I. Call To Order

With a quorum present, the regular meeting of the San Marcos City Council was called to order by Mayor Thomaides at 5:04 p.m. Tuesday, November 21, 2017 in the City Council Chambers, 630 E. Hopkins, San Marcos, Texas 78666

II. Roll Call

Present: 7 - Mayor Pro Tem Lisa Prewitt, Council Member Ed Mihalkanin, Council Member Saul Gonzales, Deputy Mayor Pro Tem Scott Gregson, Council Member Melissa Derrick, Council Member Jane Hughson and Mayor John Thomaides

III. Invocation

A moment of silence was observed.

IV. Pledges Of Allegiance - United States And Texas

Sophie Ozuna, a second grade student at Preparatory School San Marcos, led the assembly in the pledges of allegiance.

EXECUTIVE SESSION

1. 5:00PM Executive Session in accordance with Section §551.074: Personnel Matters- to receive and discuss the City Manager’s baseline performance goals; and in accordance with Section §551.071: Consultation with Attorney - Receive legal advice regarding board and commission qualifications.

A motion was made by Deputy Mayor Pro Tem Gregson, seconded by Mayor Pro Tem Prewitt, to enter into Executive Session at 5:06 p.m. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides

Against: 0

2. Consider adoption or direction to Staff on matters discussed in Executive Session.

Council reconvened into Regular Session at 6:07 p.m. The mayor indicated
Council will return to Executive Session later in the evening.

PRESENTATIONS

3. Receive a report and presentation from the Greater San Marcos Partnership.

Adriana Cruz, President of Greater San Marcos Partnership provided their annual report.

6:00 PM

V. 30 Minute Citizen Comment Period

Vikash Patel, addressed the Council on behalf of the hospitality industry and spoke about the cost of service going up and the need to find alternate revenue streams. He supports the Wonder World Park Conditional Use Permit and allowing them to sell alcohol to their customers.

Joel Barnard, addressed the Council as a 40 year resident and a neighbor of the Wonder World Park, and his opposition to the request of the applicant to sell alcohol. He stated that he was shocked when he read in the Daily Record the public notice of their request to sell alcohol at late hours in this neighborhood. He stated that this family centered park does not need to sell alcohol.

Kevin Carswell, addressed the Council as a long time resident and business owner in San Marcos and spoke in favor of the Conditional Use Permit being provided to Wonder World Park. He stated that he feels that with the amount of restrictions that the Planning and Zoning Commission placed on them that they can continue to be good stewards to the neighbors.
Thea Dake, addressed the Council in opposition to the Conditional Use Permit for Wonder World Park. She feels it is inappropriate for the Chamber to advocate for this and politicizing this issue. She said that this is not appropriate in the neighborhood. She urged the Council to overturn this decision. Please do not open a Pandora's Box.

Sharon Lawrence, addressed the Council on behalf of the 100 block of Hughson Court that is posted on the agenda. She provided explanations of the impediments and the parking space issues. She hopes Council can do something to help make this area safer. She expressed her gratitude for funding the sidewalks on Craddock and indicated there is a speeding problem here as well.

CONSENT AGENDA

A motion was made by Council Member Hughson, seconded by Council Member Mihalkanin, to approve the consent agenda items. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides

Against: 0

4. Consider approval, by motion, of the following meeting Minutes:
   A) November 3, 2017 - Packet Meeting Workshop Minutes
   B) November 8, 2017 - Regular Meeting Minutes
   C) November 9, 2017 - Governance Policy Workshop Minutes

5. Consider approval of Ordinance 2017-59, on the second of two readings, concerning an approximately 85 acre tract of land along the North Side of Centerpoint Road, East of Centerpoint Court with a base zoning of Smartcode District; amending the Official Zoning Map of the City by expanding the 62.158 acre Special District Area within said tract to include the remaining 23.354 acres and amending the development standards applicable to the expanded special district; and including procedural provisions.

6. Consider approval of Ordinance 2017-60, on the second of two readings, amending Ordinance 2016-54, which amended Ordinance 2015-18, which amended Ordinance 2014-13 consenting to the creation of LaSalle Municipal Utility District Number 1 and Ordinance 2013-18 consenting to the creation of LaSalle Municipal Utility Districts Numbers 2, 3, 4, and 5 to provide for an amendment which clarifies the terms for
Expiration and Dissolution, extends the timeframe for payment of the Master Development Fee and clarifies the terms for Assignment; providing for an effective date.

