

**CITY OF SANTA FE  
REGULAR COUNCIL MEETING  
MARCH 24, 2022 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 Pro Tem Bill Pittman.

Roll Call: Present: Mayor Pro Tem Bill Pittman  
Councilmember Brandon Noto  
Councilmember Fidencio Leija

Absent: Councilmember Jason O'Brien, excused  
Councilmember Melanie Collins, excused

The invocation was given by Pastor Josh McDonald from Arcadia First Baptist Church. The pledge of allegiance to the U. S. Flag and to the Texas Flag was led by Mayor Pro Tem Pittman.

**Mayor's and City Manager's Report:**

Mayor Pro Tem Pittman showed those present a photograph of Charlotte Collins, Councilmember Collins' newborn child. The Council congratulated the family on their new addition and wished them well.

a. The minutes of 2/10/2022, 2/18/2022, 2/20/2022, 2/24/2022, 3/3/2022, and 3/10/2022 were approved as presented.  
b. Presentation of departmental reports by staff, specifically a recap of the activities performed during the previous month and a report of upcoming activities, events, and projects on the horizon

- 1) Community Services – building permits issued, fees collected, inspections performed
- 2) Parks and Community Center – park maintenance activities, center rental statistics
- 3) Municipal Court – cases filed, revenue collected, warrants issued and cleared
- 4) Police – calls for service statistics, traffic crash analysis, use of force incidents
- 5) Fire Marshal – no report
- 6) Library – patron and program attendance, circulation material statistics, fines and donations collected
- 7) Street – drainage projects, street maintenance and improvement activities, equipment maintenance
- 8) Resiliency Center – counseling statistics, including new and continuing clients, for individual and family sessions
- 9) Finance – city finance activities (including cash flow, financial reports, PID development bond issuance, utility audit services, PEG channel development, capital improvement plan), and SFEDC project updates

**Citizen's Comments:**

Mr. Tim Clark of 3620 Avenue F said that the City Council should stop using executive sessions, which he feels are unnecessary in almost all cases. He believes that the City of Santa Fe should set an example in transparency to other cities by holding almost all of its discussions in view of the public.

**Business:**

**Old Business:**

**1. Public Hearing in accordance with Sections 505.159 and 505.160 of the Texas Local Government Code, the Santa Fe EDC, a Texas non-profit 4B economic development corporation, will receive public comments related to the following proposed economic development project being considered by the Santa Fe EDC as follows:**

- Pursuant to Local Government Code Section 505.158, the Santa Fe EDC proposes to participate in economic development projects in the approximate amount of \$225,000 to the City of Santa Fe for

**production of a city-wide comprehensive plan and to contribute funds in the approximate amount of \$78,846 to the City of Santa Fe for the annual lease purchase payment of an excavator for drainage and street improvement projects, a project generally referred to as a program to assist eligible and qualifying small businesses located in the City of Santa Fe with financial assistance during the COVID-19 state of disaster and time of social distancing. The Santa Fe EDC's participation in any such general or specific project or program is subject to the having or otherwise receiving the proper legal authorization to do so**

Finance Director Rudy Zepeda presented the item to Council, noting that no public comments had been received on the matter, including during the Santa Fe Economic Development Corporation's public hearing on February 22, 2022. Mr. Zepeda said that these funds are budgeted and now just need Council's approval.

Mayor Pro Tem Pittman opened the public hearing at 7:09 p.m., and, with no members of the public wishing to speak, closed the public hearing at 7:09 p.m.

Motion by Councilmember Leija, seconded by Councilmember Noto, to approve Santa Fe Economic Development Corporation's participation in the projects as presented. The motion passed the roll call vote unanimously.

**2. Consideration and possible action: Adopting a resolution authorizing funding of proposed Santa Fe Economic Development Corporation projects for FY 2021-2022 as presented in the public hearing**

Finance Director Rudy Zepeda informed Council that this proposed resolution, if adopted, will allow for the funding of the projects that were just approved under Item 1. Motion by Councilmember Noto, seconded by Councilmember Leija, to adopt the resolution as presented. The motion passed the roll call vote unanimously.

