

MINUTES
REGULAR CITY COUNCIL MEETING
August 16, 2022 – 6:00 p.m.

PRESENT: Mayor Teddy Reel
Mayor Pro Tempore Anthony Henry
Council Members: Jim Ayres, Stephanie Muller and Beckey Thompson
City Manager Howdy Lisenbee
City Attorney Charles Anderson
Director of Administrative Services Molly Jacobsen
Director of Public Safety Chris Bassham

ABSENT: Finance Director Jamie Campbell

1. Call to Order.

Mayor Teddy Reel called the meeting to order at 6:00 p.m.

2. Invocation.

Pastor David Lay of Bread of Life Church of the Nazarene led the moment of invocation.

3. Pledge of Allegiance.

The 2022 Police Explorers led the Pledges of Allegiance. The Police Explorers are associated with "Learning for Life", promoting self-confidence and accountability. The Explorer Post seeks out individuals interested in pursuing careers in law enforcement with previous Explorers developing into officers and dispatchers. Applications for the program are currently being accepted. For more information, please contact Lieutenant Cantera at the Commerce Police Department at 903-886-1139.

4. Consent Agenda.

Acceptance of Minutes:

- Parks & Recreation Board Meeting-June 8, 2022
- Planning and Zoning Commission Meeting-July 14, 2022
- City Council Meeting-July 19, 2022

Council Member Beckey Thompson made a 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 6:05 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.

Sandra Vickers came forward with a complaint regarding alleged drug dealing and prostitution within Commerce Housing Authority. She stated that the manager and staff at the Housing Authority have done nothing to help. She also said that calls to the Commerce Police Department have not helped solve the problems she believes are going on there.

Lisa Brookshire, from the same neighborhood, addressed the Council, noting her support and agreement with Ms. Vickers' statements.

6. Discussion and Possible Action on a Resolution to Reappoint Presiding Municipal Court Judge Lana Adams, approve a services agreement, and authorizing the City Manager to execute necessary documents.

City Manager Howdy Lisenbee said that last month the Council was told that the existing agreement with Lana Adams is about to expire. The Council is being asked to approve the extension of the current

1 agreement with Lana Adams as presented. He reminded the Council the details of this agreement were
2 discussed at last month's meeting in executive session and now the final draft of the agreement is being
3 voted on tonight.
4

5 Mayor Pro Tem Anthony Henry made a motion to approve the Resolution. Council Member Stephanie
6 Muller seconded the motion, and it carried unanimously.
7

8 **7. Discussion and Possible Action on a Resolution Awarding a Contract for Bank Depository Services to**
9 **Alliance Bank for the period of October 1, 2022 through September 30, 2025; and authorizing the**
10 **City Manager or his designee to execute necessary documentation.**
11

12 City Manager Howdy Lisenbee stated that the City of Commerce currently has a banking depository
13 agreement with Alliance Bank. The City is required by law to routinely bid out those services every few
14 years. The agreement with Alliance is coming to a close. The City sent requests for proposals to all the
15 local banks, and we received responses from Alliance Bank and Guaranty Bank. Both proposals were
16 competitive with the proposed services and the fees that they would charge to provide those services.
17 Alliance Bank offered better rates, and there were some key services that the City requires that they were
18 able to provide that Guaranty was not able to. It is recommended at this time by staff that the City continue
19 its banking depository service with Alliance Bank and award the contract to them tonight.
20

21 Council Member Stephanie Muller made a motion to approve the Resolution awarding the banking services
22 contract to Alliance Bank. Mayor Pro Tem Anthony Henry seconded the motion, and it carried
23 unanimously.
24

25 **8. Discussion and Possible Action on a Resolution by the Commerce City Council Approving the**
26 **Maximum Proposed Property Tax Rate which is utilized in the Creation of the FY 2023 Budget.**
27

