

THE STATE OF TEXAS §
COUNTY OF ANDERSON §
CITY OF PALESTINE §

The City Council of the City of Palestine, Texas convened in a Regular Meeting on Monday, January 23, 2017 at 3:30 p.m. for the Work Session in the City Hall Conference Room, and at 5:30 p.m. for the Regular Meeting in the Council Chambers at City Hall, 504 N. Queen Street, Palestine, Texas, with the following people present:

Mayor Bob Herrington; Mayor Pro Tem Joseph Thompson; Councilmembers Will Brule, Mitchell Jordan, Vickey L. Chivers, Doug Smith, and Steve Presley; City Manager Mike Alexander, Assistant City Manager Michael Hornes, City Secretary Teresa Herrera, and City Attorney Ronald Stutes.

Other staff present: PEDC Director Tom Manskey, Public Works Director Tim Perry, Communications Officer Nate Smith, Finance Director Steve Groom, and Community Services Director Patsy Smith.

Councilmembers Presley and Jordan arrived at 3:38 p.m., and Councilmember Chivers arrived at 3:50 p.m. A quorum of Council was present.

WORK SESSION

Mayor Herrington called the work session to order at 3:34 p.m.

Update on sale of the mall pad sites from John Christon.

Asst. City Mike Hornes led the discussion. John Christon is requesting an extension to clear exceptions. Mr. Christon informed Council that they have contacted Aarons, Burks, and JCPenny's. Also, TXDOT has been contacted regarding cut for in and out access to pad sites. Mr. Christon is requesting an additional 60 days. Council will take action during the regular meeting.

Discuss live streaming of work sessions.

Communications Officer Nate Smith led the discussion. He informed Council that he was looking into cost to live stream work sessions. Council expressed that all the brainstorming occurs during the work session.

Discuss Employee Handbook for the City of Palestine employees.

City Manager Mike Alexander informed Council that discussions regarding the employee handbook needed to continue and meetings would be scheduled for the next two Mondays.

Discuss TEX-21 efforts to improve and expand US 287 to become an interstate highway.

Public Works Director Tim Perry led the discussion. US Highway 287 is in need of infrastructure improvements that would increase capacity and efficiency, improve safety, and enhance mobility for people and goods traveling the Corridor allowing retention of existing world-class corporate residents and attracting even more of those corporations to this industrious region in Texas. Staff recommends that Council adopt the resolution supporting Transportation Excellence for the TEX-21 efforts to improve and expand US 287 to become an Interstate Highway.

Discuss possible charter amendments for May 6, 2017 election: 1) Term limits; and 2) Conflicts of Interest.

Discussion was held regarding the possible charter amendments. The charter can only be amended every two years and Council needs to review all the Charter Review Committee recommended changes to the Charter. The Charter has not been amended since 1983. Council directed Staff to email Charter Review Committee final report to Council and schedule next two special meetings at 4:00 p.m.

Discuss placing redirecting ½ cent sales tax on the May 6th ballot for a vote.

Discussion was held regarding placing the redirecting ½ cent sales tax on the May 6th ballot for a vote. This would allow Palestine residents to decide if they wanted to reduce property tax relief and redirect ½ cent sales tax towards maintenance and repairs for current City streets.

Discuss supplemental budget appropriation from funds not included in the 2016-2017 Adopted Budget.

Finance Director Steve Groom informed Council that there is money in restricted fund and the funds can be used to fund specific projects. Staff recommends utilizing existing fund balances instead of debt issuance. Council will need to approve an ordinance of appropriation for expenditures presented.

Discuss Notice of Intent to Issue Debt.

Finance Director Steve Groom informed that the money would be used to fund police communications equipment and vehicles for the general fund. Council requested additional information regarding financing separately or together.

With no other business to come before Council the work session was adjourned at 4:47 p.m.

CALL TO ORDER - REGULAR MEETING

Mayor Herrington called the Regular Meeting to order at 5:31 p.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by Pastor William Hardy of South Jackson Street Church of Christ, and was followed by Pledge of Allegiance.

PROPOSED CHANGES OF AGENDA ITEMS

No action was taken.

PUBLIC COMMENTS, PUBLIC RECOGNITION, AND ANNOUNCEMENTS

James Smith addressed Council regarding City Government. He thanked Council for allowing citizens to participate on the Charter Review Committee.

Charles Smith addressed Council regarding City Charter and allowing the specific use permit for a distillery at 213 W. Oak Street.

Jamye Woody addressed Council regarding poor road conditions around his home at 220 W. Reagan.

Mayor Herrington read aloud Martin Luther King, Jr. Day Proclamation.

