

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
September 17, 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	Tony Cain, Asst. City Manager
Jay Jolly, Councilmember	Richard Reinhardt, Planning Official
Vance Lipsey, Main Street and Retail Manager	
Christi Ward, Communications & Executive Assistant	
Allyson Cliett, Special Projects Coordinator	
Justin Dyer, Library Director	

Councilmembers Dana Robinson and Leann Richmond were absent

Others present:

Shannon Cottongame, the Reporter
Sgt. Lambert Jefferson-Hillsboro Police Department
Lynette Hearell, Director of Chamber of Commerce
Rev. Michael Nemec-Christ Lutheran Church

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

Reverend Michael Nemec gave the invocation

Mayor Johnson 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 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 September 3, 2024

(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 Approving a Specific Use Permit (SUP) for a Distillery at 205 East Elm Street, Which is Located in the Central Business District (CBD). A Distillery is only Allowed by Specific Use Permit (SUP) in the Central Business District (CBD).

Resolution No. R2024-09-58

(Agenda Item #8)

Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission to Approve the Amended Final Plat of Somerset Addition Phase One, in the City of Hillsboro, as Recorded in Slide #32-A of the Plat Cabinet Records of Hill County, Texas, Whereby the Purpose is to Correct Lot Numbers and Change a Drainage Easement to an Open Space Lot.

Resolution No. R2024-09-59

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

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Zarate, and Jolly

Nays: none Absent: Robinson and Richmond

Regular Agenda

(Agenda Item #9)

Hold a Public Hearing, First Reading and Deliberate on an Ordinance Amending the Fiscal Year 2023-2024 Budget.

Finance Director, Dale Snyder presented the agenda item. He shared that this is the “year end clean up.” There were a lot of expenditures that were not budgeted for capital outlay and maintenance & repair. There were increases within sales tax and property tax.

There were no further questions or comments from the councilmembers, the Mayor opened the Public Hearing at 6:03p.m. No one spoke for or against the ordinance. The Public Hearing was closed at 6:04p.m. The first reading of the ordinance was declared complete.

Ordinance No. O2024-09-17

(Agenda Item #10)

Hold a Public Hearing, First Reading and Deliberate on an Ordinance Adopting the Budget for Fiscal Year 2024-2025.

Finance Director, Dale Snyder presented the agenda item. He provided that the city will be getting ready to start a new fiscal year and gave council a brief summary of the request for expenses. The general fund that includes that maintenance and operations increased

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from \$12.6 million to \$12.8 million. Overall, with all of the budgeted funds there was an increase from \$23.9 million to \$25.3 million. Majority of those funds are within the water/sewer fund. There is a balanced budget on all funds except for the EDC fund.

There were no further questions or comments from the councilmembers, the Mayor opened the Public Hearing at 6:05p.m. No one spoke for or against the ordinance. The Public Hearing was closed at 6:06p.m. The first reading of the ordinance was declared complete.

Ordinance No. O2024-09-18

(Agenda Item #11)

Hold a Public Hearing, First Reading and Deliberate on an Ordinance to Adopt a 2024 Ad Valorem Tax Rate That Exceeds the No-New-Revenue Tax Rate (NNR) But Does Not Exceed the Voter-Approval Tax Rate (VAR).

Finance Director, Dale Snyder presented the agenda item. He provided Council with the completed Notice of Public Hearing on Tax Increase Form as prescribed by the Texas Tax Code §26.06(b-2). Finance Director provided that there is a requirement to have a public hearing and the tax rate which is proposed at 0.8064 per \$100 assessed valuation. This rate has been consistent for many years. The No-New-Revenue tax rate is proposed at 0.7706 and does exceed the no-new-revenue tax rate of 0.7353. The voter-approval rate for the city is 0.8064 which does not exceed the voter-approved rate of 0.8469. The second public hearing will take place on September 30, 2024 at 6:00 p.m. at Historic City Hall, 127 East Franklin, Hillsboro, Texas.

