

**CITY OF SANTA FE  
REGULAR COUNCIL MEETING  
SEPTEMBER 28, 2023 7:00 P.M.  
COUNCIL CHAMBERS  
12002 HWY. 6, SANTA FE, TEXAS**

**MINUTES**

The meeting was called to order at 7:03 p.m. by Mayor Bill Pittman.

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

Absent: None

Tim Gregory, Senior Pastor at Santa Fe Family Worship Center, led the Invocation. Mayor Pittman led the Pledge of Allegiance to the American Flag and to the Texas Flag.

**IV. Presentations and Staff Report(s)**

1. 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 – no reports from department heads.
- 1) Finance – city finance activities (including cash flow, financial reports, investment reports, utility audit services, PEG channel development), and Santa Fe Economic Development Corporation project updates – presented by Finance Director Rudy Zepeda.

**V. Citizens' Comments:**

Tommy Anderson, who resides at 12150 14<sup>th</sup> Street in Santa Fe, and who also serves as the President of the Galveston County Water Control and Improvement District 8 (WCID 8), located at 12148 15<sup>th</sup> Street in Santa Fe, explained to Council his belief that the intersection in front of their building, Highway 6 at 15<sup>th</sup> Street, is dangerous and said that, in a future meeting, WCID 8 will be asking the City of Santa Fe to consider closing 15<sup>th</sup> Street as a through street from Highway 6, accessible only from Avenue K. Mr. Anderson added that WCID 8 would like to build a driveway directly to Highway 6 instead. Mr. Anderson stated that he had spoken to the owner of South Texas Dirt Work, which sits across the street from WCID 8 at 12122 Highway 6, and that they have no problem with WCID 8's plan.

Terri O'Connell, who resides at 12821 19<sup>th</sup> Street in Santa Fe, and who also serves on the Board of Directors of the Santa Fe Chamber of Commerce (the Chamber), informed Council that the Chamber would be hosting its second monthly After-hours Mixer on Wednesday, October 4, 2023, from 5:30 p.m. to 7:30 p.m. at the shopping center located at 4225 FM 646 N. Mrs. O'Connell extended an invitation to the public for this open house event, which is held for the purpose of promoting small businesses in Santa Fe, and added that all four of the businesses located in the shopping center will be participating. Mayor Pro Tem Noto added that the four businesses are: Chief Nutrition, Glitz Hair Salon, Honey Bee Boutique, and Bilmar Homes.

Matt Bell, who resides at 3502 Avenue E ½ in Santa Fe, informed Council that traffic along FM 1764 has had a problem with vehicles exceeding the speed limit and that it continues to be an issue. Mr. Bell also stated that with Big Horn BBQ being constructed and two more convenience stores being planned, there will be a total of six convenience stores within a span of a mile and a half, which he believes to be too many in that small of a distance.

## **VI. Business:**

### **A. Old Business:**

#### **1. Consideration and possible action: First and final reading of an ordinance of the City of Santa Fe, Texas, adopting the City of Santa Fe's budget for the fiscal year beginning October 1, 2023**

Finance Director Rudy Zepeda presented an overview of the General Fund Balance and stated that the Proposed Budget has been balanced, which accounts for department cuts, staff pay increases, property tax increase, and collective bargaining for certain members of the police department, all of which will be presented on separate agenda items later in this City Council Meeting.

Councilmember O'Brien made a motion to approve the City of Santa Fe's budget for the fiscal year beginning October 1, 2023, as presented. Mayor Pro Tem Noto seconded the motion and the motion passed unanimously.

#### **2. Public Hearing: Proposed ad valorem tax rate for tax year 2023**

Finance Director Rudy Zepeda gave an overview of the proposed ad valorem tax rates for tax year 2023, informing Council that the current tax rate is \$0.238602 per \$100 valuation and that the proposed tax rate is \$0.261801 per \$100 valuation, of which \$0.236304 is allocated for Maintenance and Operation and \$0.025497 is allocated to Debt Service Funding. Mr. Zepeda added that the Council was given two other options for tax rates that they may vote on approving, should it so wish.

Mayor Pittman opened the Public Hearing at 7:20 p.m.

Tommy Anderson, who resides at 12150 14<sup>th</sup> Street in Santa Fe, expressed his support for the City Council should it vote to increase the tax rate, due to the increasing cost of running a city. He sympathized with promises that may have been made not to raise taxes, but he believes that it is necessary at this time.

Mayor Pittman closed the Public Hearing at 7:22 p.m.

