

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
November 5, 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
Larry Lloyd, Councilmember	Jessica Trew, EDC Coordinator
Jay Jolly, Councilmember	Richard Reinhardt, Planning Official
Leann Richmond, Mayor Pro Tem	Justin Dyer, Library Director
Christi Ward, Communications & Executive Assistant	

Councilmember Dana Robinson was absent

Others present:

Shannon Cottongame, the Reporter
Sgt. Dominique Anderson-Hillsboro Police Department
Reverend James Hoskins-First Methodist Church of Hillsboro

Mayor Johnson called the meeting to order at 6:02.m.

The invocation was given by Rev. James Hoskins

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 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 the Approval of the Minutes for the Special Meeting and Regular Meeting on September 30, 2024 and October 1, 2024.

(Agenda Item #6)

Act on the Approval of Bills.

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(Agenda Item #7)

Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission Denying a Meritorious Exception as Described in the City of Hillsboro Zoning Ordinance, Section 5.33.8, Submitted by Rhett Reddell for Property Located at 110 East Elm Street.

Resolution No. R2024-11-69

(Agenda Item #8)

Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission Approving a Specific Use Permit (SUP) for Animal Grooming at 201 East Franklin Street, Which is Located in the Central Business District (CBD). Animal Grooming is Only Allowed by Specific Use Permit (SUP) in the Central Business District (CBD).

Resolution No. R2024-11-71

(Agenda Item #9)

Deliberate and Act on a Resolution to Enter into a Contract By and Between the City of Hillsboro and Government Capital Corporation for the Purpose of Financing the Finance Software Conversion.

Resolution No. R2024-11-68

Consent agenda items. There were no items removed from the Consent Agenda. City Manager, Megan Henderson asked that agenda item #9 be omitted and for no action to be taken. There were no further questions or comments. On a motion by Councilmember Richmond 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 #10)

Deliberate and Act on a Resolution Appointing Members to Various Standing Boards, Commissions and Committees.

City Secretary, Jasmine Guy presented the candidates to the following boards, commissions, and committees that were recommended by the liaisons and requested waiver recommendations. City Secretary Guy explained that the terms for appointees to Boards, Commissions and Committees expired in September. However, the current members will continue to serve until new the appointees are prepared to fill the positions.

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All applications received through the September 16th deadline have been included within your Boards, Commission, and Committees packet. New appointees will be required to complete two trainings: Open Meetings Act and Public Information Act before they can be seated on a board. By state law, training must be completed within 90 days of appointment. She referenced the PowerPoint and reviewed the following recommended appointments:

- 1.) Airport Manager, John Graham provided the recommendations for the Airport Board. Due to the recent resignation by Larry Perryman, Jim Morrison was recommended to serve the remainder of his term. Matthew Ashcraft, Stuart Davis, John Loveless, and Richard Trawick (3rd waiver requested) were recommended for 2 year terms expiring in 2026.
- 2.) Deputy Fire Marshal, Chris Cary provided recommendations for the Building & Standards Commission. He recommended Frank Kellner and Greg Walker to serve 2 year terms expiring in 2026. Additional recommendations were provided for Elizabeth Schneider and Matthew Southard to remain as alternates.
- 3.) Executive Director of Hillsboro Economic Development Corporation, Jessica Trew provided recommendations for the Hillsboro Economic Development Corporation. It was recommended for Michael McDonalds, Natasha Sawyer, and Marc Young to be reappointed to serve 2 year terms expiring in 2026.
- 4.) Historic Preservation Commission Liaison, Jessica Trew recommended John Fitch for a 2 year term expiring in 2026.
- 5.) City Manager, Megan Henderson recommended Angela Boyd and David Teel for reappointment for 2 year terms.
- 6.) Library Director, Justin Dyer recommended Been Cowan, Charles Eaton, Dee Ann Dent, and Stephen Smith for reappointment to the Library Board of Trustees to serve 2 year terms.
- 7.) For the Main Street Board, Executive Director of Hillsboro EDC Jessica Trew recommended Joe Denison, Chauncey Frazier, Sheri Hemrick, and Lacey Whitehouse for reappointment.
- 8.) Samantha Montes, Director of Parks and Recreations recommended Patty Donaldson, Jeffrey Egger, Joaquin Escalante, Mona Orvig, and Greg Walker for 2 year terms expiring in 2026.
- 9.) Planning Official, Richard Reinhardt provided the recommendations for Richard Fisher, Taylor Minyard, Paloma Montes, and Kristin Thrasher to serve 2 year terms.
- 10.) For the Zoning Board of Adjustment, Planning Official Richard Reinhardt provided the recommends for Daniel Graham and David Villareal for 2 year terms.

City Secretary concluded by informing council that the Historic Preservation Commission has 3 current vacancies. The Housing Finance Commission currently has 1 vacancy and the Zoning Board of Adjustment has 2 vacancies before opening for questions.