28 City Manager Howdy Lisenbee reminded the Council that this agenda item is not intended to adopt the tax
29 rate. The State of Texas has a set calendar and steps that the City has to go through in the process of
30 formally adopting a tax rate. This is one of our first moves. We are announcing to the community the
31 ceiling for the tax rate we can adopt. The Council is taking this action to announce the highest tax rate that
32 will be considered from this point forward. In working on the City's budget, we did not get the final
33 certified property values until the end of our budgeting process. In our budget workshop in early August,
34 the Council talked through that we were going to be able to lower the tax rate for the first time in about 20
35 years. We are proposing a Resolution that sets the tax rate that we talked about in that workshop. As we
36 move forward through the adoption process of the tax rate in September, Manager Lisenbee reminded the
37 Council that they cannot adopt something higher than that number. We are basically communicating with
38 the community that this is the top tax rate that we are considering through our budgeting process, and we
39 cannot go over that once the Council adopts this Resolution. The maximum tax rate would be 0.769326,
40 which is down from 0.82 cents per \$100 of assessed valuation.
41

42 Council Member Beckey Thompson made a motion to approve the Resolution, and Mayor Pro Tem
43 Anthony Henry seconded the motion. A roll call vote was made to adopt the Resolution approving the
44 maximum proposed tax rate:

45 Mayor Pro Tem Anthony Henry voted Aye
46 Council Member Stephanie Muller voted Aye
47 Mayor Teddy Reel voted Aye
48 Council Member Beckey Thompson voted Aye
49 Council Member Jay Ayres voted Aye
50

51 The Resolution passed unanimously.
52

53 **9. Discussion and Possible Action on a Resolution of the City of Commerce City Council to Approve the**
54 **Purchase of a Sutphen Monarch Fire Engine from Sutphen Corporation, through the Texas Buy**
55 **Board Program, for use by the Commerce Fire Department and Authorizing the City Manager or his**
56 **Designee to Execute any Necessary Documentation.**

1 Director of Public Safety Chris Bassham said that this item is to replace our current 21-year-old engine
2 which is out of NFPA compliance and has a number of issues. If we sign the paperwork now, we are
3 looking at a 26 month build time for a new engine, but this gets us a spot in line for a new fire engine. Once
4 the contract is signed, we will start the pre-build process. This purchase has a cap of \$820,000 by Sutphen's
5 best estimate. With the pre-build, we may be able to get that price down further. It all depends on what the
6 market does between now and then.
7

8 Council Member Jim Ayres made a motion to accept the Resolution approving the purchase of a new
9 engine. Council Member Beckey Thompson seconded the motion, and it carried unanimously.
10

- 11 **10. Public Hearing and Consideration of a Request by Abdul Subhan, for Approval of a Final Plat of**
12 **Subhan Addition in the ETJ of the City of Commerce, Hunt County, Texas, to divide Property ID:**
13 **107285, Legal Description: A0880 Rusk Co. School Land, Tract 14-2, Acres 35.03, and Property ID:**
14 **107284, Legal Description: A0880 Rusk Co. School Land, Tract 14-1, Acres 30.28.**
15

16 City Manager Howdy Lisenbee said that the City has some authority when it comes to the subdivision and
17 development of land outside the City limits. Part of that is by adopting subdivision regulations that control
18 how a lot is subdivided into smaller lots and their dimensions. The City is able to extend that authority out
19 into the ETJ, or the Extra Territorial Jurisdiction. For one mile beyond where the City limits stop, that is
20 our ETJ. We have some authority for development within that ETJ, even though it is not technically within
21 our city limits. This developer approached us with this plan a while back. We reviewed it, and it satisfied
22 the requirements of our subdivision regulations. It also satisfied the requirements of Hunt County's
23 subdivision regulations. They recently adopted a program for the unincorporated areas of the county. The
24 plat has been through preliminary review, and this is the final plat for consideration by the Council. Staff
25 recommends approval of the final plat.
26

27 A public hearing was opened at 6:22 p.m. No one came forward, and the public hearing was closed at 6:23
28 p.m.
29

30 Council Member Stephanie Muller made a motion to approve the request for approval of a Final Plat by
31 Abdul Subhan. Mayor Pro Tem Anthony Henry seconded the motion, and it carried unanimously.
32

