

**CITY OF SANTA FE  
REGULAR COUNCIL MEETING  
SEPTEMBER 24, 2009     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 Ralph Stenzel.

Roll Call:	Present:	Mayor Ralph Stenzel Councilmember Bubba Jannett Councilmember Jim Abney Councilmember Joe Carothers Councilmember Pat McCrary City Manager Joe Dickson City Secretary Janet L. Davis
	Absent:	Mayor Pro-tem Jeff Tambrella, excused City Attorney Ellis J. Ortego, excused

The invocation was given by and the pledge of allegiance to the U.S. Flag and to the Texas Flag was led by Councilmember Joe Carothers.

City Manager's Report: Mr. John Cambiano of Cambiano and Cambiano, CPAs presented the annual financial statement for the 2007/08 fiscal year. He said the general fund is the city's main fund and there are several special revenue funds included that track the grants the city received. He said the city received an unqualified, clean opinion and he explained the new SAS 114 letter addressing communication with those charged with governance. Mr. Cambiano reviewed the governmental fund statements stating the city has an unrestricted fund balance of \$1,656,037. He said the city has grown over the years and he has seen a substantial increase in the volume of financial accounting. He recommended that Council consider hiring an additional person with a strong accounting background to prepare schedules in preparation of the annual audit, to manage compliance with the multiple federal grants, and to manage capital projects and the interest and sinking funds in the event the proposed bond issues pass.

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 for approximately 1,089 acres or 1.7 square miles, being 1,013.6 acres annexed in March, 2008, and 75.42 acres of adjacent tracts called Area "A" located generally north of 4<sup>th</sup> Street and south of 2<sup>nd</sup> Street, east of Cemetery Road and west of the Texas City/Santa Fe city limits from Agricultural Residential (AR) to Neighborhood Commercial (NC), Single

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Family Residential (R-1), Multi-Family Residential (R-3), Highway Commercial (HC), Manufactured Housing (MH), or Agricultural Residential (AR), per the 2008 zoning plan, City of Santa Fe, Galveston County, Texas

Community Services Director Diana Steelquist said this is the second reading of the ordinance changing the zoning for Area A annexed in March, 2008. The Planning and Zoning Commission has recommended that existing commercial lots be zoned HC to allow the existing commercial use to continue. The commission also recommended that vacant land along the highway be zoned HC to allow for new commercial development and that some of the properties along the highway remain AR due to drainage issues and requests by the residents. Motion by Councilmember McCrary, seconded by Councilmember Abney 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 for approximately 1,089 acres or 1.7 square miles, being 1,013.6 acres annexed in March, 2008, and 75.42 acres of adjacent tracts called Area "A" located generally north of 4<sup>th</sup> Street and south of 2<sup>nd</sup> Street, east of Cemetery Road and west of the Texas City/Santa Fe city limits from Agricultural Residential (AR) to Neighborhood Commercial (NC), Single Family Residential (R-1), Multi-Family Residential (R-3), Highway Commercial (HC), Manufactured Housing (MH), or Agricultural Residential (AR), per the 2008 zoning plan, City of Santa Fe, Galveston County, Texas. The motion passed the roll call vote unanimously.

2. 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 for approximately 695.3 acres or 1.086 square miles, called Area "B" located 660 feet west of Avenue F and north of the diversionary canal, south and east of the city limits of Santa Fe from Agricultural Residential (AR) to Single Family Residential (R-1), Neighborhood Commercial (NC), Highway Commercial (HC), or Agricultural Residential (AR), per the 2008 zoning plan, City of Santa Fe, Galveston County, Texas

Community Services Director Diana Steelquist said this is the second reading of the ordinance changing the zoning for Area B annexed in March, 2008. She said FM 1764 is proposed to be HC, the business properties on Avenue F are proposed to be rezoned NC, and most of the residential properties are proposed to remain AR. Motion by Councilmember Carothers, seconded by Councilmember McCrary 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 for approximately 695.3 acres or 1.086 square miles, called Area "B" located 660 feet west of Avenue F and north of the diversionary canal, south and east of the city limits of Santa Fe from Agricultural Residential (AR) to Single Family Residential (R-1), Neighborhood Commercial (NC), Highway Commercial (HC), or Agricultural Residential (AR), per the 2008 zoning plan, City of Santa Fe, Galveston County, Texas. The motion passed the roll call vote unanimously.

