

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
June 7, 2022

Present:

Andy Smith, Mayor

Eric Fleming, Councilmember

Larry Lloyd, Councilmember

Dana Robinson, Councilmember

Leann Richmond, Councilmember

Scott Johnson, Mayor Pro Tem

Megan Henderson, City Manager

Tony Cain, Asst. City Manager

Richard Reinhardt, Planning Official

Lauralee Vallon, City Attorney

Karen S. Warren, City Secretary

Councilmember Frances Zarate was absent.

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

Councilmember Richmond 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 11 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 17, 2022.

(Agenda Item #6)

Act on the Approval of Bills.

(Agenda Item #7)

Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission to Approve a Specific Use Permit Submitted by Daljinder Mangat of Manfam II, LLC, for Retail Sales to Allow a Smoke Shop at 302 West Elm Street. This Property is Located Within a Light Industrial (I-1) Zoning District. Retail Sales Are Only Allowed by a Specific Use Permit in the Light Industrial (I-1) Zoning District.

[Planning Official Richard Reinhardt provided Council with the following information in the Council packets prior to the meeting: An application had been submitted by Daljinder Mangat for a Specific Use Permit for retail sales to operate smoke shop at 302 West Elm Street which is located in the Light Industrial (I-1) Zoning District. Retail sales are only allowed with a Specific Use Permit in the Light Industrial (I-1) Zoning District. The Planning and Zoning Commission reviewed this request at their meeting on May 23, 2022. There were no responses to the 200-foot

notification and no one was present at the meeting to speak for or against the request. The Planning and Zoning Commission forwarded their recommendation for approval of the Specific Use Permit.]

Resolution No. R2022-06-44

(Agenda Item # 8)

Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission Approving a Re-Plat of a Portion of Lot 86, Parks Addition and a Portion of Lot 106, McKenzie Addition, in the City of Hillsboro, Becoming Lot 86-R, Parks Addition, in the City of Hillsboro, Being the Same Property by Reference as Recorded in Volume 1942, Page 521 of the Official Public Records of Hill County, Texas. Also Known as 801 East Walnut Street.

[Planning Official Richard Reinhardt provided Council with the following information in the Council packets prior to the meeting: A request has been made to re-plat the property at 801 East Walnut Street for the purpose of constructing a single family dwelling. The Planning and Zoning Commission reviewed this request at their meeting on May 23, 2022. The only responses to the 200-foot notification were for clarification purposes. No one was present at the Planning and Zoning Commission meeting to speak for or against the request. The Planning and Zoning Commission forwarded their recommendation for approval of the re-plat.]

Resolution No. R2022-06-45

(Agenda Item # 9)

Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission Approving a Re-Plat of Lots 3R, 2, 9 and 10, Block 1 and all of Lots 1, 2, 3, 4 and 5, Block 2, Dellah Buie Addition, in the City of Hillsboro, and a 5.65 Acre Tract of Land Situated in the Moses Johnson Survey, Abstract No. 972, Becoming Lot 4-R, Block 1, Dellah Buie Addition, in the City of Hillsboro, Being the Same Property by Reference as Recorded in Volume 2049, Page 430 of the Official Public Records of Hill County, Texas. Also Known as 1405 Corsicana Highway.

[Planning Official Richard Reinhardt provided Council with the following information in the Council packets prior to the meeting: A request had been made to re-plat property for the development of a QuikTrip at 1405 Corsicana Highway. The Planning and Zoning Commission reviewed this request at their meeting on May 23, 2022. There were no responses to the 200-foot notification and no one spoke for or against the request. The Planning and Zoning Commission forwarded their recommendation for approval of the re-plat.]

Resolution No. R2022-06-46

(Agenda Item # 10)

Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission Accepting a Preliminary and Final Plat, Price Addition, in the City of Hillsboro, on a Certain Tract of Land Being 1.034 Acres Situated in the Herman Deaton Survey, Abstract No. 227 and Being the Same Property by Reference as Recorded in Volume 2152, Page 750 of the Official Public Records of Hill County, Texas. Also Known as 343 Carr Street.

[Planning Official Richard Reinhardt provided Council with the following information in the Council packets prior to the meeting: A request had been made to plat the property at 343 Carr

Street for the purpose of constructing a single family dwelling. The Planning and Zoning Commission reviewed this request at their meeting on May 23, 2022. The Planning and Zoning Commission forwarded their recommendation for approval of the preliminary and final plat.]