- 33 **11. Public Hearing and Consideration of a Request by Todd Winters, Engineering Concepts and Design**
34 **L.P., for Approval of a Final Plat: East Oak Creek Addition Phase 1, of the City of Commerce, Hunt**
35 **County, Texas, to subdivide Property ID: 34146, Legal Description: A0913 RILEY I W, TRACT 17,**
36 **ACRES 14.312, and a portion of Property ID: 127762, Legal Description: A0913 RILEY I W,**
37 **TRACT 15-1A, ACRES 43.787, (ALSO IN A0388).**
38

39 City Manager Howdy Lisenbee said that this is a final plat that has been through the full review process.
40 This development is within the city limits. Construction has begun on the underground civil components.
41 Phase One will be approximately 110 lots. The full subdivision will be approximately 270 lots. The plats do
42 meet the City's subdivision requirements. It has been through a preliminary review and was approved by
43 Planning and Zoning and was also approved by the Council on a preliminary review. This is the final
44 review, and staff recommends approval.
45

46 A public hearing was opened at 6:24 p.m. Sam Satterwhite with Engineering Concepts and Design came
47 forward. He said that he would answer any questions that Council members may have related to this item.
48 He also stated that City staff and the Council have been great to work with throughout the process and he
49 thanked them. There were no questions, and the public hearing was closed at 6:25 p.m.
50

51 Council Member Beckey Thompson made a motion to approve the request for approval of a final plat by
52 Todd Winters, Engineering Concepts and Design L.P. The motion was seconded by Mayor Pro Tem
53 Anthony Henry, and it passed unanimously.
54

12. **First Reading-Discussion and Possible Action on an Ordinance amending Chapter 82 of the City of Commerce Code of Ordinances by adding Article VI, 'Street IMPACT Fund', Section 82-150, 'Street Maintenance Fee'; providing for a severability clause; and providing for an effective date.**

City Manager Howdy Lisenbee stated that in April of this year, the City conducted a community survey to gauge the satisfaction or dissatisfaction of the community of the various services that the City provides. The responses to the survey provided a very clear message that the number one area of greatest dissatisfaction was street maintenance. The survey also revealed that the community felt strongly that the City needs to increase our investment in street maintenance. In response to the community, we started looking for ways to create and expand our street maintenance program. How to fund that work became one of the questions. There is the question of what work are we going to do, and how are we going to get the resources to fund that work. This Ordinance addresses the question of how we are going to fund that work.

Manager Lisenbee noted that historically, cities and local governments fund street work through the property tax, so a portion of the property tax that is paid within the community gets moved into a street department. The unfortunate reality for many communities across our nation, not just Texas, is that over the years, as budgets get squeezed and tax rates get cut, communities have to balance budgets by cutting expenses somewhere. Commerce is not unique in that over the past number of years, the budget was balanced by reducing street maintenance. A street should last 10 to 15 years, and if we do not have to do something to that street this year, no one is going to notice. It is a painless way to balance a budget, and communities all over Texas and the United States have been doing that for decades. However, at some point, that 10 to 15 years is up, and the streets are no longer able to be ignored. That is part of the condition we find ourselves in. Within the current tax rate that we have, there is very little resources dedicated to street maintenance. Therefore, we will either have to reallocate tax resources, which means cutting funding from other departments, or we have to raise taxes, or we have to find another revenue source. When we went through our budget workshop, we did not feel like cutting funding for our other departments was an effective move because the majority of our property tax goes to our first responders. If we take the full value of the property tax that gets collected by this community, that does not cover the cost of our police and fire departments. If we were to cut property taxes to reallocate funding to streets, that means we would have to cut police and fire activities. Within the community survey, the two areas that had the strongest level of satisfaction were police and fire, so we did not feel that the community would want us to cut resources to police and fire to reallocate to the streets. The question then becomes, do we want to raise taxes or find another funding source? As you are aware, Commerce's tax rate has been 0.82 cents per \$100 of assessed valuation for a couple of decades. That is incredibly high for a community our size, so there is not really room to raise taxes in a way that would generate meaningful dollars without exceeding that 82 cent tax rate. There is nothing in the code that requires that taxes be used for this work, so if we were to raise taxes to generate resources for street maintenance, there is nothing to prevent a future Council from changing their mind and just reallocating those tax dollars to some other initiative. We felt like we did not have room within our tax rate to grow that and our resource base has not been growing fast enough to generate new revenue. We felt like if we use the property tax model, that will run the risk that we are not being accountable to the community because that revenue could be reallocated in the future.

