

**CITY OF SANTA FE
REGULAR COUNCIL MEETING
FEBRUARY 9, 2023 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 Bill Pittman.

Roll Call: Present: Mayor Bill Pittman
Mayor Pro Tem Brandon Noto
Councilmember John Dickerson
Councilmember Dana Marks
Councilmember Melanie Collins
Councilmember Jason O'Brien

Absent: None

The Invocation was given by Pastor Greg Lackey and the pledge to the U.S. Flag and to the Texas Flag was led by Mayor Bill Pittman.

Mayor's and City Manager's Report:

Acting City Manager Alun Thomas told Council that the annual Financial audit was just about complete with the first phase and looking good. Mr. Thomas said that he accepted a letter of resignation from City Engineer Matt Johnson, whose last day will be March 1, 2023. The City will be posting an open position for an Community Services Director, which the City had prior to the City Engineer position. Mr. Thomas let Council know the City would be going out for a Request for Qualifications (RFQ) for outside engineering services and that in the meantime Building Official Ray Burgess has agreed to step up and help fill the void. Mr. Thomas explained that the City Secretary's office had made progress with the records management system, Laserfiche. He said that City Engineer Matt Johnson had a list of issues from the last regular meeting on January 26, 2023, for the Mulberry Farms project and that a lot of these issues had been cleared up and that there was one concern about some of the drainage pipes had a negative slope however, the City's Street Department and a surveyor went out there and measured the pipe and it has a positive slope, so that is no longer of concern, and that the City is working with the developer to get the rest of the issues cleared up in order to approve the infrastructure. He explained that there have been a couple of subdivisions that had come to the City in order to be annexed into the City. Mr. Thomas concluded by thanking everyone who had attended the last Comprehensive Meeting and everyone who got the word out about the meeting because it was a great turnout.

1. Proclamation for Future Farmers of America (FFA) Week was given to the group of students by Mayor Bill Pittman.
2. Presentation and approval of minutes: 1/12/2023 regular meeting, 1/26/2023 regular meeting, 1/31/2023 joint meeting, were approved as presented.
- 3.. 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) Finance – city finance activities (including cash flow, financial reports), and SFEDC project updates
 - 2) Community Services – building permits issued, fees collected, inspections performed, development update
 - 3) Parks and Community Center – park maintenance activities, center rental statistics
 - 4) Municipal Court – cases filed, revenue collected, warrants issued and cleared
 - 5) Police – calls for service statistics, traffic crash analysis, use of force incidents
 - 6) Fire Marshal – burn permit issuance, inspection activities
 - 7) Library – patron and program attendance, circulation material statistics, fines and donations collected, library accreditation
Library Director Becky McClain let everyone know the Friends of the Library will be having a bake sale this Saturday, February 11, 2023, at Mugshots from 8:00 a.m. to 2:00 p.m. Ms. McClain was also very excited to let Council know she had received a letter from the Texas Municipal Library Directors Association awarding the Mae Bruce Library the 2022 Achievement of Excellent and Library award.
 - 8) Street – drainage projects, street maintenance and improvement activities, equipment maintenance

Citizens' Comments:
None.

Business:

A. Business:

1. Consideration and possible action: Authorizing access for Acting City Manager Alun Thomas, Assistant City Secretary Natalie Arnett, and Accounting Specialist Roberto Cisneros to view the City's bank account information

Finance Director Rudy Zepeda explained to Council that at this moment he is the only person able to access any information on the bank accounts. He and Acting City Manager Alun Thomas have ensured Council that all previous employees have been removed from viewing the banking information.

Motion by Councilmember O'Brien, seconded by Councilmember Collins, to approve access for Acting City Manager Alun Thomas, Assistant City Secretary Natalie Arnett, and Accounting Specialist Roberto Cisneros to view the City's bank account information as presented. The motion passed the roll call vote unanimously.