Resolution No. R2022-06-47

(Agenda Item # 11)

Deliberate and Act on a Resolution to Approve Suspending Oncor Electric Delivery Company LLC's Proposed Effective Date of June 17, 2022, for Ninety Days in Connection With Oncor's Statement of Intent to Increase Rates Filed on or About May 13, 2022; Requiring the Reimbursement of Municipal Rate Case Expenses; Authorizing Participation in the Coalition of Similarly Situated Cities; Authorizing Intervention and Participation in Related Rate Proceedings; Authorizing the Retention of Special Counsel; Finding That the Meeting Complies With the Open Meetings Act; Making Other Findings and Provisions Related to the Subject; and Declaring an Effective Date.

[City Manager Megan Henderson provided Council with the following information from the law firm of Herrera Law & Associates, PLLC in the Council packets prior to the meeting: On or about May 13, 2022, Oncor Electric Delivery Company LLC ("Oncor" or "Company") filed a Statement of Intent to increase its revenues by approximately \$251 million, which equates to a net increase of approximately 4.5% in Oncor's overall revenue. Oncor proposes to implement its proposed increase in rates effective June 17, 2022.

The City must take action on Oncor's application by no later than June 17, 2022. Failure to take action by June 17, 2022 will result in Oncor's proposed rates being deemed approved by operation of law.

Table 1 below shows the impact Oncor's proposed increase in revenue would have on a customer-class basis.

TABLE 1

<u>Rate Class</u>	<u>Present Revenues</u>	<u>Change</u>	<u>Proposed Revenues</u>	<u>Change Pct in Revenue</u>
	(a)	(b)	(c)	(d)
Residential	\$1,921,088,302	\$214,360,982	\$2,135,449,284	11.2%
Secondary <= 10 kW	\$95,557,181	-\$7,553,653	\$88,003,528	-7.9%
Secondary > 10 kW	\$1,486,593,538	-\$35,635,126	\$1,450,958,412	-2.4%
Primary DL <= 10 kW	\$1,232,285	\$386,576	\$1,618,861	31.4%
Primary > 10 kW Dist. Line	\$268,296,647	\$27,510,277	\$295,806,924	10.3%
Primary > 10 kW Substation	\$31,504,042	\$28,145,677	\$59,649,719	89.3%
Transmission	\$114,261,671	\$50,114,790	\$164,376,461	43.9%
Lighting	\$60,374,542	\$936,098	\$61,310,640	1.6%
Retail Revenue	\$3,978,908,208	\$278,265,621	\$4,257,173,829	7.0%
Wholesale	\$608,356	\$965,098	\$1,573,454	158.6%

Substation				
Wholesale DLS	\$2,160,192	\$4,607,541	\$6,767,733	213.3%
Other Revenue	\$53,729,847	\$3,327,781	\$57,057,628	6.2%
Grand Total	\$4,035,406,603	\$287,166,041	\$4,322,572,644	7.1%
Network Transmission Revenue	\$1,481,651,280	-\$36,474,927	\$1,445,176,353	-2.5%
Transmission Related Other Revenue	\$43,023,335	\$0	\$43,023,335	0.0%
Total Cost of Service	\$5,560,081,218	\$250,691,114	\$5,810,772,332	4.5%

The law firm of Herrera Law & Associates, PLLC has previously represented the City and its participation in the coalition of cities named the “Alliance of Oncor Cities” (“AOC”) in rate matters involving Oncor, including Oncor’s most recent rate case. The accompanying Resolution authorizes retention of Herrera Law & Associates as Special Counsel and continued participation in the AOC coalition.

Oncor filed its Statement of Intent to raise rates with the City and with the Public Utility Commission of Texas (“PUCT”) on the same date, May 13, 2022. Oncor’s application poses complex regulatory issues that require time so as to evaluate the merits of Oncor’s proposed increase in rates. It is important to participate in these proceedings because the Commission’s decisions could impact rates within the City. Thus, the accompanying Resolution authorizes intervention in proceedings at the Commission as well as any appeals taken from the Commission’s decision.

Cities, by statute, are entitled to recover their reasonable rate case expenses from the utility. Legal counsel and consultants approved by the City will submit monthly invoices to the City designated by AOC to serve as the “coordinating” city, who will then forward invoices to Oncor for reimbursement; that city historically has been Corsicana. No individual city’s budget is negatively affected. The accompanying Resolution directs Oncor to reimburse AOC’s rate case expenses on a monthly basis based on presentation of invoices from the cities.

