

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
May 21, 2024

Present were:

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

Councilmember Eric Fleming was absent

Others present:

Shannon Cottongame, the Reporter
Sargent Justin Penney, Hillsboro Police Department
Lynette Harrell, Hillsboro Chamber of Commerce Director

Mayor Johnson called the meeting to order at 6:01p.m.

Invocation was completed by Councilmember Lloyd

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 seven (7) 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 May 7, 2024

(Agenda Item #6)

Act on the Approval of Bills.

(Agenda Item #7)

Deliberate and Act on a Resolution Approving an Updated Interlocal Agreement with Hill County to Replace the Existing Agreement Identifying the Governmental

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Entity Authorized to Regulate Subdivision Plats and Approve Related Permits in the City's Extraterritorial Jurisdiction (ETJ)..

Resolution No. R2024-05-36

Consent agenda items. There were no items removed from the Consent Agenda. On a motion by Councilmember Jolly and second by Councilmember Richmond, Consent Agenda Items #5 through #7 were accepted and approved.

On roll call, the following votes were cast:

Ayes: Lloyd, Robinson, Zarate, Richmond and Jolly

Nays: none Absent: Fleming

Regular Agenda

(Agenda Item #8)

Hold a Public Hearing, Second 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. At the previous meeting, the previous Neighborhood Empowerment Zone was repealed. This would replace that designated Empowerment Zone and the process would be allowing staff to analyze each application and negotiate certain incentives. The proposed ordinance lists several things in which could be negotiated as incentives and this will apply to the city as a whole.

There were no further questions or comments from the Councilmembers. Mayor Johnson opened the Public Hearing at 6:04PM. No one spoke for or against the ordinance. The public hearing was closed at 6:05PM. On a motion by Councilmember Lloyd and second by Councilmember Robinson, the ordinance was accepted and approved.

On roll call, the following votes were cast:

Ayes: Lloyd, Robinson, Zarate, Richmond and Jolly

Nays: none Absent: Fleming

Ordinance No. O2024-05-09

(Agenda Item #9)

Hold a Public Hearing, First Reading, and Deliberate on a Proposed Ordinance Amending Chapter 13, Utilities, Article 13.200, Rates and Charges, Section 13.202, Deposits, Connection and Transfer Fees for Water Service, and Section 13.207, Rate Schedule for Water Usage; and Repealing All Ordinances or Parts of Ordinances in Conflict Herewith; Containing a Severability Clause; and Providing for Publication and an Effective Date

City Manager, Megan Henderson presented the agenda item. She shared that two of the City's strategic goals are to "Build Better Infrastructure" and "Deliver Basic Services." In order to meet these goals, the City must develop a rate structure that pays for the operation of its water system. Current annual water expenses exceed current revenues by over \$1 million. Aquilla Water Supply District will be increasing the City's requirement

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by approximately \$2 million per year. The City is also in need of additional investments in our water system by both self-performing and contractor improvements. City Manager Henderson provided that the total amount needed is about \$7.8 million, but the city is currently only accruing \$3.8 million. She added that numerous meetings, public hearings, and discussions have been held, but additional meetings/conversations are currently needed with the industrial businesses regarding their portion of increase. She shared with council that the ordinance presented tonight consists of a smaller rate increase than previously discussed. City Manager Henderson shared that the smaller increase will not solve the problem as a whole, but will be able to address the City's immediate needs. City Manager Henderson referenced the PowerPoint to show the revenue requirement (\$7,818,992,) the City's current revenue (\$ 3,267,735,) and the immediate need amount (\$5,318,992.) City Manager Henderson described the rate design and what the increases will look like based on customer class. Low-volume residential users' bills would increase by \$4 - \$9. Low volume business bills would increase by about 30%. High-volume residential or business bills could double or more. City Manager presented some statistics comparing the City of Hillsboro's rates to peer cities and how the proposed rates will look compared to those cities. City Manager Henderson presented the draft new rates as follows:

Base Rates:

Residential \$41-\$200 (based on meter size)
Nonresidential \$60-4,400 (based on meter size)

Balance % usage with % billing for residential customers

Volumetric Charges:

Residential: \$5.50-\$10.50 per 1,000gal
Nonresidential: \$6.50 – 10.50

Irrigation & fire suppression \$9-\$10.50

Hydrants \$10.00

City Manager Henderson was able to show council a chart indicating the amount of water usage by number of accounts. Majority of the residents and commercial businesses in Hillsboro use 1,000 gallons of water or less. City Manager Henderson presented draft bills for residential, commercial, and industry classes based on the amount of gallons used. She informed council that deposits will be increasing by \$100 and could obtain a greater increase depending on the meter size. City Manager Henderson concluded by sharing the rate schedule in which rates will be implemented.