**3. Consideration and possible action: Public hearing and first reading of an ordinance of the City of Santa Fe, Texas regarding zoning change request ZC 22-02, 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 Agricultural Residential (AR) to Highway Commercial (HC) for approximately 2.58 acres, on a vacant lot fronting FM 646 South near 25th Street, Property ID 608530: Legal Description D&D Brothers Sub Rplt (2015) Abst 49 Lot 1 2.5866 Acres, Santa Fe, Galveston County, Texas**

Community Services Director Stacey Baker introduced the item, noting that the history of the property and the application is unchanged from when Council first heard this item during its March 10, 2022 meeting. Ms. Baker provided a brief history of the property's zoning, which was zoned as Highway Commercial (HC) until 2014, when the then-owner successfully applied for the property to be rezoned to Agricultural Residential (AR). That rezoning request was granted to allow for a housing development that ultimately was never undertaken. Ms. Baker remarked that Galveston County Water Control and Improvement District No. 8's water service terminates near the property.

At its most recent meeting, the Planning and Zoning Commission considered the application for rezoning this property back to Highway Commercial (HC) so that it may be used for a commercial storage facility. Following its consideration, the Commission recommended that City Council refuse the request to rezone. Ms. Baker explained that the Commission wanted to see proposed site plans for the storage facility before approving the request. Citizen comments during the Planning and Zoning Commission's meeting included concerns that the proposed future usage of the property would cause noise and drainage issues. During its March 10, 2022 meeting, Council voted to postpone action on this item until today's meeting.

Mayor Pro Tem Pittman opened the public hearing at 7:16 p.m.

Ms. Edye Shipwash of 2710 FM 646 N said that she owns the property that is directly across FM 646 from the property that is being discussed. She would accept a rezoning request to Neighborhood Commercial (NC), but opposes the proposed rezoning to Highway Commercial (HC). The area, she said, is the former heartbeat of old Alta Loma. She knows that Santa Fe has to grow, but she asked what cost such growth would incur to the city. Ms. Shipwash believes that Santa Fe should be a bedroom community.

The applicant, Derrick Thurmond, addressed Council. He said that he had purchased both properties in 2019, with the assumption that they were both zoned for commercial usage, to build an air-conditioned storage facility. The current residential zoning of the properties is a roadblock to his desired usage of his properties.

Mr. Rusty Shroeder of 11203 FM 1764 said that his property lacks water and sewer service, yet is still zoned as Highway Commercial (HC). He feels people's pain at the growth that Santa Fe is experiencing but believes that the request for rezoning should be granted. Such a rezoning would increase the City's tax base.

Mr. Frank Trochesset of 3605 Avenue F believes that the property should remain with its current zoning until the City is presented with a plan for its future use by the applicant. He said that by imposing such a requirement, the City will not be blindsided later by an unexpected use. Mr. Shroeder spoke in response to Mr. Trochesset's concerns, remarking that today's item is strictly for the request to rezone, and that the applicant will still have to come back to the City with his plans once he has them.

Mayor Pro Tem Pittman closed the public hearing at 7:22 p.m.

Council discussed the item, noting that the property is currently zoned for residential use but is surrounded by commercial zoning. Councilmember Noto remarked that under the City's current sunset clause, the 2014 rezoning would have automatically reverted to Highway Commercial (HC) anyway, which would have rendered this request and discussion unnecessary.

Motion by Councilmember Leija, seconded by Councilmember Noto, to approve and adopt the Ordinance as presented, on first and final reading. The motion passed the roll call vote unanimously.

**4. Consideration and possible action: Public hearing and first reading of an ordinance of the City of Santa Fe, Texas regarding zoning change request ZC 22-03, 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 Agricultural Residential (AR) to Highway Commercial (HC) for approximately 2.58 acres, on a vacant lot fronting FM 646 South near 25th Street, Property ID 608531: Legal Description D&D Brothers Sub Rpl (2015) Abst 49 Lot 2 2.5866 Acres, Santa Fe, Galveston County, Texas**

Mayor Pro Tem Pittman opened the public hearing at 7:27 p.m.

Planning and Zoning Commission Member Tim Clark said that Council will give up control of the property's future use if it grants the rezoning request. He said that this would not be the first time that the City has lost control of what development it gets. The applicant, Derrick Thurmond, said that he does not want to risk spending the thousands of dollars that it would take to draft a site plan for a rezoning request if the request was ultimately denied.

Mayor Pro Tem Pittman closed the public hearing at 7:30 p.m.