7. Consider approval of Ordinance 2017-61, on the second of two readings, amending the City’s 2016-2017 Fiscal Year Budget to reallocate the unused stipend for City Council Member Ed Mihalkanin to the Drainage Utility Fund; and providing an effective date.

8. Consider approval of Resolution 2017-170R, approving the terms and conditions of an Airport Facility Lease agreement for commercial use with McKee Avionics for the Hangar located at 1838 Airport Drive; authorizing the City Manager to execute said agreement; and declaring an effective date.

9. Consider approval of Resolution 2017-171R, approving the recommendation of the San Marcos Commission on Children and Youth to allocate $25,000.00 in 2016-2017 Fiscal Year funding for 5 Youth Programs that contribute to implementation of the Youth Master Plan; authorizing the City Manager to take such actions as are necessary to enable such allocation of funds; and declaring an effective date.

10. Consider approval of Resolution 2017-172R, approving the award of a Construction Contract to DIJ Construction, inc. for the Hopkins and LBJ Street Striping Project (IFB 218-021) in the amount of $69,165.50 contingent upon the contractor’s timely submission of sufficient bonds and insurance in accordance with the City’s Construction contract documents for the project and concurrence in the award of the project from the Texas Department of Transportation; authorizing the City Manager or his designee to execute all contract documents on behalf of the City and declaring an effective date.

11. Consider approval, by motion, of Authorization of Change in Services (ACIS) No. 2 with United Healthcare for renewal of Stop Loss coverage for the 2018 Employee Medical Plan Year in the not to exceed amount of $483,000, increasing the total amount of the contract to $3,561,337.00.

12. Consider approval, by motion, ratifying a Change in Service No. 1 to the Professional Services Contract with MuniServices, LLC for sales tax reporting, analysis, and audit services in the not to exceed amount of $9,183.14 increasing the total contract amount to $59,183.14.

PUBLIC HEARINGS - 7:00 PM

13. 7:00PM Receive a Staff presentation and hold a Public Hearing to receive comments for or against Ordinance 2017-63, amending the Official Zoning Map of the City by rezoning 20.246 acres of land, more or less, out of the John Williams Survey, Abstract 471, located at 3200 Hunter Road from “P” Public and Institutional District to “PDD” Planned Development District with a base zoning classification of Mixed Use “MU”; including procedural provisions; and providing for penalties; and consider approval of Ordinance 2017-63, on the first of two readings.

Shannon Mattingly, provided a brief update on this zoning change request.
She informed council that a Preferred Scenario Amendment (PSA) is not required since the property is over 20 acres. This will be developed as a continuing care and retirement facility.

Mayor Thomaides opened the Public Hearing at 9:15 p.m.

Those who spoke:

Charles Johnson, spoke about his experience with healthcare and elder living. He spoke about how well the church and the developer meet each other's dreams for this property. They agree that a public road through the development would be an unsafe situation. He stated their concerns with having a public trail and access and explained that this is not a public park. He asked that the safety of the residents be considered.

Kendall Bell-Enders, spoke against this zoning change. She encourages council to maintain the current zoning of this area. She feels this benefits the church and not the entire community. A large mixed use development is out of character for this area. This will be a big deal for those that live on West McCarty Lane due to traffic, she would like to ensure a traffic study is done.

Gerald Faldyn, Spoke as a principle with Halcyon Concepts, developer of proposed site and explained their vision of this property. It would be a senior and disabled living facility and would offer something that caters to the individuals that will be residents in these facilities. He asked for councils support regarding a variance in order to control access to these facilities that would provide a private and secure setting. He thanked staff for their collaboration and effort in this process. He also stated public sidewalks would be installed as required.

Beth Knox, worked in senior care services for over 30 years and agrees with the comments made by Mr. Johnson and Mr. Faldyn. This will be an asset to our community which will help promote healthy aging. She stated the pace will be slower in this community as most residents will use scooters, canes, and walkers. She asked that council consider removing any public parking through this development. She stated that codes do not make neighborhoods, but people do.

Marian Upchurch, spoke as a potential resident for this facility. She stated this is needed in this town desperately. This is not a typical open environment, this is meant for elders and she would like to have a sense of security. She would
like to get on the trail safely, return safely and not have to compete with others on the trail.

