

**CITY OF SANTA FE
REGULAR COUNCIL MEETING
SEPTEMBER 9, 2021 7:00 P.M.
COUNCIL CHAMBERS
12002 HWY. 6, SANTA FE, TEXAS**

MINUTES

The meeting was called to order at 7:00 p.m. by Mayor Jason Tabor.

Roll Call: Present: Mayor Jason Tabor
Mayor Pro-tem Bill Pittman
Councilmember Melanie Collins
Councilmember Fidencio Leija
Councilmember Jason O'Brien

The invocation was given by Pastor Bigford of the Alta Loma First Baptist Church. The pledge of allegiance to the U. S. Flag and to the Texas Flag was led by Councilmember Fidencio Leija.

Mayor's and City Manager's Report:

- a. The minutes of 8/12/21 were approved as presented.
- b. Mayor Tabor presented a proclamation for Constitution Week to representatives of the George Washington Chapter of the DAR.
- c. Ms. Jodie Gidley of College of the Mainland thanked the city for their contribution to the Opening Doors Promise Program which benefited 31 students this year.
- d. Ms. Lee Townsend and Mrs. Jenny Davenport of the SFISD thanked the city for providing CARES Act funding for technology improvements to assist with virtual studies during the pandemic.
- e. The financial statement and investment report for the quarter ending June 30, 2021, was presented, stating a portfolio balance of \$3,398,522.
- f. Department reports by staff were not presented orally but were included as written reports in the Council packet.

Citizen's Comments: Mr. Brandon Noto of 11849 – 14th Street said he is a candidate for the November 2, 2021, election to fill the vacant Council position.

City Business (Other):

New Business:

11. Consideration and possible action: Appointment of member to serve on the Library Advisory Board to fill the vacant Alternate 1 position for an unexpired term through July, 2022

Library Director Becky McClain said she received an application for service on the Library Advisory Board from Ms. Stormy Stanford. She said Ms. Stanford is a new resident of Santa Fe, was an active participant in the programs this summer, and is experienced with community library services. Motion by Councilmember O'Brien, seconded by Councilmember Pittman to appoint Ms. Stormy Standord as a member to serve on the Library Advisory Board to fill the vacant Alternate 1 position for an unexpired term through July, 2022. The motion passed the roll call vote unanimously.

17. Consideration and possible action: Authorizing the City Manager to execute the agreement for Collection Services with Linebarger Goggan Blair & Sampson, LLP for delinquent property tax collection services

City Manager Glen Adams said this is a 3-year renewal of the delinquent property tax collection agreement with Linebarger Goggan Blair & Sampson. Motion by Councilmember Leija, seconded by Councilmember Collins to authorize the City Manager to execute the agreement for Collection Services with Linebarger Goggan Blair & Sampson, LLP for delinquent property tax collection services for a three-year term beginning October 1, 2021. The motion passed the roll call vote unanimously.

19. Consideration and possible action: Authorizing expenditure of American Rescue Plan federal funds to purchase personal protective equipment for Santa Fe Fire and Rescue

City Manager Glen Adams said Santa Fe Fire and Rescue is in need of personal protective equipment for their agency and he recommends supporting the \$77,125 purchase using a portion of the city's allocation of American Rescue Plan federal funding. Motion by Councilmember Leija, seconded by Councilmember O'Brien to authorize the expenditure of American Rescue Plan federal funds to purchase personal protective equipment for Santa Fe Fire and Rescue. The motion passed the roll call vote unanimously.

Planning and Zoning Business:

Old Business:

1. Consideration and possible action: Second and final reading of an ordinance of the City of Santa Fe, Texas, amending Ordinance No. 02-03, commonly known as the City of Santa Fe Unified Development Code, or the Santa Fe Zoning Ordinance, 2002 Edition, the official zoning map adopted under Section 3.08, by changing the zoning classification from Agriculture Residential (AR) to Medium Density Residential District (R2) for 9.0169 acres located at 3740 Tower Road, fronting Maple Street, described as Austin Addition Replat (2017) Abst 613, Block 1, Lot 1 (1-0), Santa Fe, Galveston County, Texas

Community Services Director Stacey Baker said this is the second reading of the ordinance approving the zone change on Tower Road and she said the City Attorney has incorporated language, at the request of Council from the previous meeting, to provide for expiration of the zone change should a preliminary plat for an R2 development on the property not be filed within 180 days of this approved zone change, otherwise the zone will revert back to AR. Motion by Councilmember Leija, seconded by Councilmember O'Brien to pass the second and final reading of an ordinance of the City of Santa Fe, Texas, amending Ordinance No. 02-03, commonly known as the City of Santa Fe Unified Development Code, or the Santa Fe Zoning Ordinance, 2002 Edition, the official zoning map adopted under Section 3.08, by changing the zoning classification from Agriculture Residential (AR) to Medium Density Residential District (R2) for 9.0169 acres located at 3740 Tower Road, fronting Maple Street, described as Austin Addition Replat (2017) Abst 613, Block 1, Lot 1 (1-0), Santa Fe, Galveston County, Texas. The motion passed the roll call vote unanimously.

