team.

- **Projects Update**

City Manager Howdy Lisenbee said that each month we walk through a chart that gives you an updated status of the various projects that we have actively in front of us. Rather than walk through this list in every project, he wanted to take a few moments and talk about the animal shelter and the splash pad because of the new way that we are delivering those projects being a little different than what Council is typically familiar with.

We are using a process called "design-build." Most projects traditionally are done with what is called "design-bid-build" in which you hire a team of engineers and architects, and you design everything on paper. When you finish that process, then you bid it out, and you award it to the low bid. The lowest qualified bidder is the one that gets that work. With the design-build, bids and price proposals are due at the end of January. We will be conducting interviews with those companies, and it is the City Manager's intention to bring the animal shelter and the splash pad projects to the Council in February. We will also have projects for the Ivory Moore improvements and the inclusive playground.

It is Howdy's intention at the February meeting to have at least four projects in front of Council to award. However, the price proposal for a design-build project is different than what you traditionally see. He said he would use the animal shelter job as the first example. The project budget for the animal shelter is \$1.5 million dollars. In a traditional delivery process, we would hire an architect and their team of designers and go through probably a six-to-nine-month design process. You would typically pay 12 to 18% of your project budget on design services. At the end of that process, you would bid it out, and you would just get a lump sum bid amount with very little visibility in what would be included in those numbers. You then typically award to the lowest qualified bidder.

The components in a traditional project would be construction dollars and some design dollars. What we would do in a design-build process is design, construction, and overhead/profit percentage. We would hire the general contractor that is going to build this, and we would ask them up front, "What is your profit percentage; or what is your markup on this?" You would usually see 6 to 10% markup. This tells us that of our \$1.5-million-dollar project, how much money would go in their pocket and not into the ground on our project. Thus, we would see that number up front in terms of how profitable they want to be, and then we would award based on best value. The best value consideration is both the price and the experience and the qualifications. Part of the scoring on the bids that come in at the end of this month will be based on their price with low bid getting the most points and then points are given out based on how close or how far away they are to low bid. Low bid would have an advantage, but they would not automatically get it because best value does not always mean lowest price. Next month, Manager Lisenbee noted that Council

1 will get to see everybody that submitted, what their price was, what their experience and qualifications are
2 and how we scored them. Then the Council will get to decide who we will award that project to.
3

4 For the Ivory Moore and inclusive playground, the designs have already been completed. Staff took those
5 designs to the Parks Advisory Board this month and they recommended those designs unanimously. Rather
6 than try to rush it and bring them to Council today, Manager Lisenbee noted that he would line them all up
7 so that Council will see all of them at one time next month.
8

9 On the street improvement schedule, you will notice that street projects are typically done in the
10 traditional design-bid-build manner and state law limits how you can procure public works projects,
11 especially that are street or water line improvements. Therefore, we have already selected the
12 engineering team. He noted that you will see surveyors out up and down Washington Street starting
13 to do some survey work. They have begun design on the Washington Street project. Manager Lisenbee
14 noted that he will be meeting with them and the public works team this week and they will be talking about
15 underground utilities beneath Washington Street. He noted that there is a need to replace utilities that are
16 under the ground, so staff would coordinate their time with the engineers. The schedule that the Council has
17 in front of it shows street construction beginning in late summer of 2022 but a lot of that is going to depend
18 on how much time we will need to replace the underground utilities. You could potentially see construction
19 starting in the spring of 2023 if we need additional time to replace the underground utilities. The crack seal
20 on Monroe Street will happen this summer and Hickory Street will happen this summer. Then the
21 resurfacing of Park Street from Maple down to Culver Street, where it crosses Aldridge, will happen this
22 summer.
23

24 Manager Lisenbee noted that we had talked a lot about the motor control center at Lake Tawakoni in our
25 last meeting and the City has received verbal confirmation that they extended our grant until the end of
26 2022. We have not seen the actual document yet, but they have given us approval, so bids are back out. We
27 are trying to have bids due in February, so Council should see an award for that project in the coming
28 months.
29

- 30 • **Intergovernmental Events & Issues**
31 -None
32

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

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

- 40 • *Lien Forgiveness-1400 Moore Street (Property ID#81639)*
41

- 42 • **§551.074: To deliberate the appointment, employment, evaluation, reassignment, duties,**
43 **discipline, or dismissal of a public officer or employee (City Manager).**
44

- 45 • **§551.087: Discussion regarding commercial or financial information that the governmental**
46 **body has received from a business prospect that the governmental body seeks to have locate,**
47 **stay, or expand in or near the territory of the governmental body and with which the**
48 **governmental body is conducting economic development negotiations; OR the offer of a**
49 **financial or other incentive to a business prospect described by Subdivision (1).**
50

- 51 • *Bloomfield Homes*
52

53 Council Member Beckey Thompson made a motion that the Council recess into Executive Session. The
54 motion was seconded by Mayor Pro Tem Anthony Henry, and it passed unanimously. The Council recessed
55 into Executive Session at 7:00 p.m.
56

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

4
5 The City Council reconvened into Open Session at 8:03 p.m.

6
7 Council Member Stephanie Muller made a motion that interest only on the liens for 1400 Moore Street
8 (Property ID #81639) be forgiven. Mayor Pro Tem Anthony Henry seconded the motion, and it carried
9 unanimously.

10
11 Council Member Teddy Reel moved to approve the 380 Agreement for Bloomfield Homes and authorize
12 the City Manager to execute the document. Council Member Beckey Thompson seconded the motion, and
13 it carried unanimously.

- 14
15 **17. Adjourn.**

16 Mayor Wyman Williams adjourned the Council meeting at 8:04 p.m.

17
18
19
20 _____
21 Wyman Williams, Mayor

22 _____
23 Molly Jacobsen, City Secretary

24 _____
25 2/15/2022
26 Date

27
28 1.18.2022.MINS