

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
February 15, 2022

Present:

Andy Smith, Mayor
Larry Lloyd, Councilmember
Dana Robinson, Councilmember
Frances Zarate, Councilmember
Leann Richmond, Councilmember
Scott Johnson, Mayor Pro Tem

Megan Henderson, City Manager
Tony Cain, Asst. City Manager
Richard Reinhardt, Planning Tech.
Dale Snyder, Dir. of Finance/HR
Kelly Hughes, Human Resources Coord.
Karen S. Warren, City Secretary

Councilmember Eric Fleming was absent.

Mayor Smith called the meeting to order at 6:00 p.m.

The Invocation was given by Pastor Danny Gilliam of the First Baptist Church, Hillsboro and Mayor Pro Tem Johnson led the Pledge of Allegiance.

Hear Statements from Persons Wishing to Address the Council.

No one addressed Council at this time.

Consent Agenda

Mayor Smith informed Council that agenda numbers 5 through 9 require no formal public hearing and are subject to being approved in a single motion. However, any City Council Member or the City Manager may remove an item from the Consent Agenda to allow discussion and voting on the item individually.

(Agenda Item #5)

Deliberate and Act on the Approval of the Minutes for the City Council Workshop on January 31, 2022 and Regular Meeting on February 1, 2022.

(Agenda Item #6)

Act on the Approval of Bills.

(Agenda Item #7)

Deliberate and Act on a Resolution to Approve Scope of Services to be Provided by Walker Partners for Street and Utility Improvements and to Authorize the City Manager to Execute All Necessary Documents.

[City Manager Megan Henderson provided Council with the following information in the Council packets prior to the meeting: The Council spent eleven months preparing for significant street and utility improvements. Last year Council selected Walker Partners to provide engineering services related to water and street improvements on Park Drive as part of a proposed Community Development Block Grant project. At the January 18th Regular City Council meeting, Council selected Walker Partners to provide engineering services related to other capital improvements, including three specific areas and a multi-year street improvement

program to address additional areas as they were identified. The scope and fee proposal presented would be for the four areas the City would be putting out to bid including sections of Park Drive, Old Brandon Road, Walnut Street, and Church Street. Walker Partners had previously supplied cost estimates for these projects, and those estimates included engineering costs. Staff recommended approval so the City could move forward with this work.]

Resolution No. R2022-02-08

(Agenda Item # 8)

Deliberate and Act on a Resolution to Approve Entering Into a Contract By and Between the City of Hillsboro and Government Capital Corporation for the Purpose of Financing the Water Meter Project.

[Finance/HR Director Dale Snyder provided Council with the following information in the Council packets prior to the meeting: The Contract was for the financing of the Water Meter Project. The project bid was \$1,442,378.14 from Core & Main, which are members of the Houston, Galveston Area Council of Governments purchasing cooperative. The financing total of \$1,658,734.86 (15% included for contingencies) would be paid in (5) annual installments with interest at 2.597%.]

Resolution No. R2022-02-09

(Agenda Item #9)

Deliberate and Act on a Resolution Approving the Recommendation of the Selection Review Committee to Award Administrative Services in Conjunction With the Submittal of an Application for Funding Through the Texas Department of Agriculture (TDA) – Texas Community Development Block Grant (CDBG-PCB) to Provide Application Preparation, Project Administration, and Project Related Management Services, If Awarded.

[For informational purposes, Planning Official Richard Reinhardt provided Council with the following updated information to the Council packets prior to the meeting: The City of Hillsboro solicited proposals for planning services and grant administration for the 2021 Texas Community Development Block Grant (TxCDBG), planning and capacity building fund through the Texas Department of Agriculture (TDA). Two proposals were submitted prior to the deadline on Friday, February 11, 2022 at 3:00 p.m. The selection review committee met and scored the proposals as follows (average score out of a possible 100 points): Grantworks – 87.3 and Traylor & Associates, Inc. – 93.3. Therefore, it was the recommendation of the selection review committee to select Traylor & Associates, Inc.]

Resolution No. R2022-02-10

On motion by Councilmember Richmond and second by Councilmember Zarate the consent agenda was approved for agenda items #5, #6, #7, #8 and #9.

On roll call the following votes were cast:

Ayes: Lloyd, Robinson, Zarate, Richmond, Johnson

Nays: None Absent: Fleming

Regular Agenda

(Agenda Item # 10)

Hear and Deliberate on a Report From Kelly Hughes, Human Resources Coordinator, Regarding Human Resources.