Manager Lisenbee directed the Council to look at a street maintenance fee as part of a utility fund. A fee is different than a tax, so a tax by definition is intended to raise revenue and is not based on the actual cost of providing a service. It is how you raise revenue for a host of services not tied to the cost of any one service. A fee is specifically calculated based on the cost of that operation, and then it is charged to the users of that operation. If we begin to look at our street network as a utility fund, similar to water and sewer, we can classify those assets. We can begin to calculate what the cost is of maintenance of those assets. We can use those costs to develop a fee that is charged to the users of that network. The final piece for us was that money raised through this fee is obligated to be spent on street maintenance, and so there is not an option for future councils to reallocate this funding. If they adopt the street maintenance fee, resources gathered through this fee have to be spent on street maintenance, so staff felt like that was an added level of accountability between us and the community.

This Ordinance, as it is presented, creates a street maintenance utility fund which is a new accounting fund, and it initiates this street maintenance fee that would be levied through the utility bill. Most every property

1 within the community receives a municipal services bill, or a water bill, as most people call it. This would
2 add a line to the water bill, and there would be a fee that everyone can see exactly what that fee is that they
3 are being asked to pay.
4

5 The Institute of Traffic Engineers produces a trip generation manual, in which they go in and analyze an
6 entire menu of potential land uses. For any particular property, whatever use they have for that property is
7 going to generate traffic, and they statistically analyze all of these uses and come up with a trip generation
8 factor. For example, if a person is running a CPA firm, and that person has got 2,000 square feet in his
9 office, there is a trip factor assigned to that use that in peak hour time, that person's general office is going
10 to generate 1.15 trips during the peak hour. You can take this trip factor and can begin to reference different
11 uses against each other to determine how much traffic they are generating, and you can assign a value to
12 every property. Then, that works into what your fee structure is going to be, so that person and his CPA
13 firm, during a peak hour is going to generate 1.15 trips for every thousand square feet that he has.
14 McDonald's, as a fast-food restaurant with a drive-through window, is going to generate 32.67 trips per
15 thousand square feet, so clearly McDonald's is going to generate much more traffic than a person's CPA
16 firm. Therefore, we do not want to charge the CPA firm the same rate we would charge McDonald's,
17 because that is not an equitable cost distribution. The way we have tried to put this together is we were able
18 to complete the rate model. City Manager Lisenbee recognized Jeff Otken for the work that he has done on
19 this project. He has spent a number of hours in front of a computer crunching data and analyzing land use.
20 Manager Lisenbee summarized that the recommendation Council has in front of you right now represents if
21 we are going to recover \$250,000 a year in street maintenance costs, this is how we accomplish it. For a
22 single-family residential use, we are proposing a five dollar per month charge which would be added to
23 their utility bill. We currently have 1,725 single-family residential accounts within our water system. With
24 multi-family premises such as duplexes, quadplexes and apartment complexes, we would also charge them
25 five dollars per month per unit. If an apartment complex has 10 units, they will pay \$50 per month because
26 of how many units they have. According to our billing system and Jeff's exhaustive research, we have
27 1,455 multi-family units available to be rented within our community. We propose to charge them \$5.00
28 per month, per unit, which would be consistent with what we are doing with single-family homes.
29

