

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
May 17, 2022

Present:

Andy Smith, Mayor
Eric Fleming, Councilmember
Dana Robinson, Councilmember
Frances Zarate, Councilmember
Leann Richmond, Councilmember
Scott Johnson, Mayor Pro Tem

Megan Henderson, City Manager
Tony Cain, Asst. City Manager
Nicole Crain, Municipal Court Judge
Dale Snyder, Director Finance/HR
Karen S. Warren, City Secretary

Councilmember Larry Lloyd was absent.

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

The Invocation was given by Rev. Billy Clark of Believer's Christian Church and Councilmember Fleming 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 Regular Meeting on May 3, 2022 and the Strategic Planning Workshop on May 9, 2022.

(Agenda Item #6)

Act on the Approval of Bills.

(Agenda Item #7)

Deliberate and Act on a Resolution to Appoint an Alternate Board Member as a Full Member on the Building and Standards Commission.

[Planning Official Richard Reinhardt provided Council with the following information in the Council packets prior to the meeting: Larry Cole was appointed as an alternate on the Building and Standards Commission in November of 2021. However, due to the resignation of Carol Beyer in March, an additional full member is needed to fill the necessary positions on the Commission. With the appointment of Larry Cole as a full member, all five positions will be filled with both alternate positions remaining vacant. Possible appointments for those vacancies will be presented at a later date.]

Resolution No. R2022-05-39

(Agenda Item # 8)

Deliberate and Act on a Resolution to Sell City-owned Property Located at 104 Sweeney Street and 106 Sweeney Street to Prescher Custom Homes, LLC.

(Agenda Item # 9)

Deliberate and Act on a Resolution to Sell City-owned Property Located at 107 Sweeney Street to Oak + Ash Ventures, LLC.

[City Manager Megan Henderson provided Council with the following information for agenda items #8 and #9 in the Council packets prior to the meeting: The City of Hillsboro sought proposals from firms or individuals for the purpose of increasing residential opportunities in Hillsboro; the Hillsboro Housing Finance Corporation Board recommended negotiating sale and development agreements with proposers Lillian Johnson, Oak and Ash Realty, and A/B Custom Flooring/ Solomon LLC; and the City Manager has since conducted those negotiations.

At present, staff recommended development agreements with and sales to the two entities that made up the Oak and Ash Realty consortium - Oak + Ash Ventures, LLC and Prescher Custom Homes, LLC – for 104, 106 and 107 Sweeney.

Staff is negotiating development agreements with Solomon, LLC for 107½ and 108 Sweeney and 220 and 224 East Third; and with Lillian Johnson for 306 East Third.

The development agreements and subsequent sales have been negotiated to effectuate the public purpose of increasing the availability of housing, affordable to families of low and/or moderate income.] Ryan Studdard/Broker-Owner of Oak + Ash Ventures, LLC and Michael Easter of Prescher Custom Homes, LLC were present at the meeting to answer questions.

Resolution No. R2022-05-40 for 104 Sweeney Street

Resolution No. R2022-05-41 for 106 Sweeney Street

Resolution No. R2022-05-42 for 107 Sweeney Street

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

On roll call the following votes were cast:

Ayes: Fleming, Robinson, Zarate, Richmond, Johnson

Nays: None Absent: Lloyd

Regular Agenda

(Agenda Item # 10)

Hear and Deliberate on a Presentation of the 2020-2021 Fiscal Year Audit by Pattillo, Brown and Hill.

Finance Director Dale Snyder introduced Todd Pruitt of Pattillo, Brown & Hill. Mr. Pruitt gave a presentation of the City of Hillsboro's Annual Financial Report for the Fiscal Year ending September 30, 2021. (The audit information was provided to Council prior to the meeting.) Highlights of the audit presentation points included: The Financial Section- Independent Auditor's Report including the firm's "Opinions" as stated, "In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Hillsboro, Texas as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year

then ended in accordance with accounting principles generally accepted in the United States of America". Mr. Pruitt pointed out that the City qualified for a single audit because of federal grant awards over \$750,000. Mr. Pruitt identified the following (4) Federal Awards on the Schedule of Expenditures of Federal Awards for the Year Ended September 30, 2021. The U.S. Department of Commerce at \$457,199; the U.S. Department of the Treasury at \$374,653; U.S. Department of Housing and Urban Development at \$920,253 and the U.S. Department of Transportation at \$64,807. Total Expenditures of Federal Awards amounted to \$1,816,912.