There were no further questions or comments from the councilmembers, the Mayor opened the Public Hearing at 6:07p.m. No one spoke for or against the ordinance. The Public Hearing was closed at 6:08p.m. The first reading of the ordinance was declared complete.

Ordinance No. O2024-09-19

(Agenda Item #12)

Hold a Public Hearing, First Reading and Deliberate on an Ordinance to Repeal the City Wide Neighborhood Empowerment Zone.

Planning Official Richard Reinhardt presented the agenda item. Back in May, a new, city wide Neighborhood Empowerment Zone was created by ordinance. However, the Texas Local Government Code requires Neighborhood Empowerment Zones to be created by resolution. Prior to moving forward with the creation of a new city wide neighborhood empowerment zone, this one must first be repealed by ordinance. Planning Official Reinhardt provided that the resolution to establish the new neighborhood empowerment zone will be on for next council meeting along with the second reading of this ordinance.

There were no further questions or comments from the councilmembers, the Mayor opened the Public Hearing at 6:08p.m. No one spoke for or against the ordinance. The Public Hearing was closed at 6:09p.m. The first reading of the ordinance was declared complete.

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Ordinance No. O2024-09-20

(Agenda Item #13)

Hold a Public Hearing, First Reading and Deliberate on an Ordinance Accepting the Recommendations of the Planning and Zoning Commission Amending the Hillsboro Subdivision Regulations, Known as Ordinance No. O79-10 (Last Amended by Ordinance No. O97-02-01), Whereby the Purpose is to Incorporate Model Subdivision Rules, and Amend Plat Submittal Requirements.

Planning Official Reinhardt presented the agenda item. The City is pursuing Economic Distressed Areas Program (EDAP) funding through the Texas Water Development Board (TWDB). Subdivision rules must be adopted in order to move forward with this. This is reason for the proposed ordinance amendments. The plat submittal process will be amended so that it will reference the most recent fee scheduled adopted by council as it relates to the submission of paper copies of subdivision plats. A proposed amendment would also remove the requirement of the submission of a Mylar copy of the plat. The Planning and Zoning Commission was able to review this request at their meeting on Monday, September 9, 2024 and they forwarded their recommendation of approval.

There were no further questions or comments from the councilmembers, the Mayor opened the Public Hearing at 6:010p.m. No one spoke for or against the ordinance. The Public Hearing was closed at 6:11p.m. The first reading of the ordinance was declared complete

Ordinance No. O2024-09-21

(Agenda Item #14)

Hold a Public Hearing, Deliberate and Act on a Resolution Granting a Variance of the Distance Requirement from a Religious Institution for the Sale of Alcoholic Beverages in Accordance with Article 4.305 of the City Code of Ordinances. This Property is described as Central School, Lot 3. Also Known as 205 E Elm Street. Request Submitted by Phillip and Emily West for Bearded Wheat Distillery

Main Street and Retail Manager, Vance Lipsey presented the agenda item. The distillery will be located on Elm St across from a Baptist Church that is currently renting out a suite. The suite is not owned by the church and is not declared to be a permanent location for the church. The owners of the distillery have agreed to not be open on Sundays and Wednesdays when services are being held to not interfere with the church's hours of operation. It was reported that the church is not occupied full time and is usually only occupied for those two days of the week.

Mayor Johnson asked about the footage requirements within the city ordinance. Mr. Lipsey reported it to be 300ft. He then asked about TABC's footage requirements. Mr. Lipsey provided that it varies. City Manager Henderson added that it would be based on whether it is from property line to property line or front door to front door. In this case, the footage requirements are 300ft from property line to property line. Raymond Hearrell, a resident, asked if the property in question is rented or owned. Mr. Lipsey shared that the church is renting the suite and can relocate at any time. It is not a permanent location.

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

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Zarate, Jolly

Nays: none Absent: Robinson and Richmond

Resolution No. R2024-09-61

(Agenda Item #15)

Hear and Deliberate on City Manager's Report.