#### **3. Consideration and possible action: First and final reading of an ordinance of the City of Santa Fe, Texas, establishing an 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**

Finance Director Rudy Zepeda reiterated that Council had been given three proposed tax rates from which to choose: the first one, as presented in Agenda Item VI.,A.,2., of \$0.261801 per \$100 valuation will keep the budget balanced while increasing the fund balance by \$155,920, whereas the two other proposed tax rates would require the use of reserve funds in order to keep the budget balanced.

Councilmember Dickerson stated that although three of the Councilmembers ran for office with the promise of always setting the tax rate at the No New Revenue (NNR) tax rate, even after all of the cuts to expenditures that have been made for next year's budget, it is unfortunately imperative that Council adopt a tax rate above the NNR in order to have a balanced budget.

Councilmember Dickerson made a motion to set the ad valorem tax rate at \$0.238600 per \$100 valuation. Mayor Pro Tem Noto seconded the motion. The motion passed 3-1, with Mayor Pro Tem Noto, Councilmember Dickerson, and Councilmember Marks voting in favor, and Councilmember O'Brien opposed.

**4. Consideration and possible action: Adoption of a resolution of the City of Santa Fe, Texas, ratifying the property tax increase reflected in the City's Fiscal Year 2023-2024 Operating Budget as required by Texas Government Code Section 102.007 when adopting a budget that will require raising more revenues from property taxes than in the previous year; and establishing an effective date.**

Finance Director Rudy Zepeda explained that this is the ratification resolution that is required by Texas law to approve the property tax increase reflected in the City's Fiscal Year 2023-2024 Operating Budget.

Responding to a question from Mayor Pittman, Mr. Zepeda stated that any negative items will need to be balanced with funds from the City's reserves in order to have a balanced budget.

Mayor Pro Tem Noto made a motion to adopt a resolution ratifying the property tax increase. Councilmember Marks seconded the motion and the motion passed 3-1, with Mayor Pro Tem Noto, Councilmember Marks, and Councilmember Dickerson voting in favor of and Councilmember O'Brien opposed.

**5. Consideration and possible action: Second and final reading of a resolution approving funding for the "Excavator Contribution Project" in the amount of \$157,692 from the Santa Fe Economic Development Corporation to the City of Santa Fe**

Finance Director Rudy Zepeda informed the Council that the required sixty-day public comment has expired, the Santa Fe Economic Development Corporation (EDC) approved the funding of the Gradall, and the first reading of the resolution took place at the September 14, 2023, City Council Meeting. Mayor Pittman asked that the Gradall be paid off with these funds no later than the October 15, 2023, payoff date.

Mayor Pro Tem Noto made a motion to approve funding for the "Excavator Contribution Project" in the amount of \$157,692 from the Santa Fe Economic Development Corporation. Councilmember O'Brien seconded the motion and the motion passed unanimously.

**6. Consideration and possible action: Second and final reading of an ordinance of the City Council of the City of Santa Fe, Texas, amending the City of Santa Fe Code of Ordinances Chapter 3 construction Regulations, establishing Section 12 Substandard Building Regulations; authorizing the appointment of a Building Standards Commission to serve as the authority to hear substandard building cases; establishing a penalty of not more than \$2,000.00 for violations; repealing conflicting ordinances, provisions of ordinances and provisions of the code of ordinances; providing an effective date and other related matters**

Community Development Director Georgia Carmack explained that the ordinance in question was drafted by the City of Santa Fe City Attorney's office to establish more concrete rules and regulations regarding substandard structures within the city, through either demolishing them or bringing them up to code.

Councilmember O'Brien made a motion to approve and adopt the ordinance and Councilmember Marks seconded the motion. The motion carried unanimously.

**A. New Business:**

**1. Consideration and possible action: Presentation by Memphis Riel of his proposed Eagle Scout Service Project to construct a large chess board at Joe A. Tambrella Park and possible approval of the project**

Memphis Riel gave a presentation of his proposal for a large chess board to be constructed at Joe A. Tambrella Park, describing the dimensions of the table and stools, along with the dimensions of the chess board and pieces. Mr. Riel added that the table and stools would be set two feet deep in the ground to prevent them from being removed. Mr. Riel

stated that he will be seeking donations from local business owners for the materials and purchasing them with donated funds. Mr. Riel added that, under his leadership, labor would be provided by local business owners, Scout leaders, family members, as well as himself.

Council praised Mr. Riel for his proposal and presentation.

Mayor Pro Tem Noto made a motion to approve Mr. Riel's construction of the large chess board at Joe A. Tambrella Park. Councilmember Dickerson seconded the motion and the motion passed unanimously.

