

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
August 20, 2024

Present were:

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

Councilmember Dana Robinson and Larry Lloyd were absent

Others present:

Shannon Cottongame, the Reporter
Sgt. Lambert Jefferson-Hillsboro Police Department
Lynette Hearell, Director of Chamber of Commerce

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

Councilmember Fleming led the Pledge of Allegiance.

Hear Statements from Persons Wishing to Address Council.

None of the attendees addressed council at this time

Consent Agenda

Mayor Johnson informed Council that agenda numbers five (5) through nine (9) 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 and Budget Workshop on August 6, 2024

(Agenda Item #6)

Act on the Approval of Bills.

(Agenda Item #7)

Deliberate and Act on a Resolution Authorizing the City of Hillsboro to Execute a Memorandum of Understanding with the Texas Water Development Board Entering the CEO To-Go Program and Authorizing the City Manager to Execute All Necessary Documents.

Resolution No. R2024-08-53

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(Agenda Item #8)

Deliberate and Act on a Resolution Amending the City of Hillsboro's Chapter 380 Economic Development Agreement with Gate Precast to Reflect the Ownership Change to LAN SE, LLC, dba Gate Precast.

Resolution No. R2024-08-55

(Agenda Item #9)

Deliberate and Act on a Resolution Authorizing the City of Hillsboro to Apply for up to \$300,000 from the Texas General Land Office for Comprehensive Planning that Includes Resiliency Measures.

Resolution No. R2024-08-54

Consent agenda items. There were no items removed from the Consent Agenda. There were no further questions or comments from council, On a motion by Councilmember Fleming and second by Councilmember Richmond, Consent Agenda Items #5 through #9 were accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Zarate, Richmond, Jolly

Nays: none Absent: Lloyd and Robinson

Regular Agenda

(Agenda Item #10)

Hear a Presentation and Deliberate and Act on the Purchase of OpenGov Accounting Software.

City Manager, Megan Henderson asked Mayor Johnson if this item could be omitted due to Finance Director, Dale Snyder tending to a family emergency. Item was skipped and no action was taken.

(Agenda Item #11)

Hear and Deliberate on a Presentation Regarding the Proposed 2024-2025 Budget.

City Manager, Megan Henderson presented the agenda item in the absence of Finance Director, Dale Snyder. She provided the following summary for the 2024-2025 Fiscal Year. Majority of employees will receive a 1.5% pay increase. The recent change in insurance carriers will result in an approximate savings of \$250K. The secondary insurance will be removed that will result in lower deductibles. TMRS (Texas Municipal Retirement System) rates decreased from 11.42% to 10.79% for the fiscal year 2025. The 2024 certified levy increased 8.47%. The tax rate will continue be maintained at the same rate as the previous year of 0.8064%. M & O rate proposed at 0.6813 and I & S at 0.12510. There have been minimal changes with the Airport Fund. The city's share of the Airport Expansion project will be funded by loan proceeds. The general fund has a balanced budget with \$12, 833, 760 of expenditures. Of that, there is an increase in ad valorem taxes of approximately \$600k, increase in sales tax of \$75k, decrease in governmental for ARPA funds recognized in prior year, and charges for service increased

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by \$133k. Total general fund revenues increased \$420k. Capital expenditures include safety items for police department, dispatch stations for police department, new software funded by capital lease for Finance and Human Resources, and emergency equipment for fire department. The overall budgeted expenditures increased by \$370k. There were several capital lease obligations paid off in 2024. \$25k has been budgeted for comprehensive plan and \$30k for Park's plan. In the sanitation fund, Republic increased its rates by 7% in FY 2024. In the water/wastewater fund, annual requirements for water in FY 2025 is 33% higher than FY 2024, based on Aquilla projections. Water rate increases passed by Council to cover these increases. Last increase in 2019. Increase to fund infrastructure repairs, an additional water crew and offset prior deficits within the fund. \$50k has been budgeted for impact fees from new developments and there has been an increase in maintenance within treatment plant. In regards to Hotel/Motel, there is an increase in capital outlay for improvements at HCH. \$5K has been budgeted for support of the Cell Block Museum. EDC budget will be provided upon approval by the EDC board. Current Ad Valorem taxes set at 95% collection rate.

Councilmember Richmond asked a question in regards to the airport fuel usage and numbers. She noted the major decrease and asked the reason for it. Assistant City Manager, Tony Cain was able to explain the possible reasons for the decrease, but will need to conduct further research. There were no further comments. Presentation was concluded.

(Agenda Item #12)

Propose a 2024 Ad Valorem Tax Rate and Set Dates for Public Hearings.

City Manager, Megan Henderson presented the agenda item in the absence of Finance Director, Dale Snyder. The proposed tax rate for the coming year will be \$0.806400. The rate will be remaining as the same as the previous year. Public Hearing for the proposed tax rate is scheduled for September 17, 2024 and will be held at Historic City Hall at 6:00p.m.

There were no further questions or comments from council. Councilmember Leann Richmond made a motion to propose a tax rate for the 2024 fiscal year of \$0.806400 and to set the public hearing for September 17, 2024. Second was received by Councilmember Jolly.

On roll call, the following votes were cast:

Ayes: Fleming, Zarate, Richmond, Jolly

Nays: Absent: Lloyd and Robinson

(Agenda Item #13)

Hold a Public Hearing, First Reading and Deliberate on an Ordinance Accepting the Recommendations of the Planning and Zoning Commission to Amend the Terms of the 2007 Zoning Ordinance, Known as Ordinance No. O2007-01-01, Whereby the Purpose is to Amend Section 2.11, Permitted Use Legend and Table, by Allowing Single Family Dwellings and Multifamily Dwellings with a Specific Use Permit (SUP) in the Light Industrial (I-1) and Heavy Industrial (I-2) Zoning Districts.