City Manager, Megan Henderson presented the following update on Strategic Goals 5-8

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	Park: Last element is the Ivy intersection; it will be closed for 2 weeks starting Monday for cement work to be installed & cure; paving mid October
Old Brandon Rd (WP)		OBR: Near Completion	OBR: demo under new curb areas complete; base going in this week; setting/ pouring curbs weeks of 23 and 30; milling and paving mid October
Church Street (WP)			
Walnut Street (WP)			
		Walnut: Utilities and Street Underway	Walnut: lime and concrete work in place on west end, storm and water wrapping up on east end. Demo of east end to follow
		Church: Utilities Underway	Church: continue work on water line block by block; begin demolition of paving block by block with lime going in as soon as possible on each section
Water Tower (MRB)	\$4,770,518	All Phases	Tank switchover anticipated tomorrow (9/18.) SCADA system still has some issues but working the bugs out.

vi. Deliver Essential Services

- Water Rates
 - Recent Rate Increase:
 - Meter-reading receivers being installed soon on water towers
 - Next Rate Increase:
 - Annual Requirement from Aquilla Water Supply District is up by 33%
 - This will impact our bill to them starting next month

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- Another rate increase will be proposed in November to address this
- Texas Water Development Board
 - Application submitted for \$30M in water improvement loan funds
 - We are currently being considered for the requested \$30M, with 70% forgiveness
- Utilities Preparation for Development
 - Future development will require additional infrastructure
 - Current Projects will need to contribute \$200/ lot
 - Additional Impact Fees under consideration as part of budget process
- Solid Waste Services
 - Two Proposals were received this afternoon
 - Both proposed cart service
 - At the base rate neither would represent a cost increase over the current service
 - Proposal evaluation committee will go through each proposal in detail and score them

vii. Boost Economic Development

7.1 Business Attraction

- Economic Development team working on
 - Project GO – potentially transitioning to Project Dispatch
 - Project Dispatch – documents under review
 - Project Spark Zero – awaiting updates on finalist sites
 - Project Freeze Pop - executed letter of intent
 - Project Ice Man – developing potential infrastructure
- Retail Coach continuing to work with prospects
 - At least one restaurant and one retail prospect are being pursued for specific Hillsboro locations

7.3 Entrepreneurship and Small Businesses

- Kids Space open
- Three additional business prospects in development

7.6 Pursue redevelopment of the Outlet Mall

- Glaser Retail Partners is working with 7 prospects; several have signed letters of intent and are working through the lease development process
- One high-priority key prospect, Project Nosh, received company approval last week and staff held a predevelopment meeting with their engineer this week

viii. Enhance Quality of Life

- Parks & Rec
 - Facilities
 - Lighting project completed
 - Crews preparing facilities for fall

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- Programming
 - Soccer season underway
- Library
 - Facilities
 - Plumbing repairs nearly complete
 - Gearing up for grant-funded work to the facade
 - Working with architects and local businesses to right-size expansion plans
 - Programming
 - Hours changes implemented to respond to new school schedule
- Hill Pavilion:
 - Hill County Farm Stall Market and Trade Days continue

b. Recent and Upcoming Staff Activities and Events

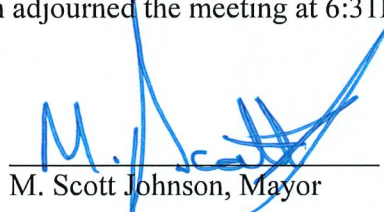
Staffing Update:

- We continue to have several openings
- New and open positions in the Water Department are a top priority as we look to replace old water lines in the coming fiscal year

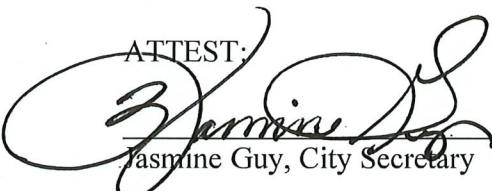
Events:

- Movies in the Park
- Hillsboro Homecoming
- Downtown Concerts: last one at the Yard this weekend
- Gearing up for AutumnFest September 28

With no further business to address, Mayor Johnson adjourned the meeting at 6:31P.M


M. Scott Johnson, Mayor

ATTEST:


Jasmine Guy, City Secretary

Note:

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