

MINUTES
REGULAR CITY COUNCIL MEETING
April 19, 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
Director of Public Safety Chris Bassham

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 Stephanie Muller led the Pledge of Allegiance.
4. **Consent Agenda.**
 - a. **Acceptance of Minutes:**
 - City Council Regular Meeting Minutes- March 15, 2022
 - b. **Consider and Take Action on:**
 - A Resolution Approving a Neighborhood Empowerment Zone Agreement for the Property Located on 900 Sycamore Street (Property ID#70067) with Kennedy Duri; Authorizing the City Manager to Execute all Necessary Documentation.
 - A Resolution Approving a Neighborhood Empowerment Zone Agreement for the Property Located on 906 Harrison Street (Property ID#54296) with Michael White; Authorizing the City Manager to Executed all Necessary Documentation.
 - A Resolution Approving a Neighborhood Empowerment Zone Agreement for the Property Located on 904 Harrison Street (Property ID#54293) with Michael White; Authorizing the City Manager to Execute all Necessary Documentation.
 - A Resolution Approving a Neighborhood Empowerment Zone Agreement for the Property Located on 404 Second Street (Property ID#235635) with Cory Paris; Authorizing the City Manager to Execute all Necessary Documentation.
 - A Resolution Approving a Neighborhood Empowerment Zone Agreement for the Property Located on 406 Second Street (Property ID#235634) with Cory Paris; Authorizing the City Manager to Execute all Necessary Documentation.

Council Member Beckey Thompson made a motion to approve the consent agenda as presented. Mayor Pro Tem Anthony Henry seconded the motion, and the vote 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.

1 6. **Discuss and Take Action on a Permission to Assign Interest to allow Resource Management to assign**
2 **their TxCDBG Contract 7219081 to GrantWorks, Inc. and authorizing the City Manager to execute**
3 **all related documents.**

4 City Manager Howdy Lisenbee said that Charles Edwards through his company, Resource Management,
5 has served the City for many years. Many of the state agencies that have grant programs will require the
6 applicant or the city to have a grant administrator. The City has used Resource Management for a number
7 of years as a grant administrator and had great success. Mr. Edwards and his team recently had an
8 opportunity to merge with GrantWorks, Inc. Currently, the City has a grant open with Texas Department of
9 Agriculture. This agenda item tonight will simply allow us to assign that contract to Grant Works. Charles
10 Edwards will still be the one that manages our account and helps us. Staff requests the approval of this
11 request to assign the interest of active grants with Resource Management to GrantWorks, Inc. and to keep
12 moving forward on that project.

13
14 Council Member Stephanie Muller made a motion to approve the agenda item. Mayor Pro Tem Anthony
15 Henry seconded the motion, and it carried unanimously.

16
17 7. **Discuss and Take Action on the FY21 Street Improvements Projects-Washington Street**
18 **Reconstruction Project.**

19 City Manager Howdy Lisenbee said that what he wanted to accomplish tonight was get the Council's
20 feedback on how we want to proceed on this capital project. One of the four streets that we are going to be
21 working on is Washington Street, beginning at Live Oak and going all the way south to Culver. This is a
22 proposal for a full reconstruction of that street. As part of that process, the City is looking at and evaluating
23 the underground utilities that are underneath Washington Street. The last thing we want to do is put brand
24 new asphalt down and then immediately cut it up and start fixing pipes that are underneath the ground. A
25 complicating factor is that Washington Street is incredibly narrow, and there is not much right of way, so
26 all the utilities are under the street. There is really no room to put the utilities behind the curb.

27
28 When the City started this process, one of our engineers had initially done some design work for the
29 utilities under Washington but this was several years ago. They said at that time that the scope of work was
30 expected to be about \$400,000. The city is looking to spend about \$1.7 million total to reconstruct
31 Washington. A \$400,000 budget from a couple of years ago is probably a \$500,000 budget today. They are
32 asking for \$200,000 for the design contract for the streets and another \$200,000 to design the utilities
33 underneath the street. Manager Lisenbee said he told them that if the project is expected to be \$500,000 of
34 construction, then we will not be spending \$200,000 in engineering fees. Their response was, "it is not
35 \$500,000 worth of work; it is about \$1.5 million worth of work." Manager Lisenbee noted that if it is \$1.5
36 million worth of work, then \$200,000 is a reasonable engineering fee. That being said, he noted the city
37 does not have \$1.5 million right now to spend on the utilities under Washington, so we have a few options
38 at this point:

39 1. We can finish the design of Washington Street, do the reconstruction of the street and not do
40 any work on the underground utilities. That is the cheapest option, but it also presents the greatest
41 amount of risk. Manager Lisenbee noted that when you do resurfacing of a street, there is not as
42 much heavy equipment. You are just scraping off the top layer of asphalt and putting some new
43 asphalt down. It is not very disruptive to things below the ground. This project is actually a
44 reconstruction, not a resurfacing which means we are going to take off the top layer of the street
45 and remove quite a bit of the base. We are going to rework the base and build it from the ground
46 up. That means there will be a lot of heavy equipment and some of that equipment will be
47 vibrating. When you have that equipment just a couple of feet over the top of a buried water line,
48 Lisenbee noted that he can almost guarantee it will bust leaks up and down that water line. Thus,
49 option one is not an attractive option and in his opinion, not a good use of taxpayer money.

50
51 2. This option would be just to do some spot utility replacements, find areas of the utility that are
52 more at-risk and just replace those portions. That is a reduced scope of construction work.
53 However, you still have to do most of the design to accomplish that, and you still run a risk of
54 popping leaks in the areas that you are not being worked on.
55

1 3. Another option would be a full scale utility replacement. Manager Lisenbee noted that this
2 would involve doing the street and all the utilities, and the project would go from a \$1.7 million
3 budget to a little over \$3 million to do just Washington Street. He noted this option would mean
4 that we would have to find some additional funding for that in the coming CIP year.
5

6 4. The final option would be just to not do Washington Street. This is not the best option because
7 it is a throughfare to access downtown in the Live Oak area, so Manager Lisenbee noted that
8 options one and four are, in his opinion, not great options.
9

10 Manager Lisenbee noted that in summary, he feels we are reasonably left with either a partial utility
11 replacement or a full utility replacement. The engineers' recommendation at this point is to go ahead and
12 do all of the design for the utility work and then when we bid the construction of the project out, see what
13 the costs are. We could see whatever the costs are and then do whatever portion of the work we can
14 reasonably afford and makes the most sense.
15

16 No action was required on this agenda item at this time.
17

18 **8. Discuss and Take Action on the purchase of real property located at 1104 O'Neal St. in Commerce,**
19 **also known as S4380 Original Town of Commerce, Block 80A, Lot 6, and authorizing the City**
20 **Manager to execute all appropriate documents.**

21 City Manager Howdy Lisenbee said that one of the capital projects that we have for FY 2022 is the
22 expansion and upgrading of our animal shelter, which is on O'Neal Street. In order to accomplish this
23 project, there is a property that is adjacent to our animal shelter that is privately owned. If we can acquire
24 that property, it makes our animal shelter expansion much more feasible. He noted the City made a
25 preliminary offer of \$37,500 for the lot. It was accepted, and the owner provided a purchase contract.
26 Approval from the Council is needed before we move this purchase and shelter expansion project forward.
27 It is staff's recommendation to go ahead and approve the purchase of the land. We have money for the
28 project outside of our construction budget, so purchasing this land will not reduce the construction budget
29 for the animal shelter.
30

31 Council Member Beckey Thompson made a motion to approve the purchase. Council Member Stephanie
32 Muller seconded the motion, and the vote carried unanimously.
33

34 **9. Public Hearing and Consideration of a Request by Michael White, R4U Ventures, LLC, for**
35 **Approval of a Replat of Lot 4 Original Town of Commerce, an Addition to the City of Commerce,**
36 **Hunt County, Texas to Divide Property ID: 70011, Legal Description: S4380 Orig. Town of**
37 **Commerce Blk 52 Lot 4 ACRES .3807, into Lot 4A, Acres 0.1675, and Lot 4B, Acres 0.2061, A-2**
38 **Apartment Dwelling District. Zoning Variance Request to the Minimum Lot Width for A-2**
39 **Apartment Dwelling District.**