Human Resources Coordinator Kelly Hughes told Council that she had been with the City almost 19 years and Finance Director Dale Snyder was her supervisor. Kelly said her job duties included: Processing new hires; Processing payroll every two weeks; Coordinating and Processing benefits for all employees which includes medical/dental/life/vision/ and various voluntary benefits; Processing workers comp claims and open records requests in regards to employees of the City. Further, she posts for open positions which currently included: The Reporter newspaper; City website; Utility Billing lobby and drive-thru window; sometimes on the Texas Workforce Commission website and the TML Career Center, when applicable.

Current positions at the City include approximately 95 full-time employees; 6 “consistent” part-time employees and sometimes the City utilizes “as needed” part-timers for the fire department.

Current, budgeted “vacant” open positions include Streets (2); Police (6); Fire (1); Municipal Court (1); Parks (1); Shop (1); Animal Control (1); Water/Sewer (3); and Utility Billing (1).

Ms. Hughes discussed the following hiring obstacles faced by the City: (1) Hiring was good up to the point of when the pandemic forced the City into a hiring freeze due to the condition of the economy (2) Due to the pandemic and federal stimulus payments, there was a huge decrease in applicants mainly for the Public Works Department positions (3) Due to the condition of the economy and budget constraints, the City’s current pay was not competitive with the labor market and the labor market pool continues to stay home because there are hiring signs posted everywhere (4) In regards to police department officers, there is competition with surrounding departments and if they are fresh out of the academy they get experience with Hillsboro and then leave for higher paying cities.

According to Ms. Hughes, the City has taken steps to combat the hiring obstacles. The City has increased low-level salaries to be more competitive in the current budget year and is working to retain current staff by making the City a better place to work and showing appreciation to the employees for a “job well done” through employee picnics, service awards and Christmas parties for example.

Going forward, Ms. Hughes said the City needs to review and update pay scales to be more competitive in the marketplace; ensure employees have a good work environment; add positions where we are understaffed; reward and incentivize employees that are excelling; increase efforts in recruitment such as job fairs and posting on different media. Lastly, the City needs to ensure we have the staff in place to meet future goals of the City Council and City Management.

(Agenda Item # 11)

Hold a Public Hearing on the Submission of an Application to the Texas Department of Agriculture for a Texas Community Development Block Grant – Planning and Capacity Building Grant.

Planning Official Richard Reinhardt told Council that as already mentioned, the City was preparing to apply for a Texas Community Development Block Grant (TxCDBG) through the Texas Department of Agriculture (TDA) for the 2021 TxCDBG Planning and Capacity Building Fund. The purpose of the public hearing was to allow the public an opportunity to express their

views and discuss community needs. Citizens that attended the meeting included Nancy Jolly, Teresa Czarnecki, and Mike and Mary Hayes.

With no further questions or comments from the Councilmembers, the Mayor opened the Public Hearing at 6:08 p.m. and no one spoke for or against the submission of an application to the Texas Department of Agriculture for a Texas Community Development Block Grant –Planning and Capacity Building Grant. However, there were clarification questions from citizens present at the meeting regarding the grant, including the amount of the grant. The grant amount was for \$65,000 with a 15% required City match. Further, clarification was needed regarding the type of grant and what would the grant funds be used for. The Texas Community Development Block Grant – Planning and Capacity Build Grant is for Planning Services. The City could apply for Comprehensive Planning or, for a detailed water/sewer system study. Lastly, there was a question regarding the timeframe involved and the response was that the applications are due by March 16, 2022 which will correspond with City efforts to prepare a Comprehensive Plan. The Public Hearing was closed at 6:13 p.m. and the Mayor declared the Public Hearing completed.

(Agenda Item # 12)

Deliberate and Act on an Ordinance Authorizing the Issuance and Sale of City of Hillsboro, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2022; Levying an Annual Ad Valorem Tax; Pledging Certain Net Revenues; Providing an Effective Date; and Authorizing and Enacting Other Matters and Provisions Relating to the Subject.

Finance Director Dale Snyder said Council approved the issuance of Combination Tax and Revenue Certificates of Obligation on December 7, 2021. The proposed ordinance would authorize the City of Hillsboro to issue Certificates of Obligation in the amount of \$6,365,000. [For informational purposes, Mr. Snyder provided the following information in the Council packets prior to the meeting: The proceeds would be used for the purpose of paying contractual obligations to be incurred by the City for acquiring, constructing, installing and equipping additions, improvements, extensions and equipment for the City's waterworks and sewer system, and the costs and fees of professional services of attorneys, financial advisors and other professionals rendered in connection with such projects and the issuance of the certificates of obligation.] Mr. Snyder introduced the City's Financial Advisor Adam LanCarte, Vice President of Hilltop Securities and the City's Legal Bond Counsel, Johnathan Cranz, Partner at Kelly Hart. Mr. LanCarte spoke to Council regarding the tabulation of bids received at the Sale of the City of Hillsboro Combination Tax and Revenue Certificates of Obligation, Series 2022 for an amount of \$6,195,000. (Bids were due Tuesday, February 15, 2022 at 10:15 a.m.) There were three (3) bids: The Baker Group with a True Interest Cost designated at 2.473827%; Raymond James and Associates, Inc. at 2.652290% and Robert W. Baird & Co., Inc. at 2.680527%. Hilltop Securities recommended the winning bid from The Baker Group. This would be a 20-year issuance with a Principal amount of \$6,195,000, Interest amount of \$2,091,143.23, Debt Service of \$8,286,143.23, with a True Interest Cost of 2.471743%.