There being no further comments, the Mayor closed the Public Hearing at 9:30pm.

Main Motion: a motion was made by Deputy Mayor Pro Tem Gregson, seconded by Mayor Pro Tem Prewitt, to approve Ordinance 2017-63, on the first of two readings.

Motion to Amend: a motion was made by Deputy Mayor Pro Tem Gregson, seconded by Council Member Mihalkanin, to amend Ordinance 2017-63, by approving the Planning and Zoning Commission recommendation that waives the construction requirement of public parking spaces and dedication of trails or multi-use greenway within a public access easement in section 9 of the PDD. This also includes the removal of the block perimeter and public street requirement. The motion carried by the following vote:

For:  7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides
Against:  0

Main Motion: to approve Ordinance 2017-63, on the first of two readings as amended. The motion carried by the following vote:

For:  7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides
Against:  0

14. 7:00PM Receive a Staff presentation and hold a Public Hearing to receive comments for or against Resolution 2017-174R, approving a request for a Conditional Use Permit to allow steel poles as an alternative exterior material for an open-air pavilion at the Scheib Center located at 1200 North Bishop Drive; authorizing City Staff to issue a Conditional Use Permit consistent with this Resolution; and declaring an effective date; and consider approval of Resolution 2017-174R.

Mayor Thomaides opened the Public Hearing at 9:51 p.m.

There being no comments, the Mayor closed the Public Hearing at 9:51 p.m.

A motion was made by Council Member Hughson, seconded by Deputy Mayor Pro Tem Gregson, to approve Resolution 2017-174R. The motion carried by the following vote:
For:  7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides

Against:  0

15. 7:00PM Receive a Staff presentation and hold a Public Hearing to receive comments for or against a request by Brenda and Kaare Remme to appeal a decision made at the October 10, 2017 Planning and Zoning Commission meeting, in which the Planning and Zoning Commission granted a Conditional Use Permit (CUP-A-17-01) for the sale of beer and wine for on-site consumption to Wonder World Park, located at 1001 Prospect Street; and consider action related to the appeal, by motion.

Shannon Mattingly, Director of Development Services, provided a brief presentation of the CUP requested by Wonder World Park. The request was to allow alcohol sales within certain boundaries within the park.

Phillip Schmandt, attorney representing Brenda and Kaare Remme addressed the Council regarding their opposition to the issuance of the CUP to Wonder World Park. He spoke about the issue of the application being incomplete. He stated that the application being incomplete is a violation of Section 4.3.4.2 of the Code of Ordinances. He spoke about his concerns with Christmas lights that are now on the tower and his understanding that the Park is grandfathered and doesn’t have to adhere to the lighting trespass standards in the code. He encouraged the Council to approve the appeal as requested.

Kristin Mostyn Williams, addressed the Council regarding her desire to operate the Wonder World Park as an event center and theme park. She does not want to see such a historical facility sold. The area she wants to sell beer and wine is in a separate building from the main entrance to the cave, and she asked for an allowance of a CUP for one year to prove herself. She spoke of the Christmas lights on the tower and informed council these are here because they are about to have a holiday event at the Park. She said they would work with any of the neighbors to ensure that all issues are met.

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

Those who spoke:

David Nicosia, stated that is home is block away and can see the tower and hear noise from his yard, if the hours are extended he loses privacy. He would council to reverse the Conditional Use Permit.

Kaare Remme, purchased land next to the daytime amusement park a few
years ago. They were aware of this, but it was not an adult entertainment business operating in the daytime and evening hours with noise, light pollution, and drinking on the premises. This is a way to radically change the use of this property.

Buddy Mostyn, president of Mostyn Enterprises and owner of Wonder World Park. He apologized to the neighbors regarding the recent trash issue. He noted there have never been neighbors that could see this area, but they have taken care of this. He has run the park for 45 years and will now turn it over to his daughter to run. He mentioned Allen Street and how there are a lot of issues not conducive to a residential neighborhood like college kids and block parties. He mentioned he had a beer and wine permit when he owned the property and never had problems. He also stated he served on CVB board, Chamber, and Sponsored many events in the community.

Cindy Brown, mentioned trash concern and noted it is still there. Major concern is the six foot fence. This will not create a boundary that is private. She does not want a bar in her backyard.