30 For non-residential accounts, we are proposing a four-tier system. With commercial and industrial and
31 institutional customers that have a trip factor from zero to five, which means in a peak hour they are
32 generating five trips for every thousand square feet or less, that would be Tier 1 and would be \$15 per
33 month. We have 55 accounts that would potentially fall within that range. Tier 2, which would be a trip
34 factor between 5 and 15, these accounts would pay \$25. Tier 3 would be between 15 and 50 for the trip
35 factor, and these would pay \$35 per month. Tier 4 would be a trip factor greater than 50, and we are
36 proposing that they would pay \$45 per month.
37

38 If Council would want to implement a separate fee for seniors, it could be something less than \$5 per
39 month and staff would need to work through how to identify utility accounts that are for senior citizens.
40 Three other groups that the City is proposing not to charge the fees for are (1) Commerce ISD, (2) churches
41 and (3) hospitals and nursing homes.
42

43 We have discussed street maintenance fees with Dr. Rudin of Texas A&M University-Commerce. The
44 university is agreeable to participating in this program, and we are working out a means by which to
45 calculate that fee for the university. Most likely that solution will be based on the number of parking
46 permits that they issue. We would be asking for \$2.50 per parking permit.
47

48 One of the first steps in this would be to develop a full maintenance plan. We will need tools to do the job.
49 We would need to decide whether to buy the tools or to use contractors to do that work. The second step
50 would be to decide which streets to repair first. We could rank which are the worst streets in each quadrant
51 of town and start putting together a work order list of which streets to work on first.
52

53 In the first year, we want to create a plan, communicate that plan and then start acquiring equipment that
54 we would need so that we could execute that plan. We are proposing to implement the utility billing plan
55 beginning October 1st.
56

Mayor Pro Tem Anthony Henry made a motion to accept the First Reading of the Ordinance adopting the Street Maintenance Fee. The motion was seconded by Council Member Jim Ayres, and it carried unanimously.

13. **First Reading-Consideration and Possible Action on an Ordinance amending Chapter 90, 'Traffic and Vehicles,' Subsections 90-101 (a)(2) and (a)(3) of the Code of Ordinances of the City of Commerce to amend the official Traffic Parking Map and the official Traffic 'No Parking' Map to designate a 'No Parking Zone' on both sides of Sycamore Street, beginning at Park Street on the north side, but excluding the south side of the roadway directly in front of 1011 Sycamore (Property ID #54366), and starting 57 feet from the intersection on the South side, and continuing east to the railroad tracks; Providing a Penalty and Providing for an Effective Date.**

Director of Public Safety Chris Bassham stated that Sycamore Street from Park Street to the railroad tracks is one of the main roads throughout the city; it connects different parts of the City. We have a number of cars that travel that road every day at a high rate of speed. Every residence on that street has somewhere to park off the street. It is a pretty wide road, but once you get cars, parked on the street, especially around the new development, on the left-hand side, it starts getting cluttered very quickly. The only residence on the street that we would have an issue with parking anywhere other than the street is 1011 Sycamore. That residence has nowhere else to park besides the street. That is why we are asking for an exemption from the no-parking for that address on the next item on the agenda.

Council Member Stephanie Muller made a motion to accept the First Reading of the Ordinance designating Sycamore Street as "No Parking." The motion was seconded by Council Member Beckey Thompson, and it passed unanimously.

14. **First Reading-Discussion and Possible Action on amending the 'Resident-Only Parking' Ordinance 2021-18 to include the south side of Sycamore Street. The exemption will start at Park Street and continue east for 57 feet, terminating at the property line and including the street directly in front of 1011 Sycamore (Property ID #54366). The residents only permitted parking model will allow residents at 1011 Sycamore Street to continue to park on the street once Sycamore becomes no parking.**

Director of Public Safety Chris Bassham said that this would allow him to issue 'Resident-Only Parking' placards to the residents at 1011 Sycamore Street so that they could continue to park on the street, and officers could identify that they do have permission to park there. We would also give them access to one visitor's pass if they have someone visiting that would need to park on the street too. That visitor's pass would be good for only 24 hours. Bassham noted that if this first reading is approved, and a second reading is approved next month, we would post the "No Parking" signs. Then during the next 15 days, we would start letting residents know that there is "no parking" on the street.

