

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
May 07, 2024

Present were:

Scott Johnson, Mayor	Megan Henderson, City Manager
Frances Zarate, Councilmember	Dale Snyder, Finance Director
Eric Fleming, Councilmember	Jasmine Guy, City Secretary
Larry Lloyd, Councilmember	Richard Reinhardt, Planning Official
Leann Richmond, Mayor Pro Tem	Tony Cain, Asst. City Manager
Jay Jolly, Councilmember	
Christi Ward, Communications & Executive Assistant	

Councilmember Dana Robinson was absent

Others present:

Sargent Dominique Anderson, Hillsboro Police Department
Bishop Billy Clark-Believers Christian Cathedral

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

Invocation was completed by Bishop Billy Clark of the Believer's Christian Cathedral Church.

Mayor Johnson led the Pledge of Allegiance.

Hear Statements from Persons Wishing to Address Council.

None of the attendees addressed council.

Consent Agenda

Mayor Johnson informed Council that agenda numbers five (5) through eight (8) require no formal public hearing and are subject to being approved in a single motion. However, any City Councilmember 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 Approval of the Minutes for the Regular Meeting on April 16, 2024.

(Agenda Item #6)

Act on the Approval of Bills.

(Agenda Item #7)

Deliberate and Act on a Resolution Approving an Agreement Between the City of Hillsboro and Chatt Water Supply Corporation.

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Resolution No. R2024-05-32

(Agenda Item #8)

Deliberate and Act on a Resolution to Repeal Existing Neighborhood Empowerment Zones.

Resolution No. R2024-05-34

Consent agenda items. There were no items removed from the Consent Agenda. On a motion by Councilmember Lloyd and second by Councilmember Fleming, Consent Agenda Items #5 through #8 were accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Zarate, Richmond and Jolly

Nays: none Absent: Robinson

Regular Agenda

(Agenda Item #9)

Hold a Public Hearing, First Reading, and Deliberate on an Ordinance on Amending Ordinance No. O2023-03-21 Comprehensive Fee Schedule, Adopted on December 17, 2002, as Amended, by Amending Department 32, Sanitation Services.

Finance Director Dale Snyder presented the agenda item. He informed council that per their contract agreement, Republic will be implementing a 7% rate increase. The total residential rate will increase by \$1.22 totaling \$21.47 per month. The commercial curbside rate will increase by \$2.22 totaling \$36.71 per month.

There were no further questions or comments from the Councilmembers. Mayor Johnson opened the Public Hearing at 6:04PM. A resident was able to ask if this included the roll off dumpsters within the downtown area and Finance Director state yes. The public hearing was closed at 6:05PM. On a motion by Councilmember Fleming and second by Councilmember Jolly, the ordinance was accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Zarate, Richmond and Jolly

Nays: none Absent: Robinson

Ordinance No. O2024-05-08

(Agenda Item #10, #11, and #12)

10. Hold a Presentation of the Certification of Unopposed Candidates to Council by the City Secretary for the May 4, 2024 City Officials Election.

11. Deliberate and Act on a Resolution to Approve the Official Canvass of the Returns and Declaring the Results of the City Officials Election Held on May 4, 2024; Accepting the Certification of Unopposed Candidates and Declaring the City Officials Elected for the Terms Established by City Charter.

12. Hold a Presentation to Administer the Oaths of Office and to Issue Certificates of Election.

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City Secretary, Jasmine Guy presented on all three agenda items. She apologized to council and explained that this was her first city election and asked that all three agenda items be forwarded to the next council meeting. City Secretary Guy explained that she has not been able to receive the official election results provided by the county so they are unable to be presented at this time. She asked council for a Special Meeting to be held next week on either of the following dates: May 13th, 14th, or 15th to complete the canvassing process and certification of unopposed candidates. The reason for the special meeting is to meet canvassing deadlines required by the state which are from May 7th to May 15th. City Secretary Guy shared the unofficial results as Councilmember Jay Jolly receiving a total of 114 votes and Matthew Southard receiving 24. Councilmember Larry Lloyd (Place 2) and Councilmember Frances Zarate (Place 4) were unopposed in their bids for re-election. City Secretary concluded by asking for no action to be taken on agenda item #11 until the Special Meeting is held.