New Business: None

City Business (Other):

Old Business: None

New Business:

1. Presentation of certified recall petition

City Secretary Janet Davis presented the certified recall petition seeking removal of Mayor Jason Tabor on the grounds of misconduct while holding political office. The special election will be conducted in May, 2022, along with the general city officers' election. Mr. Jarrad Moore, the circulator of the petition, said the required number of signatures were collected in one month's time and he asked the Mayor to resign to save the city from the costs of a special election.

2. Consideration and possible action: Discussion of employee health insurance benefit options and selection of a health insurance carrier and benefit plan

Mr. Brett Bowers of Hub International is the city's insurance broker and he said our current employee medical insurance is with United Healthcare. He said the company provided a renewal with a 46 percent increase in the cost of premiums and we were able to negotiate that down to 33 percent. Mr. Bowers said the city's medical loss ratio should be less than 85 percent but ours is at 113.4 percent, with 11 large claimants representing 63 percent of our loss ratio. He said most carriers declined to provide quotes for coverage, but we did receive a quote from TML Health offering a PPO plan with a \$3,000 deductible and a 10.2 percent increase in the cost of premiums. Mr. Bowers said our options for employee health insurance is either the UHC plan with a \$250 deductible at a 33.8 percent rate increase, an alternate UHC plan with a higher deductible and almost \$8,000 out of pocket coverage, or the TML Health plan with a \$3,000 deductible and out of pocket coverage at a 10.2 percent rate increase. He said last year we offered a high deductible plan as an option for employees but TML does not offer this type of plan so all employees would be enrolled in the same plan. Mr. Bowers said The Standard provides the dental and vision coverage for employees and they increased rates 9 percent, and the life insurance provided by UHC is in the final year of a rate guarantee so there will be no increase for that coverage this year. Council discussed options for providing healthcare to employees. Motion by Councilmember Pittman, seconded by Councilmember Leija to select the Texas Municipal League Health Benefits Pool \$3K ER plan for the fiscal year beginning October 1, 2021. The motion passed the roll call vote unanimously.

3. Public Hearing: Proposed tax increase

Finance Director Rudy Zepeda explained the no new revenue rate calculation for maintenance and operations and debt service. He said Council can consider adoption of a property tax rate up to \$0.28 since that is the cap that was advertised. City Manager Glen Adams said he supports a rate increase, especially since the rate was not increased last year and this year the inflation rate is at 13 percent. Mayor Tabor opened the public hearing at 8:22 p.m. Mr. Dana Marks of 4670 Avenue L said he supports lessening the property tax burden by adoption of the no new revenue rate. With no other citizens' comments, the public hearing was closed at 8:23 p.m. Mr. Zepeda provided estimates of the appropriate fund balance that would be needed to balance the budget and the number of months of operating expenses that would remain in the unappropriated fund balance. Mr. Adams said we need to improve about nine miles of streets this year to sustain our infrastructure and we can afford about one mile. Councilmember Collins said we have to consider the citizens' ability to pay property taxes and what she can do as a councilmember to help the citizens.

4. Public Hearing: Proposed 2021/22 general fund operating budget

City Manager Glen Adams said we have had multiple workshops throughout the summer to come up with the proposed budget. Mayor Tabor opened the public hearing at 8:38 p.m. and with no comments, closed the public hearing at 8:39 p.m.

5. Consideration and possible action: First and final reading of an ordinance adopting the debt service fund budget for the fiscal year beginning October 1, 2021

Finance Director Rudy Zepeda said this debt service fund budget pays the bond payments used to finance the public safety facility and we are anticipating a surplus of \$57,994 at year end. Motion by Councilmember Pittman, seconded by Councilmember O'Brien to pass the first and final reading of an ordinance adopting the debt service fund budget for the fiscal year beginning October 1, 2021. The motion passed the roll call vote three to one. Those voting for: Councilmember Leija, Councilmember O'Brien, and Councilmember Pittman. Those voting against: Councilmember Collins.