Mr. Pruitt spoke about the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards: During the audit "we did not identify any deficiencies in internal control that we consider to be material weaknesses" and it was determined that the results of the tests by the auditing firm disclosed "no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards." Mr. Pruitt spoke about the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance With the Uniform Guidance: "In our opinion, the City of Hillsboro, Texas, complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses."

Mr. Pruitt briefly discussed the City of Hillsboro Balance Sheet/Governmental Funds as of September 30, 2021, which highlighted the General Fund Balance at \$3,034,599. The City of Hillsboro Statement of Revenues, Expenditures and Changes in Fund Balances/Governmental Funds for the Year Ended September 30, 2021 reflected a net change in the fund balance of \$1,435,348 (Beginning Fund Balance was \$1,599, 251 plus \$1,435,348 = \$3,034,599.) Lastly, there were no disagreements with management that arose during the course of the audit. Mr. Pruitt congratulated the City on the positive results of the audit.

(Agenda Item # 11)

Deliberate and Act on a Resolution for the Administration of the Oath of Office and Issuance of the Certificates of Election to the Unopposed Candidates in the Cancelled May 7, 2022 City Officers Election.

City Secretary Karen Warren informed Council that on April 5, 2022, she presented the Certification of Unopposed Candidates to Council which stated all candidates for the May 7, 2022 City Officers Election were unopposed and by Resolution (R2022-04-27) the election was cancelled and the following unopposed candidates were declared elected.

Councilmember, Place 2

Larry Lloyd

Councilmember, Place 4

Frances Zarate

Councilmember, Place 6, Elected at Large

Scott Johnson

The next step was to approve the proposed resolution which would enter into the City records the events and actions pertaining to the May 7, 2022 City Officers Election further declaring the City Council had determined that the requirements for notification of a cancelled election were met as presented in the Affidavit of Posting and; declare the candidates shall sign the Statement of Elected Officers, take the Oath of Office and be issued a Certificate of Election. Municipal Court Judge Nicole Crain administered the Oath of Office to Councilmembers Zarate and Mayor Pro Tem Johnson and Mayor Smith issued the Certificates of Election. (Councilmember Larry Lloyd

was absent and would have his oath administered at some point before the next Council meeting.)

On motion by Councilmember Richmond and second by Councilmember Fleming, the resolution was approved.

On roll call, the following votes were cast:

Ayes: Fleming, Robinson, Zarate, Richmond, Johnson

Nays: None Absent: Lloyd

Resolution No. R2022-05-43

(Agenda Item # 12)

Hear and Deliberate on City Manager's Report:

- a) **Street Improvements** – It was reported that the City expects 30% complete plans in mid-to late June.
- b) **Water and Sewer Systems**
 - MRB will begin the water system study this week
 - Will prepare procurement for sewer system evaluation
 - Meter project is underway; it is approximately 20% complete
 - Two drainage improvement projects are planned; engineering proposals are expected soon
 - Two small sewer line projects are being evaluated for feasibility
- c) **Communication and Citizen Involvement**
 - The Airport Board and the Building and Standards Commission are expected to meet this week
- d) **Strategic Planning**
 - Discussion and possible action is planned for the June 7, 2022 Regular City Council meeting

Hold a Closed Session Under the Provisions of Section 551.074 of Government Code (Personnel) Municipal Court Judge – 2 Year Evaluation.

The Mayor announced the City Council would begin its Closed Sessions at 6:28 p.m. with all Councilmembers present except Councilmember Lloyd.

Reconvene in Open Session.

The Council reconvened at 7:15 p.m. with all Councilmembers present except Councilmember Lloyd.

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

Councilmember Richmond moved to recommend Judge Nicole Crain's reappointment and continue serving as Municipal Court Judge under the current job description. Motion was seconded by Councilmember Robinson.

On roll call, the following votes were cast:

Ayes: Fleming, Robinson, Zarate, Richmond, Johnson

Nays: None Absent: Lloyd

There being no further business, the meeting was adjourned at 7:18 p.m.



Andrew L. Smith, Mayor

ATTEST:


Karen S. Warren, City Secretary

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