Council Member Stephanie Muller made a motion to accept the First Reading of the amending of the Ordinance. Council Member Anthony Henry abstained. The motion was seconded by Council Member Jim Ayres, and the motion carried..

15. **Presentation by City Council Members regarding local events and updates.**
Mayor Teddy Reel said "thank you" to the organizers of the Norris Community Cookout noting that the cookout was well attended and well organized.

16. **City Manager's Report; discussion of same.**

- **Public Input Feedback**
None

- **Finance Update**
City Manager Howdy Lisenbee addressed the City Council.

- Financials- General Fund Totals: City is ahead of schedule on revenue for this fiscal year and under budget on expenses. The city has received about \$4.4 million of total revenue within the budget for this fiscal year. For the utility fund, it is the same thing; revenues are outpacing what we anticipated them to be for the budget and expenses are coming in under budget.
- Property Tax Revenue-\$3.37 million was budgeted for property tax collections and \$3.36 million has been collected so far with a few months remaining in the fiscal year.
- The Sales Tax report did not get to us in time to put the numbers together for this report, so we will have that data for the Council at a later meeting.

• **Personnel**

None

• **Projects Update**

City Manager Howdy Lisenbee advised the Council that the water plant continues to operate strongly, and we are staying ahead of water demand. The contractor has mobilized and begun work rehabbing three of our six filters at the water plant.

• **Intergovernmental Events & Issues**

None

• **Calendar of Upcoming Events and Meetings**

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

- Farmers' Market continues every Saturday through September beginning at 8:00 a.m. through 11:00 a.m. at Bonham Alley in Downtown.
- Youth Soccer Registration has been extended to August 19th. To register, visit: commercerecreation.com or come by City Hall.
- Mosquito spraying continues for Sections A, B, D & C next week. Spraying begins at 7:00 p.m. and the spraying schedule can be found on our website or picked up from City Hall.
- Texas A&M-Commerce is hosting a Cultural Extravaganza which will be held on August 30th from 5:00 p.m. to 8:00 p.m. at Rayburn Student Center.
- Director of Public Safety and Fire Department Lieutenant Jeremy Littlefield informed the Council about the 911 Memorial Stair Climb that will be held on September 10th at Whitley Hall. Registration will begin at 7:00 a.m. The climb will occur from 8:00 a.m. to 1:00 p.m. The cost is free for each climber but donations are welcome. Members of the public may volunteer to hand out water.

12. **Recess into Executive Session:**

- §551.074 (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.

- Lien Forgiveness -700 N Neal

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

Council Member Beckey Thompson made a motion to recess into Executive Session. Council Member Stephanie Muller seconded the motion, and it carried unanimously. The Council recessed into Executive Session at 7:19 p.m.

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

1
2 The Council reconvened into Open Session at 7:33 p.m.
3

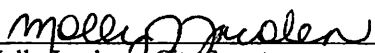
4 Council Member Stephanie Muller made a motion to forgive the lien interest only, not principal, on liens
5 for the property located at 700 N. Neal. Mayor Pro Tem Anthony Henry seconded the motion, and it carried
6 unanimously.
7

8 Council Member Jim Ayers made a motion to renew City Manager Howdy Lisenbee's contract as
9 presented. The motion was seconded by Mayor Pro Tem Anthony Henry and the vote carried unanimously.
10

11 **14. Adjourn.**

12 Council Member Stephanie Muller made a motion to adjourn the meeting. It was seconded by Council
13 Member Beckey Thompson and carried unanimously. Mayor Teddy Reel adjourned the Council meeting at
14 7:34 p.m.
15

16
17 
18 _____
19 Teddy Reel, Mayor

20
21 
22 _____
23 Molly Jacobsen, City Secretary

24
25 07/19/2022
26 _____
27 Date

28 8.16.2022.MINS