Councilmember Chivers recognized the following:

CAN/Med training students that participated the day of MLK event: Robreshia Towns, Ta'Nia Johnson, Savana Stephenson, Jaela Washington, Gabino Serralde, Jr., Aspen Williams, and Kadley Harmon.

PHS students that sang at the MLK event: Callie Adkisson, Alexis Belyew, Chloe Boyce, Christella Briseno, Monia Bradford, Allyson Byrd, Jenny Cotton, Alyssa Crutcher, Erika Diaz, Patrick Ealy, Ana Gonzalez, Cristiana Harlow, Emily Howard, Yisel Ibarra, Dylan McElhaney, Krysta Nieves, Anthony Blake Ormsby, Kelly Pham, Joshua Pullin, Clare Scroggins, Citlali Soto, Bobby Stanley, James Stephens, Taylor Tipton, Jessica Valencia, Kayla Watkins, Destiny Williams, Latavia Henderson, Vericia Lomax, Roland Duncan, and Marquise Davis.

New employees: Administrative Assistant Tom Frank, Customer Service Representative Denise Washington, and Customer Service Representative Tania Guitz were introduced to Council by Finance Director Steve Groom.

Carolyn Garcia was recognized for her promotion to Accountant.

CONFLICT OF INTEREST DISCLOSURES

No action was taken.

PUBLIC HEARING

Public Hearing regarding a specific use permit for a nursing home on property zoned MF-1, Multiple Family, Low Density District being 4.685 acres recorded in Volume 2006, Page 610 of the Anderson County Deed

Records and generally located approximately 200 feet south of the intersections of S. Royall Street and E. Huffsmith Street on the east side of S. Royall Street. Applicant David Lam on behalf of US Education Consultant Company.

Development Services Director Jeffrey Lyons provided a summary. The owner has requested a specific use permit to allow a nursing home to be constructed at this location. This is undeveloped land and single family homes. According to the site plan the project will consist of one main building for the nursing home and an auxiliary building, with approximately 100 rooms. 23 notices were mailed and only one returned in opposition. The Planning and Zoning Commission recommends approval of the request.

Mayor Herrington opened the public hearing at 6:01 p.m. and asked for anyone speaking for or against the request to do so. Janice Burris spoke in favor of the request on behalf of David Lam. Mayor Herrington read aloud letter from David Lam to Council. With no one else speaking, Mayor Herrington closed the public hearing at 6:05 p.m.

Public Hearing regarding a specific use permit for a distillery at 213 W. Oak Street, being Lot 9, Block 140 of the Original Addition. The property is zoned Central Business District and is generally located approximately 100-feet to the east of the intersections of N. John Street and W. Oak Street. Applicant Mr. Bryan Johnson.

Development Services Director Jeffrey Lyons provided a summary. Mr. Johnson is requesting a specific use permit to operate a distillery at 213 W. Oak Street on the first floor. 22 notices were mailed with one returned in opposition and three in favor. The Planning and Zoning Commission recommends approval of the request.

Mayor Herrington opened the public hearing at 6:07 p.m. and asked for anyone speaking for or against the request to do so. Bryan Johnson spoke in favor and Charles Smith spoke against the request. With no one else speaking, Mayor Herrington closed the public hearing at 6:12 p.m.

MAYOR'S REPORT

No report presented.

ITEMS FROM COUNCIL

Councilmember Chivers thanked everyone that participated on MLK Day and reminded everyone that next month is Black History Month.

Councilmember Jordan thanked the Police Department for all they do within the community.

Councilmember Chivers stepped out of the meeting at 6:17 p.m.

CITY MANAGER'S REPORT

City Manager Alexander informed Council that Marc Mitchell was present to provide a Frost Fest update. He added that Department Directors were present to address Council's questions and concerns regarding reports in Council's packet.

Palestine Area Chamber of Commerce Executive Director Marc Mitchell provided Frost Fest Update. The event included the following: Snow Play Square, Story Time with Santa, Wassail Walk, Historic Home Tour, Children's Arts & Crafts, Art Show, Historic Taste, Talk, and Walk, Freeze Your Buns Run - 5K, 16 vendors, and entertainment and activities. Positive feedback was received from the Downtown Merchants, and the activities associated with Frost Fest. There were many sponsors for this event.

Interim Fire Chief Shannon Davis informed that the new Pierce fire engine was received on January 16th. Battalion Chief Kelly Hughes added that it took a little over a year to get the new engine. The engine will be stationed at Station 3 behind Palestine High School. The engine was built by Pierce's plant in Appleton, Wis. The engine is parked outside of City Hall for inspection.

Public Works, Utilities, Police CID, and Police Support Services departmental report were provided.