Oncor’s rate-filing package is voluminous, containing over five thousand pages of data. To have time to review the rate-filing package, the Council is requested to suspend Oncor’s proposed effective date for ninety (90) days. It is a virtual impossibility for the City to set just and reasonable rates without suspending the rate request for ninety days; suspension of Oncor’s proposed effective date would permit its special regulatory counsel and experts an opportunity to perform a better review of Oncor’s application and request additional information as necessary to fully evaluate the proposal and determine the most appropriate response. During the suspension period, the City will retain its right to dismiss Oncor’s Statement of Intent if the City determines that Oncor failed to properly invoke the City’s jurisdiction or if Oncor failed to provide adequate notice. The suspension period also allows time to attempt to resolve matters by agreement with Oncor, or to determine whether to deny Oncor’s request and either adopt an increase different than that requested by Oncor, or deny it outright without adopting an alternative increase.

Note that action to suspend Oncor's proposed effective date by the statutorily allowed period of 90 days is not final action on Oncor's application to increase rates. The city will need to take final action on the merits of Oncor's request no later than September 15, 2022, which is the end of the suspension period.

It is recommended that the City suspend Oncor's proposed effective date for 90 days from May 13, 2022. Absent an extension agreed to by Oncor and the City, the suspension period runs through September 15, 2022.

It is also recommended that the City continue its participation in AOC, intervene in proceedings at the PUCT and any related proceedings and/or appeals, and to retain the law firm of Herrera Law & Associates, PLLC to represent the City's interest in matters related to Oncor's rate case and to advise the City with regard to Oncor's application, and to retain consultants subject to approval by the AOC executive committee to assist Special Counsel in its review of Oncor's application to increase rates.

The City must take action no later than June 17, 2022. If the City does not take action by June 17, 2022, Oncor's proposed rates will be deemed approved by operation of law, subject to the City's right to hold a hearing to address Oncor's rate application.]

Resolution No. R2022-06-48

On motion by Councilmember Robinson and second by Councilmember Fleming the consent agenda was approved for agenda items #5, #6, #7, #8, #9, #10 and #11.

On roll call the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Richmond, Johnson

Nays: None Absent: Zarate

Regular Agenda

(Agenda Item # 12)

Deliberate and Act on a Resolution Electing the Mayor Pro Tem.

City Secretary Karen Warren told Council that Section 3.05(b) of the Hillsboro City Charter states "The Mayor Pro Tem shall be a member of the Council elected by the Council at its first regular meeting following each general City Election. The Mayor Pro Tem shall act as Mayor during the disability or absence of the Mayor and in this capacity shall have the same rights and duties as Mayor except that the Mayor Pro Tem shall be entitled to vote irrespective of a tie vote."

Councilmember Robinson made a motion to elect Scott Johnson as Mayor Pro Tem. Motion was seconded by Councilmember Richmond. The resolution documenting this motion was approved.

On roll call the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Richmond, Johnson

Nays: None Absent: Zarate

Resolution No. R2022-06-49

(Agenda Item # 13)

Hear and Deliberate on Presentation and Possible Action on the 2022-2027 Strategic Plan.

City Manager Megan Henderson told Council that this is the time to discuss the Strategic Plan in an open forum and ask questions, address concerns and make changes. Jordan Everhart of MRB group was present to answer questions. The City Manager reviewed the following eight (8) goals which are a part of the Strategic Plan:

GOAL 1: Ensure responsible, equitable growth.

Surpass population of 13,000 by adding residential units consistent with the city's needs and future land use plan.

- Ensure land use policies balance residential and nonresidential uses
- Ensure streets and sidewalks provide needed connectivity
- Understand the housing market using data
- Pursue infill and adaptive reuse of underdeveloped properties
- Offer efficient and well-staffed developer coordination, plan review and permitting

GOAL 2: Foster transparency and connection.

Connect citizens with government by reliably and routinely using print, dashboard, social media, and meetings to inform citizens and enlist their input and collaboration.

- Build out and enhance internal communication
- Provide timely, accurate and accessible information to the public
- Enlist the input and collaboration of citizens in the work of the city

GOAL 3: Support preservation and beautification.

Enhance Hillsboro's unique character, historic charm, and present vibrancy by incentivizing renovation and adaptive reuse of historic structures, enforcing property standards, and beautifying the entrances to town.

- Improve cleanliness and appearance of residential and commercial properties with code enforcement
- Support attractive and unique neighborhoods and corridors
- Participate in city-wide beautification efforts

GOAL 4: Deliver efficient, effective government.

Retain and expand a collaborative team of employees who maintain technical qualifications, advance the city's service delivery, and operate equitably, accountably and transparently.

- Maintain collaborative team between Council and City management
- Ensure consistency and continuity across departments
- Focus on professional development and employee retention
- Ensure actions and decisions align with the Strategic Plan

GOAL 5: Build better Infrastructure.