40 City Manager Howdy Lisenbee stated that this is a re-plat request. We have an existing lot that the
41 developer wants to plat into two lots so that he can put two structures on this existing lot. It is zoned A-2,
42 so there are lot dimensions that are required in order for the developer to get two properties out of this. It
43 does require a variance to the width of the lot that is found in zone A-2. There is a minor difference; it is off
44 by just a bit. Staff took this before the Planning and Zoning Commission. They did approve the replat with
45 the variants, so we brought this item to City Council to ask for their consideration. Staff recommends
46 approval of the replat.
47

48 A public hearing was opened at 6:20 p.m. No one came forward, and the public hearing was closed at 6:21
49 p.m.
50

51 Mayor Pro Tem Anthony Henry made a motion to approve the replat for Property ID #70011. Council
52 Member Stephanie Muller seconded the motion, and it passed unanimously.
53

54 **10. Discuss and Consider all Matters Incident and Related to the issuance and sale of "City of**
55 **Commerce, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2022", including**

1 the Adoption of an Ordinance authorizing the Issuance of such Certificates and approving all other
2 matters related thereto.

3 Jorge Delgado of Hilltop Securities addressed the Council. He gave affirmation of the City's "A+" bond
4 rating. Back on February 15, 2022, the Council approved the notice of intent to move forward with
5 certificates of obligation to fund a couple of different projects. Some of these are street and sidewalk
6 improvements, park improvements, municipal facilities and water and wastewater treatment plant repairs.
7

8 Mr. Delgado noted that streets and sidewalks, parks and municipal facilities are going to be funded for a
9 total of \$6 million on our tax side. The water and wastewater treatment plant are funded at a total of \$1.75
10 million out of your water and wastewater fund.

11 The plan that the Council approved back in February was to fund the tax supported items within your
12 existing tax rate. Hilltop has been working around that plan, and the goal here is that this will not have an
13 impact on the City's current tax rate based on this issue. That goal has been met.

14 The second goal was that we would fund our water and wastewater treatment plant repairs with no impact
15 on our existing budget. That goal was also met.

16 Mr. Delgado noted that we are an investment grade community and congratulated us on our A+ rating.
17

18 Council Member Stephanie Muller made a motion to approve the Ordinance authorizing the issuance of the
19 COs. Mayor Pro Tem Anthony Henry seconded the motion, and the vote carried unanimously.
20

21
22
23
24 **11. First Reading-Discussion and Possible Action on the Adoption of an Ordinance amending Appendix**
25 **"C", "Fees, Rates & Charges" of the City of Commerce Code of Ordinances Fee Schedule and**
26 **providing an Effective Date.**

27 City Manager Howdy Lisenbee said that the City has an Ordinance that is intended to cover all of the fees
28 and charges that the City levies against our citizens and our visitors. We recognized that there were many
29 sections of that fee ordinance that were outdated, had not been touched and not even reflected our current
30 practices. Therefore, staff went through all of this ordinance and provided some updates to Council for their
31 approval. This amendment is intended to clean up many of those fee structures.

32 1. On the utility fees, we changed many of the cosmetics in the structure and the layout, but some
33 of the major increases are not really major, but just reflect increases we are talking about. One of
34 them is what is called a "manifold." We have a number of developments going in that are multi-
35 family duplex in nature. What that requires is one meter pit with multiple meters in it. If your tap
36 fee is for one tap, that traditionally only covers one meter. What we are seeing is one water tap and
37 then three or four meters in the pit. So, we have a manifold tap fee that allows for those multiple
38 meters in one meter pit, and the costs that we have currently in the ordinance do not cover the
39 costs of all the meters that we are putting in the ground. So, we increased the cost of a manifold
40 installation on the utility side.

41
42 2. In Parks and Recreation, we removed some recreational activities that we do not currently
43 have, and we do not envision having in the near future. One example is swim team. We also
44 removed the public rental fee for the public's use of the City gym. The City's insurance company
45 said that was for the best because as the structure is old and not safe for regular use by the public
46 for things like parties and get-togethers.

47
48 3. In Community Development, when someone has an application for a zoning change, we have
49 moved this fee from \$200 to \$250. There are many notices that have to go out and a lot of staff
50 time involved in this process. We want that fee to cover staff time and effort devoted to these
51 rezones.