James Baker, spoke against Conditional Use Permit (CUP) and the inappropriateness to have a bar in a neighborhood and the loud music that can be heard. He doesn't understand why everyone needs to sell alcohol to stay alive in business. Look at other options to make money. He asked that the Council look at the value of the neighborhoods and not just businesses.

Jason Mock, Chamber of Commerce President, spoke in favor of the business owner and the CUP. Allow this business that has been around for over 100 years a chance to prove they will be responsible neighbors with this one year CUP.

Jake Walden, spoke about the concerns revolving around the flow of traffic. He has not heard any discussion regarding traffic and he is in agreement with the concerns of his neighborhood.

Roland Saucedo, huge advocate for neighborhoods and has concerns with the safety issues that selling alcohol in this area could have. Wonder World is right in the center of several neighborhoods and council made a commitment on several occasions to uphold the integrity of these neighborhoods. He suggested they open a putt putt course and not sell alcohol. He asked council to please overturn decision made by Planning &Zoning Commission to issue CUP.
Cathy Dillon, conflicted on this issue because she recognizes how important Wonder World is to tourism for the community and how wonderful the Mostyn's are. This park needs to survive but in a reasonable manner. She stated that people have a right to sleep and not have drunks and wrecks in their neighborhood. She is torn on this decision so she requests that council possibly table this item and come up with other solutions.

There being no further comments, the Mayor closed the Public Hearing at 7:40 p.m.

Main Motion: a motion was made by Council Member Derrick, seconded by Mayor Pro Tem Prewitt, to approve the appeal denying the Conditional Use Permit (CUP-A-17-01) for the sale of beer and wine for on-site consumption to Wonder World Park.

Council Member Derrick's motion was withdrawn and a motion to modify was made.

Motion to Modify: a motion was made by Mayor Thomaides, seconded by Deputy Mayor Pro Tem Gregson, to modify the CUP by removing the consumption or sale of alcohol in courtyard 1. The motion carried by the following vote:

For: 6 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides

Against: 1 - Council Member Gonzales

Main Motion: to approve the appeal denying the Conditional Use Permit (CUP-A-17-01) for the sale of beer and wine for on-site consumption to Wonder World Park.

For: 5 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Council Member Derrick and Council Member Hughson

Against: 2 - Deputy Mayor Pro Tem Gregson and Mayor Thomaides

NON-CONSENT AGENDA

16. Consider approval of Ordinance 2017-20, on the second of two readings, amending Chapter 2, Article 5, Code of Ethics, of the San Marcos City Code; requiring updating of Financial Disclosure Forms; requiring Financial Disclosure Forms to be filed by members of temporary boards, commissions, subcommittees or similar groups; and providing an effective date.

Main Motion: a motion was made by Council Member Hughson, seconded by Mayor Pro Tem Prewitt, to approve Ordinance 2017-20, on the second of two
readings.

Motion to amend: a motion was made by Mayor Pro Tem Prewitt, seconded by Mayor Thomaides, amending section 2.461 by changing the Board member definition by removing subcommittee or similar group. It will now read: Board member means a member of a board or commission whose membership is wholly appointed by the city council, including any temporary board or commission. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides
Against: 0

Motion to amend: a motion was made by Mayor Pro Tem Prewitt, seconded by Council Member Mihalkanin, to amend by removing the following language from Section 2.462 (d) subcommittees or other similar groups. It will now read: Members of temporary boards or commissions shall file a disclosure statement with the city clerk within 30 days after their initial appointment. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides
Against: 0

Motion to Amend: a motion was made by Council Member Hughson, seconded by Mayor Thomaides to amend Section 2.462 (f) to include the language recently approved through the Charter Amendment. It will now read: (f) Financial disclosure statements shall be updated within 30 days of any significant change in the interests of an official even if the change is temporary. For this part, “significant” means a change in interest that would tend to render the annual financial disclosure statement misleading or incomplete. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides
Against: 0

A motion was made by Council Member Hughson, seconded by Council Member Mihalkanin, to amend Section 2.422 definition of officer or official, to remove subcommittee or similar groups. It will now read:

Officer or official means the mayor or any member of the city council and any
appointive member of a city board, commission or committee established by ordinance, charter or state law on a permanent basis, and members of temporary boards and commissions. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides

Against: 0

A motion was made by Council Member Hughson, seconded by Mayor Pro Tem Prewitt, to approve Ordinance 2017-20, on the second of two readings as amended. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides

Against: 0

17. Consider approval of Ordinance 2017-64, on the first of two readings, creating a designated permit area under Section 82.189 of the San Marcos City Code that allows parking by permit on 100 Hughson Ct., 8 AM - 5 PM Monday to Friday; amending the traffic register to reflect such designated permit area; and providing for an effective date.