3. 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 for Area "C" annexed in March 2008 from Agricultural Residential (AR) to Highway Commercial (HC), Light Manufacturing (LM), or Agricultural Residential (AR), being approximately 150.7 acres south of 28<sup>th</sup> Street and along FM 646 S, City of Santa Fe, Galveston County, Texas

Community Services Director Diana Steelquist said this is the second reading of the ordinance changing the zoning for Area C annexed in March, 2008. She said the Planning and Zoning Commission responded to the public comments and are recommending that the residential properties remain AR while the existing business properties be changed to HC or LM, as appropriate. Motion by Councilmember Abney, seconded by Councilmember Carothers 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 for Area "C" annexed in March 2008 from Agricultural Residential (AR) to Highway Commercial (HC), Light Manufacturing (LM), or Agricultural Residential (AR), being approximately 150.7 acres south of 28<sup>th</sup> Street and along FM 646 S, City of Santa Fe, Galveston County, Texas. The motion passed the roll call vote unanimously.

New Business: None

City Business (Other):

Old Business:

1. Consideration and possible action: Second and final reading of an ordinance amending Chapter 9, Traffic Code, Code of Ordinances, Section 2, Traffic Control Devices, Subsection F, School Zones, by extending the school zone on Avenue S from Rene Circle to FM 1764 and by establishing a school zone on Walker Street from Shouse Road to Avenue S

City Manager Joe Dickson said this is the second reading to extend the school zone on Avenue S to FM 1764 and to establish a school zone on Walker next to Wollam Elementary. Motion by Councilmember Jannett, seconded by Councilmember Abney to pass the second and final reading of an ordinance amending Chapter 9, Traffic Code, Code of Ordinances, Section 2, Traffic Control Devices, Subsection F, School Zones, by extending the school zone on Avenue S from Rene Circle to FM 1764 and by establishing a school zone on Walker Street from Shouse Road to Avenue S. The motion passed the roll call vote unanimously.

New Business:

1. Consideration and possible action: First reading of an ordinance granting a permit to Florida Gas Transmission Company, LLC, its successors and assigns, to construct a pipeline in the City of Santa Fe; setting forth conditions accompanying the granting of this permit; and providing an effective date

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City Manager Joe Dickson said that Florida Gas Transmission Company is replacing a portion of an existing pipeline and part of the pipeline crosses the 1000' strip of land across Rymal Road in the city. He said the pipeline company is requesting three waivers under the city's pipeline requirements. The first request is to use ARO coating rather than encase the pipeline. The second request is to utilize the existing shut off valve and the additional shut off valve, both of which are more than 100' from the city limits but meet the DOT standards. The third is a waiver of the legal liabilities because they feel that federal law preempts the city. Mr. Chris Johnson of Panhandle Energy, the right-of-way agent for Florida Gas Transmission Company, said this 22" pipeline was originally installed in 1959. Councilmembers Jannett and McCrary voiced their safety concerns about the location of the shut off valves and their concerns with the old pipeline being abandoned in place. Councilmember Jannett felt the old pipeline should be removed, especially if it contains asbestos. Motion by Councilmember Carothers, seconded by Councilmember Abney to pass the first reading of an ordinance granting a permit to Florida Gas Transmission Company, LLC, its successors and assigns, to construct a pipeline in the City of Santa Fe; setting forth conditions accompanying the granting of this permit; and providing an effective date. The motion passed the roll call vote. Those voting for: Councilmember Carothers, Councilmember Abney, and Mayor Stenzel. Those voting against: Councilmember Jannett and Councilmember McCrary.

2. Consideration and possible action: First reading of an ordinance of the City of Santa Fe, Texas, amending Chapter 4, Business Regulations, Code of Ordinances, Section 8, Vehicle Wrecker and Wrecker Company Regulations, to update the regulations and procedures to ensure compliance with current state law requirements

Santa Fe Police Officer Steven Womack, currently assigned to the Galveston County Auto Crimes Force serves as the city's wrecker official and the liaison between the police department and the wrecker companies. Officer Womack said we are updating our regulations to be in compliance with the new state regulations, to strengthen penalties for non-compliance, and to add language to protect the city. He said the wrecker companies have reviewed and have consented to the proposed changes, including the minor changes from the meeting this morning. Mr. Albert Winwood, a local wrecker owner and a member of the city's Public Safety Committee, briefly explained the stringent state rules. Motion by Councilmember Carothers, seconded by Councilmember Abney to pass the first reading of an ordinance of the City of Santa Fe, Texas, amending Chapter 4, Business Regulations, Code of Ordinances, Section 8, Vehicle Wrecker and Wrecker Company Regulations, to update the regulations and procedures to ensure compliance with current state law requirements. The motion passed the roll call vote unanimously.