Councilmember Noto said that the City has already determined what is suitable for development in Highway Commercial (HC) lots, and said that such zoning is appropriate for this property, given that it is located adjacent to

a highway. Furthermore, FM 646 is a corridor for the city, so there are extra restrictions in place. He suggested that staff consider sending Council memoranda following predevelopment meetings so that the Council is better informed about proposed developments.

Motion by Councilmember Leija, seconded by Mayor Pro Tem Pittman, to approve and adopt the Ordinance as presented, on first and final reading. The motion passed the roll call vote unanimously.

**5. Consideration and possible action: Authorizing execution of a Storm Drainage Maintenance Agreement between the City of Santa Fe and the Mulberry Farms Owners' Association for maintenance of storm drainage improvements within the District**

Finance Director Rudy Zepeda informed Council that the agreement has been reviewed and approved by the developer, Daniel Blanco, as well as by City staff and the City Attorney. In response to a question from Council, Mr. Blanco confirmed that the pipe that connects the retention areas will not be owned by the City, and that the liability for the pipe is not the City's.

Motion by Councilmember Noto, seconded by Councilmember Leija, to authorize execution of the agreement as presented. The motion passed the roll call vote unanimously.

**New Business:**

**1. Consideration and possible action: Public hearing on Assessment Roll and Service Assessment Plan and the levy of assessments on property within the Mulberry Farms Public Improvement District**

The City's financial advisor for the Public Improvement District, Mark McLiney, introduced the item, explaining that this public hearing is to allow the public an opportunity to provide Council with their thoughts on the creation of the District. Mayor Pro Tem Pittman opened the public hearing at 7:41 p.m.

Mr. Tim Clark of 3620 Avenue F asked where the District will be located and said that he did not want his property to be located in the District without agreeing to it. Mayor Pro Tem Pittman informed Mr. Clark that Public Improvement Districts (PIDs) only have an effect on properties within their boundaries, and that PIDs ultimately go away. The Mulberry Farms Public Improvement District, he said, will go away after it finishes paying for itself in 30 years. The developer, Daniel Blanco, said that all residential properties in the District will pay the assessment, but commercial properties will not. Mr. Rusty Schroeder of 11203 FM 1764 asked where he could find a copy of the plat for the District and raised questions about the District's drainage plans. In response to his questions, Mayor Pro Tem Pittman directed Mr. Schroeder to Community Services Director Stacey Baker for the plat and said that some of the drainage from the District will flow to the Texas Department of Transportation's right-of-way, while the remainder will be sent to the diversionary canal.

Mayor Pro Tem Pittman closed the public hearing at 7:47 p.m.

**2. Discussion and possible action: First reading of an ordinance accepting and approving an Assessment Roll and Service Assessment Plan for the Mulberry Farms Public Improvement District; making a finding of special benefit to the property; levying special assessments against, and establishing a lien on, such property; providing for the method of assessment and the payment of the assessments in accordance with Chapter 372, Texas Local Government Code, as amended; providing penalties and interest on delinquent assessments; and other matters related to the foregoing**

The City's financial advisor for the Public Improvement District, Mark McLiney, explained that this ordinance lays out the assessments, lien structures, etc. for the District, approves the final Service and Assessment Plan, and approves the bonds.

Motion by Mayor Pro Tem Pittman, seconded by Councilmember Leija, to approve and adopt the Ordinance as presented, on first and final reading. The motion passed the roll call vote unanimously.

**3. Discussion and possible action: First reading of an ordinance authorizing the issuance of the “City of Santa Fe, Texas, Special Assessment Revenue Bonds, Series 2022 (Mulberry Farms Public Improvement District)”;** approving and authorizing an indenture of trust, a bond purchase agreement, a limited offering memorandum, a continuing disclosure agreement and other agreements and documents in connection with said bonds; and other matters related to the foregoing

The City's financial advisor for the Public Improvement District, Mark McLiney, informed Council that Robert Rivera with FMS Bonds, Inc. (the City's bond underwriters) is handling the bonds, which went to market today and achieved an average rate of 4.94%. These rates, he said, are rather aggressive even in light of recent changes in interest rates. Mr. McLiney explained that some money will be withheld from the developer until they successfully achieve the milestone of having constructed 27 homes in the District for which Certificates of Occupancy have been issued. He detailed the process for the development of the District and said that all funds from the bonds must be used for public improvements. Mr. Rivera addressed Council and said that his employer has underwritten 96% of all bonds for PIDs in Texas over the past three years.