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Planning Official, Richard Reinhardt presented the agenda item. He reported to council that there are areas within the city that were zoned for industrial uses that had previously been platted for residential purposes dating back 100 years. Many of those areas were developed with those residential uses. Over time, some of those residences no longer exist. This proposed ordinance would allow a Specific Use Permit to be obtained to allow properties that has originally been platted for residential or that has residential use surrounding them to be developed as residential. The Specific Use Permit process would allow each property to be considered on a case by case basis. The Planning and Zoning Commission reviewed the proposed overlay at their meeting on July 22, 2024 and forwarded their recommendation for approval.

With no further questions or comments from the Councilmembers, the Mayor opened the Public Hearing at 6:17p.m. No one spoke for or against the ordinance. The Public Hearing was closed at 6:18p.m. On motion by Councilmember Jolly and second by Councilmember Fleming, the ordinance was accepted and approved

On roll call, the following votes were cast:

Ayes: Fleming, Zarate, Richmond, Jolly

Nays: Absent: Lloyd and Robinson

Ordinance No. O2024-07-14

(Agenda Item #14)

Hold a Public Hearing, First Reading and Deliberate on an Ordinance Accepting the Recommendations of the Planning and Zoning Commission to Amend the Terms of the 2007 Zoning Ordinance, Known as Ordinance No. O2007-01-01, Whereby the Purpose is to Amend Section 7.51, General and Land Use Definitions, by Amending the Definition of Smoke Shop and Tobacco Store.

Planning Official Reinhardt Presented the agenda item. He presented that this proposed ordinance would add CBD and hemp products and paraphernalia to the definition of smoke shop and tobacco store. He referenced the PowerPoint presentation to show the definition with the proposed addition. Planning Official Reinhardt explained that this proposed ordinance will require the sellers of CBD and hemp products to meet the same distance requirements as smoke shops and tobacco stores. The Planning and Zoning Commission reviewed the proposed overlay at their meeting on July 22, 2024 and forwarded their recommendation for approval.

With no further questions or comments from the Councilmembers, the Mayor opened the Public Hearing at 6:20p.m. No one spoke for or against the ordinance. The Public Hearing was closed at 6:21p.m. On motion by Councilmember Fleming and second by Councilmember Richmond, the ordinance was accepted and approved

On roll call, the following votes were cast:

Ayes: Fleming, Zarate, Richmond, Jolly

Nays: Absent: Lloyd and Robinson

Ordinance No. O2024-07-15

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(Agenda Item #15)

Hold a Public Hearing, First Reading and Deliberate on an Ordinance Accepting the Recommendations of the Planning and Zoning Commission to Amend the Terms of the 2007 Zoning Ordinance, Known as Ordinance No. O2007-01-01, Whereby the Purpose is to Add “Distillery” to the List of Uses in the Permitted Use Table in Section 2.11 and to Add “Distillery” and “Distilled Spirits” to the List of Definitions in Section 7.51 of the Hillsboro Zoning Ordinance.

Planning Official Reinhardt presented the agenda item. Planning Official Reinhardt shared that the city has received a letter requesting the zoning ordinance be amended to include “distillery” in the list of uses in the Permitted Use Legend and Table. The proposed ordinance would allow distilleries as a permitted use in the Light Industrial (I-1) and Heavy Industrial (I-2) Zoning Districts and with a Specific Use Permit (SUP) in the Commercial (C) Zoning District and in the Central Business District (CBD). Distillery would be defined as “a business that produces distilled spirits and includes operations related to the production and sale of distilled spirits for both on and off-site consumption provided the business holds the current, valid and necessary Texas Alcoholic Beverage Commission (TABC) permits. The Planning and Zoning Commission reviewed the proposed overlay at their meeting on July 22, 2024 and they forwarded their recommendation of approval.

With no further questions or comments from the Councilmembers, the Mayor opened the Public Hearing at 6:22p.m. No one spoke for or against the ordinance. The Public Hearing was closed at 6:23p.m. On motion by Councilmember Richmond and second by Councilmember Fleming, the ordinance was accepted and approved

On roll call, the following votes were cast:

Ayes: Fleming, Zarate, Richmond, Jolly

Nays: Absent: Lloyd and Robinson

Ordinance No. O2024-07-16

(Agenda Item #16)

Hear and Deliberate on City Manager’s Report.

City Manager, Megan Henderson asked Mayor Johnson if this item could be omitted to move forward with entering into closed session.

(Agenda Item #17)

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 6:23P.M.

(Agenda Item #15)

Reconvene in Open Session.

Mayor Johnson announced the exit from closed session at 6:39P.M.

(Agenda Item #16)

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

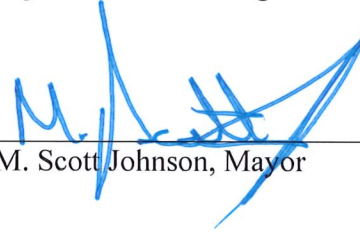
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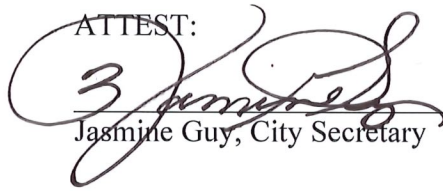
There were none

With no further business to address, Mayor Johnson adjourned the meeting at 6:40P.M



M. Scott Johnson, Mayor

ATTEST:



Jasmine Guy, City Secretary