6. Consideration and possible action: First and final reading of an ordinance adopting the general fund operating budget for the fiscal year beginning October 1, 2021

Finance Director Rudy Zepeda said the proposed general fund budget is inclusive of a 10.2 percent medical insurance premium rate increase, a 4 percent wage increase for all employees, capital purchase funding as previously discussed, legal expenses for charter review, and funding for cemetery road improvements. Motion by Councilmember Pittman, seconded by Councilmember O'Brien to pass the first and final reading of an ordinance adopting the general fund operating budget for the fiscal year beginning October 1, 2021. The motion passed the roll call vote three to one. Those voting for: Councilmember Leija, Councilmember O'Brien, and Councilmember Pittman. Those voting against: Councilmember Collins.

7. Consideration and possible action: First and final reading of an ordinance establishing the ad valorem tax rate; date when ad valorem taxes become delinquent; rate as of assessment; providing for certain exemptions; penalty and interest for delinquent taxes and savings clause

Councilmember Collins said she is opposed to a tax increase of any kind as they cannot afford any more taxes and she works for the people. Councilmember Leija said the voters unrestricted the SFEDC which will help absorb some city operational expenses and he encouraged citizens to shop local to continue to grow our sales tax revenue base. City Manager Glen Adams said we are operating at peak efficiency and a tax increase is necessary to continue city operations and maintain a healthy operational reserve. Councilmember Pittman pointed out that SFISD is raising taxes and seeking bond money but no one opposes their actions. Motion by Councilmember Pittman, seconded by Councilmember Leija to pass the first and final reading of an ordinance establishing the ad valorem tax rate at \$0.265515 which is a 1.5 percent increase in the no new revenue rate; date when ad valorem taxes become delinquent; rate as of assessment; providing for certain exemptions; penalty and interest for delinquent taxes and savings clause. The motion passed the roll call vote three to one. Those voting for: Councilmember Leija, Councilmember O'Brien, and Councilmember Pittman. Those voting against: Councilmember Collins.

Council recessed at 9:12 p.m. and reconvened at 9:19 p.m.

8. Consideration and possible action: Ratifying property tax revenue increase reflected in the 2021/22 general fund operating budget

Motion by Councilmember Leija, seconded by Councilmember O'Brien to ratify the property tax revenue increase of \$78,422, which is a 3.46 percent increase from last year's budget and includes \$52,822 from new property added to the roll this year, reflected in the 2021/22 general fund operating budget. The motion passed the roll call vote three to one. Those voting for: Councilmember Leija, Councilmember O'Brien, and Councilmember Pittman. Those voting against: Councilmember Collins.

9. Consideration and possible action: Adoption of a resolution approving the Santa Fe Economic Development Corporation budget for the fiscal year ending September 30, 2022

Finance Director Rudy Zepeda said the SFEDC Board of Directors approved the proposed budget and are now requesting Council approval. He said the budget includes funding for the city comprehensive plan, new projects, and a business retention and expansion program. Councilmember Leija said the EDC is committed to supporting local businesses and growing our infrastructure. Motion by Councilmember O'Brien, seconded by Councilmember Pittman to adopt the resolution approving the Santa Fe Economic Development Corporation budget for the fiscal year ending September 30, 2022. The motion passed the roll call vote unanimously.

10. Consideration and possible action: Authorizing Mayor to execute the Administrative Services Agreement between the City and the Santa Fe Economic Development Corporation for the fiscal year ending September 30, 2022

City Manager Glen Adams said this agreement is a continuation of the city providing administrative services to the EDC at an annual cost of \$24,000. Councilmember Leija said the SFEDC Board may consider funding their own support personnel outside the city in the future. Motion by Councilmember Pittman, seconded by Councilmember O'Brien to authorize the Mayor to execute the Administrative Services Agreement between the City and the Santa Fe Economic Development Corporation for the fiscal year ending September 30, 2022. The motion passed the roll call vote unanimously.

12. Consideration and possible action: First reading of an ordinance amending Chapter 1, General Provisions, Code of Ordinances, by adding Section 26, Permits, Projects, and Vested Rights, to authorize the adoption of local provisions that provide for the expiration of permits and projects

Community Services Director Stacey Baker said the city attorney has recommended adoption of a vested rights clause to put limits on how long a project or permit can lie dormant by providing for an expiration date and the ability to terminate those projects or permits that have expired. Motion by Councilmember Leija, seconded by Councilmember O'Brien to pass the first reading of an ordinance amending Chapter 1, General Provisions, Code of Ordinances, by adding Section 26, Permits, Projects, and Vested Rights, to authorize the adoption of local provisions that provide for the expiration of permits and projects and to dispense with the second reading. The motion passed the roll call vote unanimously.