Motion by Councilmember Noto, seconded by Councilmember Leija, to approve and adopt the Ordinance as presented, on first and final reading. The motion passed the roll call vote unanimously.

**4. Consideration and possible action: Adopting a resolution authorizing the City's execution of and entering into multiple agreements regarding the development of Mulberry Farms Public Improvement District, including a financing agreement, a maintenance agreement, a landowner agreement, and a contribution agreement; and resolving other matters in connection with the foregoing**

The City's financial advisor for the Public Improvement District, Mark McLiney, explained why there were so many individual items for the District on today's agenda. He explained that the process for creating a PID is:

- Public hearing, required by state law;
- Set up assessments, approve Service and Assessment Plan, and everything necessary to control how the PID is set up;
- Sell bonds; and what we're doing in this item:
- Ensure that the developer does their part and that they perform their part well

Motion by Mayor Pro Tem Pittman, seconded by Councilmember Noto, to approve the Resolution as presented. The motion passed the roll call vote unanimously.

**5. Consideration and possible action: Adopting a resolution authorizing professional service provider(s) selection for the American Rescue Plan Act programs.**

Finance Director Rudy Zepeda introduced the item. He informed Council that he, City Secretary Alun Thomas, and outgoing City Secretary Janet Davis, each reviewed the submissions from professional service providers, and each independently believe that Public Management Inc. is the best selection for the City. He confirmed that funds from the American Rescue Plan Act (ARPA) can be used to pay for these professional services, and said that the services are needed to ensure that the City fully complies with the terms of the Act.

Motion by Councilmember Leija, seconded by Councilmember Noto, to approve the Resolution awarding the professional service provider selection for the American Rescue Plan Act programs to Public Management, Inc., as presented. The motion passed the roll call vote unanimously.

**6. Consideration and possible action: Adopting a resolution authorizing the execution and delivery of a lease with option to purchase agreement and related documents for two (2) tractors/slope mowers and one (1) water truck**

Finance Director Rudy Zepeda said that the expenditures are in the budget and that Council has previously agreed to the lease-purchase of such vehicles. Republic Bank was the lowest bidder, and staff recommends executing an agreement for the lease-purchase of the vehicles with Republic Bank. Street Superintendent Billy Creppon said that the City has one mower, one is coming in June, and the water truck is expected to be delivered in November. Council briefly discussed the mowing of state rights-of-way in the City, with Mr. Creppon explaining that the state's contractor mows twice a year and that the City does not have a contract with the state to do such mowing.

Motion by Councilmember Leija, seconded by Councilmember Noto, to approve the Resolution awarding the lease with option to purchase agreement to Republic Bank, as presented. The motion passed the roll call vote unanimously.

**7. Consideration and possible action: Adopting a resolution formalizing declared intention to reimburse expenditures made from proceeds of a short-term lease-purchase financing obligation for two (2) tractors/slope mowers and one (1) water truck**

Finance Director Rudy Zepeda explained the need for this item, with serves to allow the City to reimburse itself for the expenditures.

Motion by Mayor Pro Tem Pittman, seconded by Councilmember Leija, to approve the Resolution as presented. The motion passed the roll call vote unanimously.

**8. Consideration and possible action: First reading of an ordinance of the City of Santa Fe, Texas, amending the General Fund Operating Budget for the fiscal year beginning October 1, 2021**

Finance Director Rudy Zepeda asked that Council adopt the Ordinance in one reading. Library Director Becky McClain detailed how the funds will be spent and reminded Council that the money is from fundraising efforts in 1994 and 1995. Mr. Zepeda said that the funds are restricted to use by the library, and that the expenditures will have a net zero effect on the library fund. Council thanked Ms. McClain and her staff for their excellent work at the library.

Motion by Councilmember Leija, seconded by Councilmember Noto, to approve and adopt the Ordinance as presented, on first and final reading. The motion passed the roll call vote unanimously.

**9. Consideration and possible action: Adopting a Resolution by the City Council of the City of Santa Fe designating authorized signatories for contractual documents and documents for requesting funds pertaining to the Community Development Block Grant – Disaster Recovery program (CDBG-DR) Contract Number 20-065-026-C093**

Community Services Director Stacey Baker informed Council that this Resolution would remove the current authorized signatories for the program (former Mayor Jason Tabor, outgoing Community Services Director Stacey Baker, and outgoing City Secretary Janet Davis), and add Mayor Pro Tem Pittman, Finance Director Rudy Zepeda, and City Secretary Alun Thomas.