There were no further questions or comments from the Councilmembers, there was no action taken.

Resolution No. R2024-05-31

(Agenda Item #13)

Hold a Public Hearing, First Reading of an Ordinance, and Deliberate on an Ordinance to Designate a Neighborhood Empowerment Zone Within the City Limits of the City of Hillsboro, Texas.

Planning Official, Richard Reinhardt presented the agenda item. He shared that in 2016, City Council approved resolutions designating the number of Neighborhood Empowerment Zones across the city to offer incentives for various developments. Since 2016, Several Projects have been able to benefit from the Neighborhood Empowerment Zone Program that helped encourage development. Planning Official Reinhardt shared that there is no longer a need to keep the program, but there are some areas that could benefit from it currently such as the need for additional infill development and improvement of existing properties that have already been developed. Planning Official Reinhardt added that the process would be fairly different. Instead of automatically waiving several different development expenses as before, staff is proposing that each application be analyzed and considered separately with incentives being negotiated. He shared that the proposed ordinances lists several things in which could be negotiated as incentives and each application negotiated separately. Councilmember Lloyd was able to ask a question in regards to who would be over the evaluation process. Planning Official responded by stating city staff and then it will be presented to council for approval.

There were no further questions or comments from the Councilmembers. Mayor Johnson opened the Public Hearing at 6:11PM. No one spoke for or against the ordinance. The public hearing was closed at 6:12PM. The first reading of the ordinance was declared complete.

Ordinance No. O2024-05-09

(Agenda Item #14)

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Deliberate and Act on a Resolution Calling for a Study of the City's Wastewater System to Identify and Prioritize Future Improvements

City Manager, Megan Henderson presented the agenda item. She shared that the City is needing to conduct a study to identify the current condition of our wastewater system to identify the priorities for future improvement projects. She explained to council that the wastewater system has not been able to handle the vast amount of rainwater that the City has currently experienced. It has caused problems with infiltration and inflow resulting in service disruptions. If approved, staff will advertise qualifications from engineering firms and bring a recommendation to present to council.

There were no questions or comments from council, on a motion by Councilmember Richmond and second by Councilmember Lloyd, the resolution was accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Zarate, Richmond, and Jolly

Nays: None Absent: Robinson

Resolution No. R2024-05-35

(Agenda Item #15)

Deliberate and Act on a Resolution Authorizing the City to Apply for Funding from the Economically Distressed Areas Program from Texas Water Development Board

City Manager, Megan Henderson presented the agenda item. She shared that the study of our wastewater system is nearly complete and preliminary project recommendations have been received. In the meantime, the Texas Water Development Board has opened a funding opportunity for Economically Disadvantaged Areas Program, which offers loan funds with up to 70% forgiveness. Staff is unsure of how much the city will qualify for if approved, the city needs \$40M in water line replacements and wish to maximize the likelihood of receiving grant dollars (or forgiven loans) for those projects. Staff anticipates requesting up to \$30 Million from this fund.

There were no questions or comments from council, on a motion by Councilmember Fleming and second by Councilmember Richmond, the resolution was accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Zarate, Richmond, and Jolly

Nays: None Absent: Robinson

Resolution No. R2024-05-33

(Agenda Item #16)

Hear a Presentation and Hold Discussion Regarding Water Rates in Preparation for Possible Future Restructuring and Overall Increase

City Manager, Megan Henderson completed a presentation regarding water rate increases and the different ways that revenue increase could be accomplished.