Councilmember Lloyd was able to ask a question in regards to the timeline of the second increment increase. City Manager Henderson explained that the best time would be close to when a debt service is owed. So a projected timeframe could be within a year or so. As early as January, but as late as this time next year. Councilmember Richmond asked a question in regards to new development and tap fees. City Manager was able to explain the details associated with the TAP fees and that they will not be included in the ordinance. Before opening the public hearing, a resident spoke regarding the wells within the city. City Manager explained that the wells have been filled and the city does not have the ability to treat the water. Mayor Johnson opened the public hearing at 6:27PM. Another resident asked about who is the current source of water for the City and it was

shared that it is supplied from Lake Aquilla. City Manager Henderson shared the History and the last time a water rate increase occurred in 2008. The same resident asked about how long are the rates locked in by Aquilla Water Supply District. City Manager Henderson shared that it is 1 year with details explaining the board's incentives with their rates. There were no further questions or comments, the public hearing was closed at 6:34PM. The first reading of the ordinance was declared complete.

Ordinance No. O2024-06-10

(Agenda Item #10)

a. Update on Strategic Goals 5-8

v. Build Better Infrastructure

Project Progress			
Concept	Funding	Prof Svc Procurement	Pre-Design Design Bidding Award Construction
Street	Total	Status	Notes
Park Drive (WP)	\$6,083,741	Park Drive: Near Completion	OBR: complete base repair and schedule pavement to coincide with intersection of Park Drive and Ivy Walnut: lime in place and concrete work underway on west end, utility work continuing on the east end. Park: final driveway sheets received; should pour final driveways next week and prepare intersection with Ivy Church: continue utility operations
Old Brandon Rd (WP)		OBR: Near Completion	
Church Street (WP)		Walnut: Utilities and Street Underway	
Walnut Street (WP)		Church: Utilities Underway	
Water Tower (MRB)	\$4,770,518	Phase I: Closing Out Phase II: Construction Phase III: Construction	Complete except for utility tie-ins. SCADA system expected in July. Phase III is closing out.

vi. Deliver Essential Services

- Water Rates
- Water Distribution System
 - 8 Leaks in the past 24 hours
- Texas Water Development Board
 - Application submitted for \$30M in water system improvements to reduce leaks and increase reliability of service
 - These are loan funds but may receive up to 70% forgiveness
- Utilities Preparation for Development
 - Working with Engineers to Anticipate Utilities Extension for Future Development
 - Current Projects will need to contribute \$200/ lot
 - Staff will review additional need for impact fees

vii. Boost Economic Development

7.1 Business Attraction

- Economic Development team working on Project GO – lots of progress
- Retail Coach continuing to work with prospects

7.3 Entrepreneurship and Small Businesses

- Team working with several business prospects including possible recreation

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7.6 Pursue redevelopment of the Outlet Mall

- First phase of demolition pushed back but still moving forward soon
- Glaser Retail Partners has identified 7 pad sites (6 businesses) and one gas station; three are secure and three are still in play

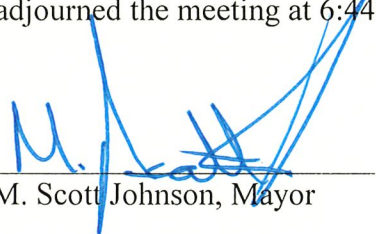
vii. Enhance Quality of Life

- Parks & Rec
 - Programming
 - Baseball/ softball season underway
 - Working with Boys & Girls Club
- Library
 - Facilities
 - Working with architects and local businesses to right-size expansion plans
 - Programming
 - Scanning Saturday held
 - Storytime, Club Code and Family Place this week
 - Summer reading programming begins next week
- Hill Pavilion:
 - Leadership Greater Hillsboro installed new landscaping and tables
 - Hill County Farm Stall Market held 4/6 and Trade Days on 4/13

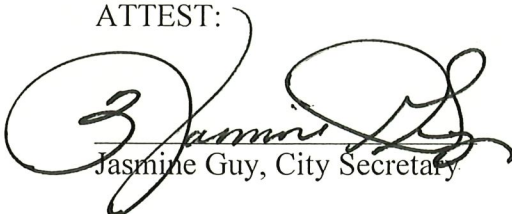
b. Recent and Upcoming Staff Activities and Events

- Public Works Awareness Week
- Art and Susan Mann Retirement Reception this Friday from 4:00 – 6:00

With no further business to address, Mayor Johnson adjourned the meeting at 6:44PM.


M. Scott Johnson, Mayor

ATTEST:


Jasmine Guy, City Secretary

Note:

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