2. Consideration and possible action: Approval of Santa Fe Economic Development Corporation's selection of Olson & Olson, LLP as its new legal counsel, and authorizing the Economic Development Director to accept a General Engagement Letter from Olson & Olson, LLP

Economic Development Corporation Director Rudy Zepeda let Council know that the Economic Development Corporation board had unanimously elected to accept Olson & Olson, LLP as the EDC's attorney in the absence of its former attorney, Chris Nichols.

Motion by Councilmember O'Brien, seconded by Councilmember Marks, to approve Olson & Olson, LLP to represent the Economic Development Corporation as its new legal counsel, and authorizing the Economic Development Director to accept a General Engagement Letter from Olson & Olson, LLP as presented. The motion passed the roll call 4 to 1 with Councilmember O'Brien, Councilmember Dickerson, Councilmember Noto and Councilmember Marks in favor and Councilmember Collins opposed.

3. Consideration and possible action: Possible selection of a new City Attorney for the City of Santa Fe

City Attorney Charlie Zech apologized to Council for not attending the previous meeting on January 31, 2023, for the presentation of his firm as he was on a scheduled vacation. Mr. Zech let Council know that attorney Shana O'Neal told Council that the firm represented 3 Economic Development Corporations (EDC) in the state of Texas however, the firm represents about 15 EDCs in the state of Texas and 3 Municipal Development Districts. Mr. Zech told Council that he speaks at the Texas Municipal Economic Development conferences every year. He gave Council a brief description of his clients and their locations. Mr. Zech said that he knew the Council had some concerns about the League City office and confirmed that the office is open, fully staffed, and functional. Mr. Zech said that he goes in to the League City office about 10 days a month and his law firm partner Rick Navarro is in the office about 2 weeks out of the month. Mayor Bill Pittman asked Mr. Zech if there were any issues with handling issues virtually and Mr. Zech said not at all, that is how the firm does most of their communicating due to its clients being all around Texas. Attorney Rick Navarro introduced himself explained that communicating over the last couple of years has changed tremendously since COVID-19 hit and affected traveling to the firms clients. Mr. Navarro also confirmed the firm's League City location is there to stay and is fully staffed for the needs of the clients. Mr. Navarro runs the Rio Grand Valley office and explained their firm only represents local government and does not represent the private sector.

Motion by Councilmember O'Brien, to appoint Olson & Olson, LLP as the City Attorney. The motion failed for lack of a second.

City Attorney Charlie Zech explained that if Council wanted to keep Denton Navarro Rocha Bernal & Zech as the City's legal counsel then there would not need to be a motion. There was no further discussion.

4. Consideration and possible action: Approving Santa Fe Economic Development Corporation's proposed expenditure toward the purchase of a ladder truck for Santa Fe Fire & Rescue, and establishing a 60-day public comment period on the proposed expenditure

Acting City Manager Alun Thomas explained that on January 31, 2023, the Santa Fe Economic Development Corporation (EDC) approved the Santa Fe Fire and Rescue's request for funding of no more than \$500,000 towards the purchase of a ladder truck, with five conditions:

1. Santa Fe Fire and Rescue (SFFR) must obtain an Insurance Services Office, Inc. (ISO) rating of 1 within the first 12 months of taking possession of the truck;
2. The EDC funds will be last used of any additional contributors secured over the next 4 years;
3. The most recent audited financial report for the SFFR must be provided to EDC prior to fund disbursement;
4. Guarantee of insurance savings from SFFR for commercial properties in the city, should the truck be purchased and placed into service;
5. If SFFR fails to satisfy any of these provisions then the EDC grant converts into a loan with interest at prevailing market rates.

Mayor Bill Pittman brought up some concerns he had to SFFR Chief Chris Anderson. Mayor Pittman explained that Chief Anderson made a verbal guarantee that the ladder truck would lower property insurances for businesses in Santa Fe, however, Mayor Pittman checked with the insurance companies for Bilmar Homes, Slone Lumber, Kat's BBQ, and Mr. Daniels' property (where Arlan's is located) and learned that there would be no savings except for Bilmar Homes, which would save approximately \$184 a year, and Slone Lumber, which would save approximately \$1000 a year. SFFR is already rated by ISO as a 2 within the city limits, which is a good rating; moving from a rating of 2 to a rating of 1 would not be as drastic of a change as if the rating was a 5 going to a rate 1, so it would not cut the prices for commercial businesses insurance in the way SFFR had intended.