13. Consideration and possible action: First reading of an ordinance amending Chapter 3, Construction Regulations, Code of Ordinances, Section 6, Electrical Code, Subsection Z, Meters, and Chapter 5, Fire Protection, Code of Ordinances, adding Section 7, Generators, to require an informational sticker be affixed at the main disconnect from the public utility

Fire Marshal Tony Dauphine said many emergency generators are being installed and this informational sticker would help inform emergency responders that a backup generator is on the premises. Motion by Councilmember O'Brien, seconded by Councilmember Pittman to pass the first reading of an ordinance amending Chapter 3, Construction Regulations, Code of Ordinances, Section 6, Electrical Code, Subsection Z, Meters, and Chapter 5, Fire Protection, Code of Ordinances, adding Section 7, Generators, to require an informational sticker be affixed at the main disconnect from the public utility and to dispense with the second reading. The motion passed the roll call vote unanimously.

14. Consideration and possible action: Adoption of a resolution nominating a candidate to serve on the Board of Directors of the Galveston Central Appraisal District for a two-year term beginning January 1, 2022, and ending December 31, 2023

Mayor Tabor said the city needs representation on the Central Appraisal District Board of Directors and he nominated Tax Assessor Collector Cheryl Johnson as a candidate so she could be a voting member rather than just an ex officio member. Motion by Councilmember Leija, seconded by Councilmember Pittman to adopt the resolution nominating Galveston County Tax Assessor/Collector as a candidate to serve on the Board of Directors of the Galveston Central Appraisal District for a two-year term beginning January 1, 2022, and ending December 31, 2023. The motion passed the roll call vote unanimously.

15. Consideration and possible action: Authorizing the Mayor to execute the Municipal Advisory Contract with SAMCO Capital Markets as bond advisors for the Mulberry Farms PID project

Community Services Director Stacey Baker said we are required to manage the bonds for the Mulberry Farms PID project so the city is required to select a bond advisor and bond counsel. She said the cost of the bond advisor, bond issuance, and bond counsel will be paid by the developer through the bond proceeds so there is no financial risk to the city. Staff is recommending SAMCO Capital Markets as the bond advisor and McCall, Parkhurst & Horton LLP as the bond counsel, a firm highly recommended by the city attorney, to produce the necessary bond documents. Motion by Councilmember Leija, seconded by Councilmember Pittman to authorize the Mayor to execute the Municipal Advisory Contract with SAMCO Capital Markets as bond advisors and their use of McCall, Parkhurst & Horton as bond counsel for the Mulberry Farms PID project bond issuance. The motion passed the roll call vote three to one. Those voting for: Councilmember Leija, Councilmember O'Brien, and Councilmember Pittman. Those voting against: Councilmember Collins.

16. Consideration and possible action: Authorizing the City Manager to execute the Professional Services Agreement with Azavar Audit Solutions, Inc. for the local government revenue compliance audit, maximization, and monitoring program on behalf of the City of Santa Fe, Texas

Finance Director Rudy Zepeda said Azavar Audit Solutions provides forensic audit services for franchise fees and sales taxes remitted to the city to ensure compliance with agreements as they work to reclaim back taxes. He said their fee is contingency-based and is 35 percent of whatever errors they discover. Mr. Zepeda said Council can set the parameters of the forensic audit services to be requested. Motion by Councilmember O'Brien, seconded by

Councilmember Leija to authorize the City Manager to execute the Professional Services Agreement with Azavar Audit Solutions, Inc. for the local government revenue compliance audit, maximization, and monitoring program on behalf of the City of Santa Fe, Texas. The motion passed the roll call vote unanimously.

18. Consideration and possible action: Adoption of a resolution joining with the State of Texas and political subdivisions of the state as a party in the Texas Opioid Settlement Agreements secured by the Office of the Attorney General; authorizing the Mayor to execute settlement participation forms; and establishing an effective date

Mayor Tabor said he attended an informational meeting regarding this opioid settlement through the State of Texas for Region 2, which has resulted from litigation with drug companies who have engaged in fraudulent marketing and distribution of opioids that have resulted in addictions and overdoses harming Texas and its communities. He said our initial settlement is in the amount of \$33,000 and then we can apply for additional funds for specific programs and projects. Motion by Councilmember Pittman, seconded by Councilmember O'Brien to adopt the resolution joining with the State of Texas and political subdivisions of the state as a party in the Texas Opioid Settlement Agreements secured by the Office of the Attorney General; authorizing the Mayor to execute settlement participation forms; and establishing an effective date. The motion passed the roll call vote unanimously.

Announcements: Boy Scout Alan Jones received his Eagle Scout award and the Santa Fe Chamber of Commerce recognized public servants.

Summary of action from this agenda, request for future agenda items, and scheduling future meetings

Motion by Councilmember Pittman, seconded by Councilmember O'Brien to adjourn. The motion passed and the meeting adjourned at 10:10 p.m.

JASON TABOR, MAYOR

ATTEST:

Janet L. Davis, City Secretary