

**CITY OF SANTA FE
SPECIAL JOINT MEETING
BOARD OF DIRECTORS OF THE EDC
SANTA FE CITY COUNCIL
MAY 31, 2022 6:30 P.M.
COUNCIL CHAMBERS
12002 HWY. 6, SANTA FE, TEXAS**

MINUTES

The meeting was called to order at 6:30 p.m. by Mayor Pittman.

Council Roll Call:	Present:	Mayor Bill Pittman Mayor Pro Tem Brandon Noto Councilmember Melanie Collins Councilmember John Dickerson Councilmember Dana Marks
	Absent:	Councilmember Jason O'Brien, excused
EDC Roll Call:	Present:	Vice-President Matt Crable Director Ashley Carner Director Robert Bracknell Director Greg Vicknair Director Bob Wylie
	Absent:	President Fidencio Leija, Jr. Director Blu Baillio

The invocation was given by Councilmember Noto. The Pledge of Allegiance to the U. S. Flag and to the Texas Flag was led by Mayor Pittman.

Citizen's Comments:

None.

Mayor Pittman announced that the reports on the agenda are specific to the EDC and that EDC Vice-President Matt Crable would lead the meeting through those items.

Reports:

a. Presentation and approval of EDC minutes from April 26th, 2022

EDC Director Rudy Zepeda presented the minutes to the EDC board. Motion by Director Bracknell, seconded by Vice-President Crable, to approve the minutes as presented. The motion passed unanimously.

b. FM 1764 Project Status Update

EDC Director Rudy Zepeda presented the update, which covers the period ending in April. Vice-President Crable and Director Wylie discussed the project, which is waiting on parts that are necessary for its completion, saying that the workers appear to have demobilized while the parts are still on order. Mr. Zepeda said that 42.57% of the contingency funds have been used so far. No action was required on this item.

c. Sales Tax Report May 2022

EDC Director Rudy Zepeda discussed the sales tax report, which shows that year-to-date sales tax revenue exceeds last year's year-to-date revenue by approximately 9.1%, which is approximately 5.2% over the estimated revenue. No action was required on this item.

d. Current Budget Update

EDC Director Rudy Zepeda briefed those present on the current budget, which is within approximately \$200 of the forecasted expenses for the fiscal year to date. Mr. Zepeda noted that the miscellaneous revenue item will need to be adjusted next year due to the unusually low interest rates for the period. No action was required on this item.

e. Update on all current development and new businesses

There was no update for this item.

Business:

a. Consider and direction: Santa Fe Economic Development Corporation Fiscal Year 2023 budget, including City of Santa Fe budget requests for funds from the corporation

Mayor Pittman explained that this item is intended to be an informal discussion between EDC and Council to allow the groups to get goals together. Council, he said, does not wish to micromanage EDC, and is proud of EDC's work. The Mayor listed his goals, which fell into six broad categories:

- Have EDC members be comfortable in their own roles.
- When talking to new businesses, the City should ensure that two members of EDC, Council, or Staff are present. This helps to protect the City by having an additional representative present to verify what was discussed and/or promised.
- Neither City Council nor the EDC should be speaking with businesses about the upcoming Business Retention and Expansion (BRE) program until it is fully developed by EDC and approved by Council. The City does not want to promise things that it cannot later deliver on.
- All potential new businesses need to go through the EDC Director, who should then coordinate with the City Manager, the Mayor, and the EDC President to work with the business.
- EDC should strive to save 50% of its annual revenue until it has around \$2,250,000 to \$2,500,000 in reserves. Such reserves should allow the EDC to better aid in surprise big projects, after which, the reserves should be built up again. Vice-President Crable disagreed, noting that unexpended funds have an opportunity cost that he believed was too great for the EDC to adopt such a policy. After a brief discussion about the pros and cons of the proposition, EDC Director and Acting City Manager/Finance Director Rudy Zepeda commented that having such a reserve would allow the EDC to leverage its reserves for the strategic issuance of debt for capital financing.
- The City should consider hiring an Economic Development Coordinator who would work under the EDC Director. The Coordinator would be paid half by the Chamber of Commerce, through vacancy savings caused by the departure of Gina Bouvier and rent savings due to no longer needing a Chamber of Commerce building, and half by the EDC, for a combined total of \$60,000. Mayor Pittman noted that the Chamber is on board with the idea, and that neither the Chamber of Commerce nor the EDC could afford to pay for their own directors, who in this market would command salaries far in excess of \$100,000. The particulars of the arrangement would have to be worked out, agreements would need to be put in place, and the City Attorney would need to play a key role in these undertakings. Mr. Zepeda noted that the City could also be contributing through benefits, office space (Mayor Pittman said that he could give up his office if needed), and incidental expenses.

Following the discussion of Mayor Pittman's goals, Mr. Zepeda distributed a draft outline of his first draft of a proposed EDC budget for the next fiscal year and asked that the Board give him feedback on what changes, if any, it would like to see made to the proposal. Next, Council and the EDC discussed the Mayor's request that representatives from the City start regularly attending Bay Area Houston Economic Partnership (BAHEP) events, with the consensus of the boards being that the City needs to be more active in BAHEP events in order to increase its exposure and to maximize the City's return on the \$10,000 membership fee. Mr. Zepeda continued the meeting by presenting his suggestion that the City and the EDC get their own separate and new internet domains, which would increase from \$700 to \$2,000 the cost to the City for internet domains. Both Council and EDC agreed that the split and updated domain addresses were good ideas. Mayor Pittman briefly discussed the City's ability to advertise ten events per year for free on Clear Channel's new digital billboard on Highway 6.

EDC Vice-President Crable expressed his thoughts, questions, and suggestions about the Council-EDC relationship, which included:

- The BRE program is slow to take off, as EDC does not know how much money it can spend.
- Joint meetings with EDC and City Council are productive and helpful – perhaps they could be held semi-annually?
- Could EDC and Council create a small committee consisting of a couple of members from each entity to aid in coordination between the two bodies?
- Could a member of Council be appointed to EDC as a representative?

Mayor Pro Tem Noto concluded the discussion on the item by thanking the EDC's members for their time and effort and by expressing how impressed he is with their work.

Citizen's Comments:

Two members of the public, who did not identify themselves, commented that some people cannot easily hear the City's meetings' audio online, and that school districts in the area are attending Bay Area Houston Economic Partnership's meetings.

Motion by Councilmember Noto to adjourn the special joint meeting. The motion passed and the meeting adjourned at 7:50 p.m.

ATTEST:



Rudy Zepeda, Director



MATT CRABLE, VICE-PRESIDENT