A motion was made by Mayor Pro Tem Prewitt, seconded by Deputy Mayor Pro Tem Gregson, to approve Ordinance 2017-64, on the first of two readings. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides

Against: 0

18. Consider approval of Ordinance 2017-65, on the first of two readings, creating a designated permit area under Section 82.189 of the San Marcos City Code that allows parking by permit on 100 E Hillcrest Dr., 8 AM - 5 PM Monday to Friday; amending the traffic register to reflect such designated permit area; and providing for an effective date.

A motion was made by Deputy Mayor Pro Tem Gregson, seconded by Council Member Hughson, to approve Ordinance 2017-65, on the first of two readings. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides

Against: 0

19. Consider approval of Ordinance 2017-66, on the first of two readings, designating a Two-Hour Parking Zone from 8:00 AM to 5:00 PM Monday through Friday on the south
side of 200 Acorn Street from North LBJ Drive to Chestnut Street and amending the Traffic Register maintained under Section 82.067 of the San Marcos City Code to reflect such designation; and including procedural provisions.

A motion was made by Council Member Hughson, seconded by Council Member Derrick, to approve Ordinance 2017-66, on the first of two readings. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member Hughson and Mayor Thomaides

Against: 0

20. Discuss and consider an appointment to fill a vacancy on the following boards, and provide direction to staff:
   A) Convention & Visitor Bureau Board
   B) Historic Preservation Commission

Council Member Hughson nominated Richard Morace, Thomas Meade, and Monica Becerra to serve on the Convention and Visitor Bureau Board. A motion was made by Deputy Mayor Pro Tem Gregson and seconded by Council Member Mihalkanin, to approve these appointments. The approval of these nominations carried by the following vote:

For: 5 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson and Council Member Hughson

Against: 0

Absent: 2 - Council Member Derrick and Mayor Thomaides

Deputy Mayor Pro Tem Gregson nominated Alex Arlinghaus and Ryan Perkins to serve on the Historic Preservation Commission. The approval of these nominations carried by the following vote:

For: 6 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales, Deputy Mayor Pro Tem Gregson, Council Member Derrick and Council Member Hughson

Against: 0

Absent: 1 - Mayor Thomaides

21. Consider the appointment of Lon Shell to the TIRZ #3 (Kissing Tree) Board and TIRZ #5 (Downtown) Board, and provide direction to Staff.

A motion was made by Mayor Pro Tem Prewitt and seconded by Deputy Mayor Pro Tem Gregson to approve the appointment of Lon Shell to the TIRZ #3 and TIRZ #5 Board. The motion carried by the following vote:
For: 7 - Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales,
Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member
Hughson and Mayor Thomaides

Against: 0

Following consideration of all agenda items a motion was made by Council Member
Hughson, seconded by Mayor Pro Tem Prewitt, to enter into Executive Session at
10:23 p.m. The motion carried by the following vote:

For: 7 Mayor Pro Tem Prewitt, Council Member Mihalkanin, Council Member Gonzales,
Deputy Mayor Pro Tem Gregson, Council Member Derrick, Council Member
Hughson and Mayor Thomaides

Against: 0

Council reconvened into regular session at 10:59 p.m. Council provided direction to
Staff during Executive Session.

VI. Question and Answer Session with Press and Public.

There were no questions from press or public.

VII. Adjournment.

Mayor Thomaides adjourned the regular meeting of the San Marcos City
Council at 11:00 p.m.

Jamie Lee Case, TRMC, City Clerk

John Thomaides, Mayor

Notice of Assistance at the Public Meetings

The City of San Marcos does not discriminate on the basis of disability in the admission or access to its
services, programs, or activities. Individuals who require auxiliary aids and services for this meeting
should contact the City of San Marcos ADA Coordinator at 512-393-8000 (voice) or call Texas Relay
Service (TRS) by dialing 7-1-1. Requests can also be faxed to 855-461-6674 or sent by e-mail to
ADArequest@sanmarcostx.gov