3. Consideration and possible action: Awarding bids for diesel fuel and street materials for the fiscal year 2009/10

Street Superintendent Chris Beanland said the price of oil has decreased since we awarded bids this time last year and most of our costs for materials have decreased as such. Staff is proposing to purchase the flexible base material through the county bid, to award the bid for emulsion to Martin Asphalt Company rather than to the lowest bidder because of the past problems we have had, and to award all other bids for materials to the lowest bidder. Motion by Councilmember Jannett, seconded by Councilmember McCrary to award the bids for diesel fuel and street materials for the fiscal year 2009/10 as recommended by staff. The motion passed the roll call vote unanimously.

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4. Consideration and possible action: Adoption of a resolution approving the 2008/09 budget amendments of the Santa Fe Economic Development Corporation

City Manager Joe Dickson said the Santa Fe Economic Development Corporation has amended the budget to decrease the annual interest revenue, to move \$1,000,000 to next year's budget for the water project, and to adjust the appropriated fund balance accordingly. Motion by Councilmember Carothers, seconded by Councilmember McCrary to adopt the resolution approving the 2008/09 budget amendments of the Santa Fe Economic Development Corporation. The motion passed the roll call vote unanimously.

5. Consideration and possible action: Adoption of a resolution approving the budget of the Santa Fe Economic Development Corporation for the fiscal year beginning October 1, 2009

City Manager Joe Dickson said the Santa Fe Economic Development Corporation approved the 2009/10 budget of \$1,241,632 which includes the \$1 million project with the water district and continuing payments on the current note leaving an unrestricted fund balance of \$825,000. Motion by Councilmember Abney, seconded by Councilmember Carothers to adopt the resolution approving the budget of the Santa Fe Economic Development Corporation for the fiscal year beginning October 1, 2009. The motion passed the roll call vote unanimously.

6. Consideration and possible action: Authorizing Mayor to execute Administrative Services Agreement between the City and the Santa Fe Economic Development Corporation for the fiscal year 2009/10

City Manager Joe Dickson said this item is to continue the current administrative services agreement between the EDC Board and the City. Motion by Councilmember Carothers, seconded by Councilmember McCrary to authorize the Mayor to execute the Administrative Services Agreement between the City and the Santa Fe Economic Development Corporation for the fiscal year 2009/10. The motion passed the roll call vote unanimously.

7. Consideration and possible action: Authorizing Mayor to execute Contract for Water Pollution Control and Abatement Services between the City and the Galveston County Health District for the 2009/10 fiscal year

City Manager Joe Dickson said this is the continuation of the agreement with the health district for water pollution control and monitoring services in the city. This agreement does not include monitoring of the wastewater treatment plant. Motion by Councilmember Jannett, seconded by Councilmember Carothers to authorize the mayor to execute the Contract for Water Pollution Control and Abatement Services between the City and the Galveston County Health District for the 2009/10 fiscal year. The motion passed the roll call vote unanimously.

8. Consideration and possible action: Adoption of a resolution amending the Security Agreement/Pledge of Collateral, the Account Control Agreement, and the Tri-Party Custodian/Safekeeping Pledge Agreement for the security of public funds from JP Morgan Chase Bank as the independent third party custodian to Frost National Bank

City Manager Joe Dickson said this resolution amends the collateral for city funds held by a third party bank from JP Morgan Chase to Frost Bank. Motion by Councilmember Carothers, seconded by Councilmember Abney to adopt the resolution amending the Security Agreement/Pledge of Collateral, the

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Account Control Agreement, and the Tri-Party Custodian/Safekeeping Pledge Agreement for the security of public funds from JP Morgan Chase Bank as the independent third party custodian to Frost National Bank. The motion passed the roll call vote unanimously.

Announcements: The Parks Board Ice Cream Social this past weekend was very nice. The HGAC Highway 6 mobility study was well attended with many good comments. The police department's risk management training was beneficial.

Summary of action from this agenda, request for future agenda items, and scheduling future meetings  
The next regular meeting is scheduled for October 8 at 7 p.m.

Motion by Councilmember Jannett, seconded by Councilmember Carothers to adjourn. The motion passed and the meeting adjourned at 8:17 p.m.

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RALPH STENZEL, MAYOR

ATTEST:

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Janet L. Davis, City Secretary