Motion by Councilmember Noto, seconded by Councilmember Leija, to approve the Resolution as presented. The motion passed the roll call vote unanimously.

**10. Consideration and possible action: Initiating the claims process with SOMPO International (Surety Bond Company) against TWDirt, LLC. for the GLO Streets and Drainage Project 20-065-026-C093.**

Finance Director Rudy Zepeda and Street Superintendent Billy Creppon explained the need for this item. TWDirt, LLC has already been granted a six-month extension on the project, and only have 18 days left until the revised deadline. They still have a major crossing to complete, and paving and grading work to perform. The company is working slowly, and many days are not even on the jobsite. A recent hazardous spill by the company of over 30 gallons of diesel from an overturned truck was going to be left unmitigated by the company. Simply, they explained, there is not enough time for the company to complete the project, and the City staff is not confident in the company's safety precautions. Mr. Zepeda said that the City needs to file against TWDirt's performance bond so that we have the funds necessary to have someone else finish the work. The City has also been contacted by several companies complaining that TWDirt has not been paying their invoices. Mr. Creppon said that he has not seen TWDirt on the jobsite since the hazardous spill. In response to a question, Mr. Creppon confirmed that the street, although it is awaiting reconstruction, is currently in acceptable condition for the safe passage of vehicles.

Motion by Mayor Pro Tem Pittman, seconded by Councilmember Leija, to initiate the claims process as presented. The motion passed the roll call vote unanimously.

**11. Consideration and possible action: Appointment of a member to serve on the Zoning Board of Adjustment and Building Standards Commission to fill an unexpired 2-year term that will expire July 2022**

Community Services Director Stacey Baker informed Council that Beverly Pruitt has resigned from the Zoning Board of Adjustment and Building Standards Commission. She said that the City has only one application on file for the position, from Samuel "Jack" Helton. She believes that Mr. Helton would be a good fit in that position.

Motion by Mayor Pro Tem Pittman, seconded by Councilmember Noto, to appoint Samuel "Jack" Helton to serve on the Zoning Board of Adjustment and Building Standards Commission to fill the unexpired 2-year term that will expire July 2022. The motion passed the roll call vote unanimously.

**12. Resume Executive Session, closed to the public, pursuant to Chapter 551.074, Texas Government Code, regarding the appointment and employment of public officers or employees – Acting City Manager, City Manager, and Municipal Court Associate Judge**

Council adjourned at 8:31 p.m. into executive session, closed to the public, pursuant to Chapter 551.074, Texas Government Code, regarding the appointment and employment of public officers or employees – Acting City Manager, City Manager, and Municipal Court Associate Judge, and reconvened at 9:21 p.m. Motion by Councilmember Leija, seconded by Councilmember Noto to adjourn the executive session. The motion passed the roll call vote unanimously.

**13. Consideration and possible action: Appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee – Municipal Court Associate Judge**

Motion by Councilmember Noto, seconded by Councilmember Leija to postpone consideration of this item until the next regular council meeting. The motion passed the roll call vote unanimously.

**14. Consideration and possible action: Appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee – Acting City Manager**

Motion by Mayor Pro Tem Pittman, seconded by Councilmember Leija to appoint Finance Director Rudy Zepeda as the Acting City Manager for a term not to exceed six months and to call upon the services of outgoing City Secretary Janet Davis on an as-needed basis. The motion passed the roll call vote unanimously.

Announcements: Ascend Cares donated approximately \$40,000 for improvement to the basketball court and for mulch. The City needs volunteers to help at the park tomorrow from noon to 5 p.m. Councilmember Leija took his three-year-old son to the library to get his first library card, and had a great experience. He thanked library employee Jenna Davis for outstanding customer service. Next Thursday is the Santa Fe Educational Foundation's gala.

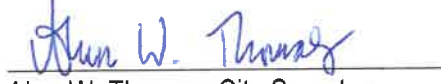
Summary of action from this agenda, request for future agenda items, and scheduling future meetings: The next Council meeting is currently scheduled for April 14.

Motion by Councilmember Noto, seconded by Councilmember Leija to adjourn. The motion passed and the meeting adjourned at 9:24 p.m.



BILL PITTMAN, MAYOR PRO TEM

ATTEST:



Alun W. Thomas, City Secretary