**2. Presentation, discussion, and direction: Presentation by Workforce Solutions on a proposed work program for the City of Santa Fe**

Finance Director Rudy Zepeda informed the Council that City staff would like to utilize the work program offered by Workforce Solutions, which helps young adults learn job skills in part-time positions. Mr. Zepeda stated that those employees would be paid by Workforce Solutions, with no cost to the City. City Manager Alun Thomas added the benefit to the City would be free help to mitigate the tax burden on the City's taxpayers.

City Secretary Natalie Arnett advised that Workforce Solutions representatives were unable to make the meeting and asked that the presentation of their proposal be postponed until the next Council meeting.

**3. Consideration and possible action: Appointment or reappointment of three members to the Santa Fe Planning and Zoning Commission to serve a three-year term to expire in May 2026**

City Secretary Natalie Arnett informed the Council that there are currently three seats available for appointment on the Planning and Zoning Commission: Glennie Hefner, whose term has expired and who wishes to be reappointed; Ronnie Willoughby, whose term has expired and who wishes to be reappointed; and Gary Smith, whose term has expired and who does not wish to be reappointed.

Ms. Arnett added that there have been two applications for appointment to the Commission: Christine Villere and Andrew Haywood. Ms. Arnett stated that Mr. Haywood submitted his application almost two years ago and she has been unable to contact him to confirm his interest in the position.

Mayor Pittman recommended to Council to reappoint Ms. Hefner, Mr. Willoughby, and Ms. Villere.

Councilmember O'Brien made a motion to approve the appointment of the three members recommended by Mayor Pittman. Councilmember Marks seconded the motion and the motion passed unanimously.

**4. Consideration and possible action: Adoption of a resolution of the City Council of the City of Santa Fe, Texas, submitting the names of five or fewer nominees for election to the Galveston Central Appraisal District Board of Directors**

City Manager Alun Thomas informed the Council that the Santa Fe City Council is a voting unit for the Galveston Central Appraisal District (GCAD). Mr. Thomas added that the GCAD is asking that Council submit the names of up to five nominees for future elections to the Galveston Central Appraisal Board of Directors.

Mayor Pittman asked that each Councilmember submit recommendations to be submitted at the next City Council Meeting.

**5. Consideration and possible action: Approval of a windstorm insurance quote from Victor Insurance Managers, Inc. for the effective dates of October 1, 2023 through October 1, 2024, and authorizing the City Manager to execute that policy on behalf of the City**

Finance Director Rudy Zepeda stated that Victor Insurance Managers, Inc., informed him that the \$93,000 annual cost for the City's \$10,000,000 windstorm coverage would be increasing by 40%, which would equal approximately \$70,000 more than what was originally budgeted for the new fiscal year.

Mr. Zepeda explained that he sought quotes from other insurance companies but was unable to find another company to provide windstorm coverage.

Mr. Zepeda added that Victor Insurance Managers, Inc., then provided a quote for \$3,000,000 in coverage, which would incur a \$47,000 increase.

Mayor Pro Tem Noto made a motion to approve the original quote for \$10,000,000 coverage. Councilmember Marks seconded the motion and the motion passed unanimously.


**Announcements**

Mayor Pittman announced that there will be a Fentanyl Awareness Program on October 2, 2023, at Santa Fe High School cafeteria. Mayor Pro Tem Noto reminded everyone to vote this Saturday, September 30, 2023, is the Runoff Election to fill the Unexpired Term of Santa Fe City Council Position #3. Mayor Pro Tem Noto then announced that the Pocket Market Music Fest will be held this Saturday, September 30, 2023, at Runge Park, from 11:00 a.m. to 6:00 p.m. Mayor Pro Tem Noto wished safe travels and good luck to the Santa Fe Future Farmers of America (FFA) students traveling to the Texas State Fair to show their market animals. Terri O'Connell with the Santa Fe Lions Club announced that they will be serving a Spaghetti Dinner at Santa Fe High School on September 29, 2023. The \$10.00 fee will benefit scholarships for Santa Fe Independent School District students. Community Services Director Georgia Carmack announced that the Park and Recreation Board will be hosting a Candy Trail on October 28, 2023, at Joe A. Tambrella Park from 3:00 p.m. to 5:00 p.m.

Mayor Pro Tem Noto made a motion to adjourn, and the meeting adjourned at 7:58 p.m.

ATTEST:

  
Natalie N. Arnett, City Secretary

  
BILL PITTMAN, MAYOR