Chief Anderson insisted that an ISO rating of 1 will attract new businesses for economic growth. Mayor Bill Pittman told Chief Anderson that he wants to see the Galveston County Emergency Services District No.1 (ESD) vote unanimously to support the purchase of the ladder truck and recommended to Council that this be made a stipulation of the City Council approving the funding, in addition to the 5 stipulations from the EDC. Council asked what the difference between an ariel ladder and a platform truck is, and Chief Anderson explained the platform truck has a large platform that is used as an elevator to bring people down from a structure, and a straight stick (an aerial ladder) extends straight out, but people would then have to climb down it. Additionally, the firefighters could not move that ladder until every last person is down from it. Chief Anderson explained the straight stick is a little cheaper than the platform however, with all the new businesses that will be coming into Santa Fe, the platform truck is what SFFR will need, especially for buildings that are 2 or more stories high.

Council asked why the platform truck is needed at this time if the City does not yet have these taller buildings. Chief Anderson explained the new buildings are coming and SFFR is trying to stay ahead of the developments considering the truck would not arrive for another 5 years. Council had many questions about the ISO ratings, which Chief Anderson said was important, but that what is most important is rescue capabilities for multi-story buildings. Council

asked with the pending development that is going to take place, if there is the potential that the ISO rating could go decrease from a 2 to a 3 because development will overrun SFFR's capabilities. Chief Anderson said that it is a possibility that with the developments coming in could regress the ISO rating back to a 3. EDC President Fidencio Leija explained that the EDC would only have to save \$125,000 a year for the purchase of the truck because it does not have to pay anything until the truck is delivered and the requirements have been met, so this will not restrict the funds of the EDC. The councilmembers agreed the truck is needed, but disagreed on whether the use of EDC funds was the right way to purchase it. Councilmember Noto explained that even if the Council decides not to approve the use of EDC funds towards the ladder truck, that Chief Anderson has already said SFFR will purchase the truck so if Council does not approve the expenditure, SFFR will still purchase the ladder truck. EDC Director Rudy Zepeda concluded by informing Council that the EDC's budget is set and that the purchase of the truck would not affect it.

Motion by Councilmember O'Brien, seconded by Councilmember Marks, to approve funding as presented based on the five conditions set by the EDC board and the one condition set by City Council (that Galveston County Emergency Services District No.1 (ESD) vote unanimously to support the purchase of the ladder truck), and establish a 60-day public comment period for the proposed expenditure. The motion passed by a vote of 3 to 2 with Councilmember O'Brien, Councilmember Collins, and Councilmember Marks in favor; and Councilmember Noto and Councilmember Dickerson opposed.

5. Presentation and discussion: Budget terminology and scope of the budget process for Fiscal Year 2023-2024

Finance Director Rudy Zepeda gave a budget review presentation that explained how the budget process would progress for the Fiscal Year 2023-2024 budget discussions. Mr. Zepeda told Council that it could add or remove as many dates as Council would like, so that everyone can feel comfortable about the budget process and discussions.

Announcements:

Bobby Wright thanked Council and staff for the new televisions in the Council Chambers that display documents to the public, and he also thanked Finance Director Rudy Zepeda for properly explaining the budget process, noting that he does a great job explaining the topic to people. Councilmember Noto let everyone know that it is Stock Show season and wished the Santa Fe Future Farmers of America (FFA) good luck at the San Antonio Stock Show.

Summary of action from this agenda, request for future agenda items, and scheduling future meetings: The next regular Council meeting is currently scheduled for February 23, 2023.

Motion by Councilmember Noto to adjourn. The motion passed and the meeting adjourned at 8:54 p.m.

ATTEST:


Natalie Arnett, Assistant City Secretary


BILL PITTMAN, MAYOR