52
53 4. Our building permits for single-family/ two-family remodel and fire damage and repairs had a
54 rate listed at \$0.45 cents per square foot. That is outside of the range for other cities in our region
55 and our size, so we made some changes to that fee.
56

1 5. We no longer offer citizens the ability to get an ordinance book. A hard copy ordinance book
2 would be very expensive, and it would be cumbersome. Citizens can access city ordinances online
3 for free at any time, so we no longer plan to offer to sell hard copy ordinance books.
4

5 6. The City no longer sells trash bags. The City is not in the retail business, and there are plenty of
6 places in town to buy the bags, so staff opted to remove this fee from our fee ordinance.
7

8 7. The euthanasia fee at the animal shelter that we charged no longer covered our cost of material
9 and labor, so we made an adjustment to the fee that reflects the actual cost of this product for our
10 shelter.
11

12 There were several other changes, many of them structural and cosmetic in nature. City Manager Howdy
13 Lisenbee offered to answer any questions from Council related to changes within the fee Ordinance.
14

15 Council Member Stephanie Muller made a motion to accept the Ordinance amending the fee Ordinance on
16 the first reading. Mayor Pro Tem Anthony Henry seconded the motion, and it carried unanimously.
17

18 **12. City Manager's Report; discussion of same.**
19

- 20 • **Public Input Feedback**
21 None.
22

23 • **Finance Update**
24

25 Jamie Campbell, Director of Finance addressed the City Council.
26

- 27 • **Hotel/Motel Tax Allocation Applications**
28 The applications are available at the front desk at City Hall and will be available by Friday online.
29 The applications are due by May 5th for presentations at the May Council meeting.
30
31 • **Updated Bond Rating**
32 As mentioned earlier by Hilltop Financial, the City has an A+ rating. A lot of it has to do with
33 socioeconomic things that we can not control, but the things that we could control were our
34 financial policies, which the Council did recently pass.
35

36 • **Property Tax**

37 With our property tax revenue as of March, we have received \$3.25 million in revenue which is
38 96% of our overall budget. Director Campbell noted that you will see a slight difference between
39 our I&S (Debt) and our M&O (Maintenance and Operations). We have received 97% of our
40 M&O but only 95% of our I&S. We are holding steady on delinquent taxes; as we still receive a
41 little every month.
42

43 Director Campbell noted that the City Manager and she attended the property appraisal meeting
44 where people's valuations were talked about and that it was very informative and interesting. She
45 encouraged our citizens to attend as it was informative to her as a taxpayer.
46

47 • **February Financials**

48 As of February, the City has hit 42% of our fiscal year, so we are almost to 50% of our year
49 overall. We are overbudget on our revenue side and under budget on our expenses. In the Public
50 Utilities we are seeing the same trend: being overbudget on our revenues and under budget on
51 expenses.
52

53 Our departments are doing well managing their budgets and the City's department heads are on
54 the ball with everything.
55

56 Director Campbell noted she did not have sales tax for last month, but she did get it Friday of last
week. She noted that while it is not in their council packets, for sales tax, the City is slightly

1 above budget and we are slightly above where we were for last year. The City has received
2 \$800,837 in sales tax revenue so far this year. Retail trade is our driving force and in
3 accommodation and food services, again we are seeing an upward trend and we are seeing it
4 grow. We are also seeing it move definitely over where we were last year. Manufacturing
5 continues to grow, and Director Campbell noted that she thinks that we will continue to see that
6 grow as community development grows. We had a slight dip on online sales, but it is following
7 the same trend every year. Every year we see it dip in April and then it will pick back up
8 hopefully in May. Again, for accommodation and food services the main contributors are
9 cafeterias and grill buffets.