Rate Setting Theory:

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- Figure out the total cost.
- Figure out what residents' fair share of the cost is.
- Charge them fair and equitable rates
- Fixed cost + variable cost = Total Cost

3 Steps:

- Revenue Requirements
 - Compares revenues to costs
 - Determines whether rates are adequate to recover the cost
- Cost-of-Service
 - Allocates the revenue requirements to the various customer classes of service in a fair and equitable manner
- Rate Design
 - Designs rate level to bring in enough revenue
 - Designs rate structure so that each customer class pays its share of cost
 - Fixed cost (base bill) + variable cost (cost per gallon) = total bill
- Peer cities: City Manager Henderson provided water rate statistics from other cities with the approximate size and historic nature (aging infrastructure) similar to Hillsboro.

City Manager Henderson shared the following information regarding current costs, maintenance amount, total anticipated cost, and actual revenue rates

- \$4,698,597 – Current Costs
- \$ 620,395 – Increased Maintenance
- \$ 500,000 – Debt on Capital Improvements
- \$2,000,000 – Aquilla Project
- \$7,818,992 – Total Anticipated Costs (does not include inflation)
 - **\$3,267,735 – 2023 Actual Water Revenues**

(Agenda Item #17)

City Manager Megan Henderson presented the following update on Goals 1-4. Assistant City Manager, Tony Cain provided an update on Goal #3

a. Update on Strategic Goals 1-4

i. Responsible, Equitable Growth

- Water Supply
 - Raising Lake Aquilla
 - \$400,000 needed to update study
 - ½ from US Army Corps of Engineers
 - ½ from Aquilla WSD Board (us)
 - USACE will request funding for their ½
 - Ellzey has added to 2024 Water Resources Development Act
- Water Supply Study
 - Reduce water loss to free up more water
 - Walker Partners has sent a request to BRA for more water
- Reallocation of Lake Whitney
 - BRA is pursuing this study heavily, and it's going well

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ii. Foster Transparency and Connection

- Staff is continuing to prioritize communication regarding city initiatives

iv. Deliver Efficient, Effective Government

- WATER RATES
- SEWER SYSTEM EVALUATION
- DRAINAGE WORK

b. Staff Activity and Events

- New Director Appointments:
 - Jessica Trew is our new Community and Economic Development Director
 - Justin Dyer is our new Library Director
- ChurroFest is this Saturday, featuring a great lineup of local musicians and headliners Kane Alvarado and Frankie J

iii. Support Preservation and Beautification

- Code Enforcement efforts continue:
- Staff received a plan of action from the spokesman for Knox Fuel Stop
- Started back on the Mark Street houses
- Burned house on Park Dr. and Park St. have a plan of action and pulled a demo permit
- These a New Contractors for Amigos have submit new plans
- 81 Motel was delayed 7 months because of TXDOT issues but those have been resolved
- Building and Standards Board Meeting May 16, 2024 Presenting 2 Properties
- Tool Library

(Agenda Item #18)

Hold a Closed Session Under the Provisions of Section 551.087 of the Government Code (Economic Development.)

Mayor Johnson announced entrance into closed session at 7:05PM

(Agenda Item #13)

Reconvene in Open Session.

Mayor Johnson announced the exit from closed session at 8:17PM

(Agenda Item #14)

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

Councilmember Richmond made a motion for City Manager, Megan Henderson to receive a 5% salary increase effective June 1st. Second was received by Councilmember Fleming.

On roll call, the following votes were cast:

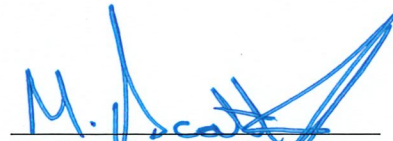
Ayes: Fleming, Lloyd, Zarate, Richmond, and Jolly

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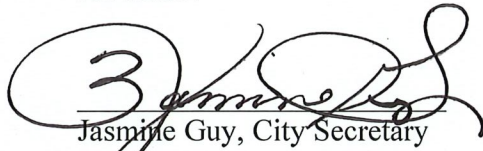
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Nays: None Absent: Robinson

With no further business to address, Mayor Johnson adjourned the meeting at 8:18PM


M. Scott Johnson, Mayor

ATTEST:


Jasmine Guy, City Secretary

Note:

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