BOARD APPOINTMENTS

Consider the appointment of voting member Allison Mitchell to the Zoning Ordinance Steering Committee.
Councilmember Presley made a motion, seconded by Councilmember Jordan, to appoint voting member Allison Mitchell to the Zoning Ordinance Steering Committee. Upon vote, motion carried unanimously 6-0.

Consider the appointment of voting member Dale Waldon to the Zoning Ordinance Steering Committee.
Mayor Pro Tem Thompson made a motion, seconded by Councilmember Smith, to appoint voting member Dale Waldon to the Zoning Ordinance Steering Committee. Upon vote, motion carried unanimously 6-0.

CONSENT AGENDA

- 1) Consider approval of minutes of the Work Session and Regular Meeting of October 24, 2016.
- 2) Consider approval of minutes of the Special Meeting of November 10, 2016.
- 3) Consider approval of minutes of the Work Session and Regular Meeting of November 14, 2016.
- 4) Consider an ordinance calling for the City Officer Election to be held on May 6, 2017. City Secretary Teresa Herrera
- 5) Consider a resolution approving a Joint Election Agreement with Palestine ISD. City Secretary Teresa Herrera
- 6) Consider a resolution approving a Joint Election Agreement with Westwood ISD. City Secretary Teresa Herrera
- 7) Award Bid #: B2016-PW-04 Water Chemical Bids to Commercial Chemical Products, Inc. Public Works Deputy Director Felipe Garcia

Item number 3 was pulled for discussion. Councilmember Smith made a motion, seconded by Mayor Pro Tem Thompson, to approve Consent Items 1, 2, 4, 5, 6, and 7 as presented, adopting **Ordinance No. O-01-17**, **Resolution No. R-03-17**, and **Resolution No. R-04-17**. Upon vote, motion carried unanimously 6-0.

REGULAR AGENDA

Consider approval of minutes of the Work Session and Regular Meeting of November 14, 2016.
Councilmember Brule made a motion, seconded by Mayor Pro Tem Thompson, approve minutes with the following correction on page 3: "Landlord will pay all utilities" instead of "Landlord will all utilities". Upon vote, motion carried unanimously 6-0.

Consider time extension to allow mall pad sites developer to complete due diligence.
Asst. City Manager Mike Hornes provided a summary. John Christen addressed Council. Councilmember Presley made a motion, seconded by Mayor Pro Tem Thompson, to allow a time extension until Wednesday, April 12th. Upon vote, motion carried unanimously 6-0.

Consider an ordinance for supplemental budget appropriation from funds not included in the 2016-2017 Adopted Budget.

Finance Director Steve Groom presented a summary. Councilmember Brule made a motion, seconded by Councilmember Smith, to approve Ordinance for supplemental budget appropriation from funds not included in the 2016-2017 adopted budget. Councilmember Brule withdrew his motion, and Councilmember Smith withdrew his second to the motion.

Councilmember Brule made a motion, seconded by Councilmember Jordan, to adopt **Ordinance No. O-02-17** supplemental budget appropriation from funds not included in the 2016-2017 adopted budget, specifically for expenditures from Fund 670 \$349,000 for street projects, Fund 645 \$45,000 for water meter project engineering costs and Fund 680 up to \$900,000 for water treatment plant filter rehabilitation. Upon vote, motion carried unanimously 6-0.

Consider a resolution regarding a contract for the purpose of financing "Vehicles, Radios, and related equipment."

Finance Director Steve Groom presented a summary. Council asked that vehicles only be financed for four years and the other equipment for seven years. Mayor Herrington asked to have the numbers in writing with different finance options at the next Council meeting. No action taken.

Councilmember Chivers returned at 7:03 p.m.

Consider authorizing the city manager to execute the lease agreement with NCWPCS MPL 30 - YEAR SITES TOWER HOLDINGS LLC. for cell tower on Debard Street.

Public Works Director Tim Perry presented a summary. Crown Castle wants to renew their lease for the cell tower located on Debard Street. Mayor Pro Tem Thompson does not agree to sign a contract that ties the City up until 2039. Council directed Staff to negotiate additional terms to the agreement that if additional cell companies were added to the tower the City could be compensated per each user and an option to allow the City to opt out of the contract, if necessary within a shorter time frame. No action taken.

Consider an ordinance for specific use permit for a nursing home on property zoned MF-1, Multiple Family, Low Density District being 4.685 acres recorded in Volume 2006, Page 610 of the Anderson County Deed Records and generally located approximately 200 feet south of the intersections of S. Royall Street and E. Huffsmith Street on the east side of S. Royall Street.

Mayor Pro Tem Thompson made a motion, seconded by Councilmember Smith, to approve ordinance for specific use permit. Discussion was held. Mayor Pro Tem Thompson withdrew his motion; Councilmember Smith withdrew his second to the motion.