10
11 • **Calendar of Upcoming Events and Meetings**

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

- 14 1. Silent Auction & Market benefiting the Northeast Texas Children's Museum is slated for Monday,
15 April 25th from 6:00 to 8:00 p.m. at Sam Rayburn Student Center, here in Commerce, TX.
- 16 2. The DEA National Drug Takeback is on Saturday, April 30th from 10 a.m. to 2 p.m. at Commerce
17 Police Department. Should people be unable to attend this event, there is a secure mailbox for
18 dropping off unused or unwanted prescriptions or over the counter medications for proper disposal
19 in the lobby of the Commerce Police Department.
- 20 3. Commerce Farmers' Market will take place every Saturday from May 7th to September 24th
21 beginning at 8:00 a.m. at 1100 Bonham Alley in downtown Commerce.
- 22 4. Hunt County Tire Round Up will be on Saturday May 14th from 8:00 a.m. to 12 P.M. at 9800 Jack
23 Finney Blvd. (Hunt County Fairgrounds). You must be a Hunt County resident and individuals
24 only may participate, no businesses. There should be no tires on rims, a maximum of 25 tires per
25 person, and no large tires.
- 26 5. A benefit Golf Tournament for Commerce Community Action Program in conjunction with the
27 Commerce Police Department is on May 25th at Webb Hill Country Club (438 FM 2358, Wolfe
28 City, TX), with check in at 8:00 a.m. A silent auction will take place after the tournament. And
29 teams should be registered by May 1st.

30
31 • **Personnel**

32 City Manager Howdy Lisenbee informed the Council that the search for a building inspector has not
33 been successful so far. The City may have to find someone with a little experience and get them trained
34 and licensed.

35
36 • **Projects Update**

37 City Manager Howdy Lisenbee said the Council had previously approved the purchase of a new mini
38 excavator. The manufacturer began delaying the delivery time and raising the price. City staff needs the
39 excavator before the year that was provided for the new delivery time. Staff found a source that has two
40 used excavators for cheaper than it would cost for a brand new one. The City would come under budget
41 and are instead getting two, used excavators.

42
43 The animal shelter project has been awarded, and design has begun. We should be able to do some
44 groundbreaking this summer for construction of the animal shelter.

45
46 The playgrounds and public library projects continue to be under design. Playground contracts have been
47 awarded and construction will begin this summer. We expect both playgrounds to be completed this
48 summer or by early Fall.

49
50 On Friday, we have our final design meeting on the splashpad. We are at 90% design on that project. If
51 we approve the design, ground will be broken the last week of April or the first week of May.

52
53 On the downtown improvements project, the master plan has started. We have a meeting with an
54 advisory committee on Friday to keep that design process moving forward. The idea is to create a plan
55 for what we want downtown to be. Some of the improvements would be to the Farmers' Market and the
56 parking lot area.

- 1
2 • **Intergovernmental Events & Issues**
3 None
4

5 **13. Recess into Executive Session:**
6

- 7 • §551.071 (1) and 551.071 (2): Consultation with Attorney on a matter in which the duty of the
8 attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of
9 the State Bar of Texas clearly conflicts with the Texas Open Meetings Act and Consultation with
10 Attorney regarding pending or contemplated litigation.
11 o *Dan Edward Tolbert v. City of Commerce, Texas*
12

13 Council Member Beckey Thompson made a motion to recess into executive session. Mayor Pro Tem
14 Anthony Henry seconded the motion, and it carried unanimously. The Council recessed into executive
15 session at 7:03 p.m.
16

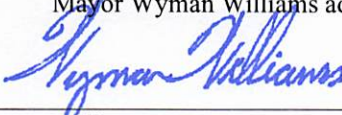
17 **14. Reconvene into Open Session: In accordance with Texas Government Code, Chapter 551, the City**
18 **Council will reconvene into Regular Session to consider any action, if any, on matters discussed in**
19 **Executive Session.**

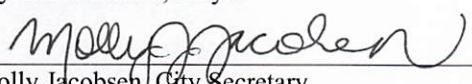
20 City Council reconvened into open session at 7:13 p.m.
21

22 A special meeting of the City Council was set for April 26, 2022 with the intent to award a construction
23 contract for the Water Treatment Plant Filter Repair project.
24

25 **15. Adjourn.**

26 Mayor Wyman Williams adjourned the Council meeting at 7:15 p.m.
27

28 
29 _____
30 Wyman Williams, Mayor

31 
32 _____
33 Molly Jacobsen, City Secretary

34 05/17/2022
35 _____
36 Date

37
38 4.19.2022.MINS