On motion by Mayor Pro Tem Johnson and second by Councilmember Lloyd the ordinance was approved.

On roll call the following votes were cast:

Ayes: Lloyd, Robinson, Zarate, Richmond, Johnson

Nays: None Absent: Fleming

Ordinance No. O2022-02-05

(Agenda Item # 13)

Hold a Public Hearing, Second Reading of an Ordinance, and Deliberate and Act on a Voluntary Annexation Request to Institute Annexation Proceedings to Enlarge and Extend, Including Zoning Designation, All that Certain Lot, Tract or Parcel of Land Situated in the Henry Ross Survey, Abstract No. 755, Being Described in the Deed from Jerry Don Yocham to Hillsboro Independent School District Dated June 11, 2019, Recorded in Volume 2006, Page 297 of the Official Public Records of Hill County, Texas. Also Known as 1601 Abbott Avenue.

Planning Official Richard Reinhardt informed Council that Hillsboro Independent School District submitted a petition for the voluntary annexation of the property where the new Elementary School was built at 1601 Abbott Avenue. Along with the annexation, a zoning designation needed to be applied. The Future Land Use Map recommended medium density residential uses at this location. Therefore, in keeping with the Future Land Use Map, Two Family Residential (R-2) zoning was proposed.

The Planning and Zoning Commission reviewed this annexation as well as the zoning designation at their meeting on January 24, 2022. Only one person responded to the 200 ft. notification for clarification and out of curiosity and was not opposed to the annexation. The Commission forwarded their recommendation of approval of the annexation and R-2 Zoning.

With no further questions or comments from the Councilmembers, the Mayor opened the Public Hearing at 6:22 p.m. and no one spoke for or against the proposed ordinance. The Public Hearing was closed at 6:23 p.m. and the Mayor declared the second reading of the ordinance completed. The first reading on the ordinance was held at the February 1, 2022 Regular Council meeting.

On motion by Councilmember Richmond and second by Mayor Pro Tem Johnson the ordinance was approved.

On roll call the following votes were cast:

Ayes: Lloyd, Robinson, Zarate, Richmond, Johnson

Nays: None Absent: Fleming

Ordinance No. O2022-02-02

(Agenda Item # 14)

Hold a Public Hearing, Second Reading of an Ordinance and Deliberate and Act on Accepting the Recommendation of the Planning and Zoning Commission to Rezone Property Bounded by Cross Street, Ross Avenue, Thomas Street and Broadway Street from Single Family Residential (SF-5) to Two-Family Residential (R-2).

Planning Official Richard Reinhardt informed Council that City staff had been approached on numerous occasions regarding locations for duplex development. One area where the Future Land Use Map recommended medium density residential uses was the block bounded by Cross Street, Ross Avenue, Thomas Street and Broadway Street. The northwest corner of the block already had a slightly higher density than single family residential areas. Therefore, the previously mentioned block was being proposed to be rezoned to Two Family Residential (R-2) Zoning which would permit the development of duplexes. It was also noted that the Two Family Residential (R-2) zoning would also create a transition between the Light Industrial (I-1) zoning along Abbott Ave. and the Single Family Residential (SF-5) zoning along the west of Broadway

Street. Mr. Reinhardt informed Council that the only person who responded to the 200 ft. notification that was sent to property owners within the proposed rezone area lived on Thomas Street. His concern was regarding the development of the parcel adjacent to his property along Thomas Street. However, that parcel was too small to meet setback requirements unless it would be platted with the adjacent property. No one from the 200 ft. notification area around the proposed rezone area responded.

This matter was presented to the Planning and Zoning Commission on January 24, 2022 to deliberate and forward their recommendation to City Council. Secondly, the only person from the area proposed to be rezoned was present at the meeting but he did not speak during the presentation on the agenda item. No one from the 200 ft. notification area outside of the proposed rezone was present at the meeting. No one spoke for or against the request. The Commission forwarded their recommendation to the City Council for approval.