Formally assess the conditions of street, water and sewer infrastructure and implement projects and processes that will, if continued over time, bring and keep those systems in predominantly "good" condition.

- Understand the baseline needs of existing infrastructure
- Ensure that new and existing infrastructure is planned for and maintained
- Identify and pursue needed technology infrastructure

GOAL 6: Deliver essential services.

Deliver streets, water, wastewater, parks, public safety and other essential services and systems that are dependable, in good repair, and of acceptable and/or improving quality.

- Ensure staff are technically qualified problem-solvers who create a positive experience for citizens
- Enhance parks, trails and recreational facilities
- Deliver services using equipment, facilities and technologies that are relevant, maintained and dependable

GOAL 7: Boost economic development.

Implement business retention and attraction programs so that a variety of small and large businesses meet our resident's employment, entertainment, and commercial needs and establish Hillsboro as a vital part of Central Texas' economic landscape.

- Attract new businesses
- Retain and support expansion of existing businesses
- Facilitate development of entrepreneurship and small businesses
- Create a permitting and development review process that is clear
- Identify and pursue solutions for workforce needs

GOAL 8: Enhance quality of life.

Maintain a system of clean, functional and varied enrichment facilities and programs throughout the city, including best-in-class library and team sports.

- Expand the library to increase the lobby, children's area, genealogy center and meeting space
- Develop and deliver dynamic library programming in the library building and throughout the community
- Develop and deliver recreation opportunities for people of all ages and athletic abilities

It was noted that Mr. Everhart had assisted the City with the Strategic Plan and would work to help finalize the document and make it available for action by the Council at a future City Council Meeting. There were no changes to the goals mentioned above.

(Agenda Item # 14)

Hear and Deliberate on City Manager's Report:

a. Update on Strategic Goals 1-4

- Ensure Responsible, Equitable Growth
 - Balance residential and nonresidential uses (45% / 55% of water)
 - This creates 450,000 GPD of water availability for residential use
 - Using an average per-household usage figure, this would allow 1800 new residential units
 - At our average of 2.64 persons per household, that would mean a population increase of 4,752
 - Current plans shared with us by developers exceed that number
 - We cannot permit everything that comes to us
- Foster Transparency and Connection
 - Website updates
 - Facebook posting and new "group" for communication
- Support Preservation and Beautification
 - Code enforcement report
 - Potential for beautification of Hwy 22 and Waco Street corner
- Deliver Efficient, Effective Government
 - Staff hiring, retention and training initiatives
 - Interviewed two candidates for Water department

b. Recent and Upcoming Staff Activity and Events

- Bond's Alley was held last weekend, with
 - Vendor success (food vendors sold out on Saturday)
 - Outstanding foot traffic Saturday
 - Artists have already registered for next year
 - Farmer's Market vendors sold out Saturday
 - Sunday much lower attendance
 - Mostly positive online reviews
 - Estimated total 2-day attendance of 1500-2000
- New Downtown Saturday initiative adds live music to Farmer's Market, businesses to create all-day activities every Saturday through summer
 - First Music on the Green event this weekend had 75-100 people

Hold a Closed Session Under the Provisions of Section 551.072 of Government Code (Deliberations About Real Property) and Section 551.071 of the Government Code (Consultation With Attorney).

The Mayor announced the City Council would begin its Closed Sessions at 6:30 p.m. with all Councilmembers present except Councilmember Zarate. City Attorney Lauralee Vallon was present.

Reconvene in Open Session.

The Council reconvened at 7:14 p.m. with all Councilmembers present except Councilmember Zarate. City Attorney Lauralee Vallon was present.

Deliberate and Act on a Resolution to Purchase Property Located at 207 East Franklin Street.

Councilmember Fleming made a motion to approve the resolution to purchase the property located at 207 East Franklin Street. Second by Mayor Pro Tem Johnson.

On roll call the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Richmond, Johnson

Nays: None Absent: Zarate

Resolution No. R2022-06-50

Deliberate and Act on a Resolution to Purchase Property Located at 321 and 325 South Waco Street.

Councilmember Richmond made a motion to approve the resolution to purchase the property located at 321 and 325 South Waco Street. Second by Councilmember Fleming.

On roll call the following votes were cast:

Ayes: Fleming, Lloyd, Richmond, Johnson

Nays: Robinson Absent: Zarate

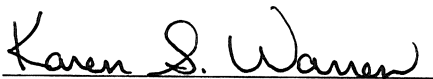
Resolution No. R2022-06-51

There being no further business, the meeting was adjourned at 7:20 p.m.



Andrew L. Smith, Mayor

ATTEST:



Karen S. Warren, City Secretary

Note:

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