Mayor Pro Tem Thompson made a motion, seconded by Councilmember Smith, to approve **Ordinance No. O-03-17**, granting a specific use permit for a nursing home on property zoned MF-1, Multiple Family, Low Density District being 4.685 acres recorded in Volume 2006, Page 610 of the Anderson County Deed Records and generally located approximately 200 feet south of the intersections of S. Royall Street and E. Huffsmith Street on the east side of S. Royall Street, limited to 24 months to pull the permit. Upon vote, motion carried 5-2 with Councilmembers Jordan and Chivers voting nay.

Consider an ordinance for specific use permit for a distillery at 213 W. Oak Street, being Lot 9, Block 140 of the Original Addition. The property is zoned Central Business District and is generally located approximately 100-feet to the east of the intersections of N. John Street and W. Oak Street.

(City Charter Sec. 11.9. - Areas where sale of alcoholic beverages permitted.

It shall be unlawful to locate, maintain, or conduct any place where spirituous, vinous or malt liquors or medicated bitters capable of producing intoxication are sold at retail within the corporate limits of the City of Palestine, Texas, as they are now, or as they may hereafter be established, except on the following streets, to wit: Spring Street between Tennessee Avenue and Houston Street; Main Street, between Tennessee Avenue and where it intersects with Avenue A; Oak Street, between Tennessee Avenue and where it intersects with Avenue A; Sycamore Street, between the Missouri-Pacific Railroad and where it intersects with Spring Street; Avenue A, and that portion of Church Street, between its intersection with Avenue A and its intersection with Lacy Street.)

Mayor Pro Tem Thompson made a motion, seconded by Councilmember Jordan, to adopt **Ordinance No. O-04-17**, granting a specific use permit for a distillery at 213 W. Oak Street, being Lot 9, Block 140 of the Original Addition. The property is zoned Central Business District and is generally located approximately 100-feet to the east of the intersections of N. John Street and W. Oak Street, with the following conditions: 1) All distilling operations are restricted to the ground floor; and 2) The shop frontage which is the area directly behind the main entrance from W. Oak Street and area that is visible from the public street is used for retail sales and a tasting room as indicated on the attached site plan. Upon vote, motion carried 6-1 with Councilmember Chivers voting nay.

Consider an ordinance to Appendix B, Fee Schedule, of the City of Palestine Code of Ordinances amending the alarm permit application and renewal fees.

Councilmember Presley made a motion, seconded by Councilmember Brule, adopt **Ordinance No. O-05-17**, amending permit application and renewal fees. Upon vote, motion carried 6-1 with Mayor Pro Tem Thompson voting nay.

Consider authorizing the purchase of one TYMCO Model 600 Regenerative Air Sweeper for in the amount of \$218,295.00.

Mayor Pro Tem Thompson made a motion, seconded by Councilmember Smith, to approve the purchase of one TYMCO Model 600 Regenerative Air Sweeper in the amount of \$218,295. Upon vote, motion carried unanimously 7-0.

Consider authorizing the purchase of one International Single Axle truck with a 6/8 yard dump body in the amount of \$80,042.00 and one International tandem axle truck with a 12/14 yard dump body in the amount of \$100,455.20.

Mayor Pro Tem Thompson made a motion, seconded by Councilmember Chivers, to approve the purchase of one International Single Axle truck with a 6/8 yard dump body in the amount of \$80,042.00 and one International tandem axle truck with a 12/14 yard dump body in the amount of \$100,455.20. Upon vote, motion carried unanimously 7-0.

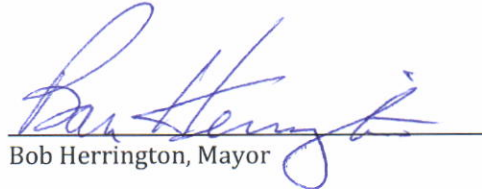
Consider a resolution of the Transportation Excellence for the 21st Century (TEX-21) efforts to improve and expand US 287 to become an interstate highway.

Councilmember Smith made a motion, seconded by Mayor Pro Tem Thompson, to approve **Resolution No. R-05-17** as presented. Upon vote, motion carried unanimously 7-0.

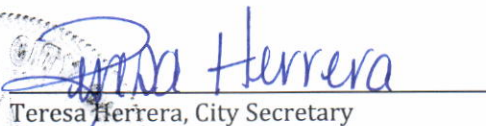
ADJOURN

With no other business to come before the Council, the meeting was adjourned at 7:54 p.m.

PASSED AND APPROVED THIS 24TH DAY OF APRIL, 2017.


Bob Herrington, Mayor

ATTEST:


Teresa Herrera, City Secretary