With no further questions or comments from the Councilmembers, the Mayor opened the Public Hearing at 6:25 p.m. and no one spoke for or against the proposed ordinance. The Public Hearing was closed at 6:26 p.m. and the Mayor declared the second reading of the ordinance completed. The first reading on the ordinance was held at the February 1, 2022 Regular Council meeting.

On motion by Councilmember Richmond and second by Councilmember Zarate the ordinance was approved.

On roll call the following votes were cast:

Ayes: Lloyd, Robinson, Zarate, Richmond, Johnson

Nays: None Absent: Fleming

Ordinance No. O2022-02-03

(Agenda Item # 15)

Hold a Public Hearing, Second Reading of an Ordinance and Deliberate and Act on Accepting the Recommendations of the Planning and Zoning Commission on an Amendment of the Terms of the 2007 Zoning Ordinance, Known as Ordinance No. O2007-01-01 (Last Amended by Ordinance No. O2021-05-06), Whereby the Purpose is to Amend the Text to Add "Dwelling, Single Family House" as Being Allowed with a Specific Use Permit in the Central Business District (CBD) as Found in Section 2.11, Permitted Use Legend and Table, of the Zoning Ordinance for the City of Hillsboro, Texas.

Planning Official Richard Reinhardt informed Council that the Central Business District (CBD) extended into areas where there had historically been residential uses and where single family dwelling units were still standing. Staff had been approached regarding the development of vacant lots in the CBD into single family dwelling units. However, residential uses were only permitted in the CBD provided there was 40% ground floor retail.

The intent of the 40% ground floor retail was to allow for the location of business in the downtown area. However, areas of the CBD that are still used for residential purposes that have not seen a shift to commercial uses, may still be appropriate for the development of a single family dwelling. The proposed text amendment to allow single family dwelling units with a Specific Use Permit in the CBD would allow each request to be reviewed on a case by case basis. This matter was presented to the Planning and Zoning Commission on January 24, 2022 to deliberate and forward their recommendation to City Council. The Commission forwarded their recommendation to the City Council for approval.

With no further questions or comments from the Councilmembers, the Mayor opened the Public Hearing at 6:28 p.m. and no one spoke for or against the proposed ordinance. One citizen sought further clarification on residential uses that were only permitted in the CBD provided there was 40% ground floor retail. The Public Hearing was closed at 6:29 p.m. and the Mayor declared the second reading of the ordinance completed. The first reading on the ordinance was held at the February 1, 2022 Regular Council meeting.

On motion by Councilmember Lloyd and second by Mayor Pro Tem Johnson the ordinance was approved.

On roll call the following votes were cast:

Ayes: Lloyd, Robinson, Zarate, Richmond, Johnson

Nays: None Absent: Fleming

Ordinance No. O2022-02-04

Hear and Deliberate on City Manager's Report:

- a) **Street Improvements** – The City Manager gave a brief report on Walker Partners services to improve South Church Street; Old Brandon Road (west of Country Club Dr. to Highland Dr.); Park Drive (from Ivy St. to Cho St.) and East Walnut Street (from Abbott St. to Corporation St.)

- It was noted that the County was working on Kirby Road.
- Engineers will look at list of 12 additional street prospects in keeping with the City goal of working on 10-20 blocks per year.

- b) **Water and Sewer Systems**

- The City Manager reiterated the fact that the City is aggressively seeking additional hires as Kelly Hughes reported to Council earlier in the meeting.

- c) **Communication and Citizen Involvement**

- The City Manager reported that the Boards and Commission meetings are going very well and the City is grateful for the feedback and advice from the various boards. The Building and Standards Commission will lead a code enforcement and cleanup the City focus. It was noted that April 23rd is scheduled for the City-wide Cleanup date.

- d) **Strategic Planning**

- The City Manager encouraged feedback from Council on the draft goals discussed at the workshop and asked Council to get back with her on a date in March for a final ½ day meeting.
- The dates proposed were the weeks of the 21st or 28th.

Hold a Closed Session Under the Provisions of Section 551.074 of Government Code (Personnel) City Manager Evaluation.

The Mayor announced the City Council would begin its Closed Sessions at 6:40 p.m. with all Councilmembers present except Councilmember Fleming.

Reconvene in Open Session.

The Council reconvened at 8:05 p.m. with all Councilmembers present except Councilmember Fleming.

Deliberate and Act on Matters Discussed in the Executive Session, If Any.

Councilmember Richmond made a motion that the City increase the base pay of City Manager Megan Henderson by 12% effective February 21, 2022. Second by Mayor Pro Tem Johnson.

On roll call the following votes were cast:

Ayes: Lloyd, Robinson, Zarate, Richmond, Johnson

Nays: None Absent: Fleming

There being no further business, the meeting was adjourned at 8:07 p.m.



Andrew L. Smith, Mayor

ATTEST:



Karen S. Warren, City Secretary