Mayor Johnson, then asked EDC Director Trew if there was a vacancy on the EDC. EDC Director Trew apologized and provided that Charles Eaton was supposed to be added to the list and it appeared to be left off of the recommendation letter. Appointee Charles Eaton was added to list of recommendations for the Economic Development Corporation. There were no further questions. On a motion by Councilmember Lloyd and second by Councilmember Jolly, 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. R2024-11-70

(Agenda Item #11)

Hear a Presentation Regarding an Update on Economic Development from Executive Director of Hillsboro Economic Development Corporation, Jessica Trew.

Executive Director of Hillsboro Economic Development Corporation, Jessica Trew held a presentation regarding community and economic development updates for the City of Hillsboro. She provided overviews of the recent events held in Hillsboro (Autumnfest and Halloween.) She provided council with the statistics for the number of attendees/participants of those recent events. She informed Council of the city's upcoming events: Small Business Saturday on November 30th, Christmas Parade on December 7th and Churrofest occurring on May 19th in 2025. Director Trew shared information with council regarding Operation Welcome Mat and how members of the community are helping with courthouse decorations for Christmas. Director Trew informed council that the city is currently hiring for a Main Street Manager and discussed the ribbon cutting ceremony at Hill County for their new truck driving academy. Additional information was shared regarding the inbound/outbound activity from EDC staff. The EDC has rebranded and its new logo was presented to Council. There were no further questions or comments from council.

This item was a presentation only. No action was taken.

(Agenda Item #12)

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 4.30B.4 by Amending the Height and Area Regulations Pertaining to Setback Requirements for the OMR, Outlet Mall Redevelopment Overlay District.

Planning Official, Richard Reinhardt presented the agenda item. He reported that when the Outlet Mall Redevelopment Overlay District was created, it referenced the Light Industrial (I-1) Zoning District for height and area requirements, which includes setbacks. The basic

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design of the overlay was to allow flexibility and create opportunities for property development. He added that there is also a need to create flexibility in regards to the rear yard setback for properties fronting the service road. For the rear yard properties that are fronting the service road, the following setbacks were proposed:

- Setbacks for the I-1 Zoning District will still apply unless otherwise stated; main buildings, excluding canopies to be setback fifteen (15) feet
- Canopies, including canopies for drive-through lanes, may be constructed up to the property line
- The setback along the western property line for the property to the west of those fronting the service road shall be fifty (50) feet and may contain landscaping, parking, or driveways for connectivity.

Planning Official Reinhardt was able to reference the PowerPoint to show a visual representation of the proposed setbacks. The Planning and Zoning Commission met on Monday, October 28, 2024 and forwarded their recommendation for approval.

There were no further questions or comments from the councilmembers, the Mayor opened the Public Hearing at 6:21p.m. No one spoke for or against the ordinance. The Public Hearing was closed at 6:22p.m. The first reading of the ordinance was declared complete.

(Agenda Item #13)

Hold a Public Hearing, First Reading, and Deliberate on a Proposed Ordinance Amending Chapter 13, Utilities, Article 13.200, Rates and Charges, 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 everyone is aware of the water rate increase that was approved back in May. Shortly after that increase went into effect, the city was notified by its supplier (Aquilla Water Supply District) that the city's cost for water would be increasing by \$1M/year. The rate increase implemented back in May did not account for this increase as the city was not made aware of the cost increase from AWS. City Manager Henderson added that for every month a proportionate increase in rates does not occur, the city loses money. To make up this amount, rates would need to increase by approximately 24%. City Manager expressed that she could not recommend that. For than ethical balance to residents and businesses, staff is recommending an increase of 15%. City Manager continued by explaining that some of projects that had been planned to lower water loss and enhance service reliability will now need to postponed. She reiterated that this recommendation is the best plan at this time before opening for questions.

Mayor Johnson asked for clarification if this increase is strictly towards the cost for water or geared towards costs to upgrade their lines. City Manager shared that it impacts the city by increasing the requirement cost that the city pays for water. She further explained that

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some of it is due to an increase in usage, but Aquilla also has future plans for improvement projects that they needing to begin self-funding efforts for those. Council member Jolly then asked for City Manager Henderson to explain the meaning of a severability clause. City Manager Henderson was able to provide an explanation of severability clause in more detail. Councilmember Lloyd was able to ask about the 9% deficit since staff recommended the 15% increase instead of the 24%. City Manager shared that this is difficult to answer. She explained the plans that were made to hire additional staff specifically for water leaks along with purchasing equipment. She shared with council and the residents presented about the difficulties that arise with service disruption, quality of water, and the need to replace the old water lines throughout the city.

There were no further questions or comments from council, Mayor Johnson opened the Public Hearing at 6:32p.m. There were several questions and comments from various residents expressing their concerns regarding obtaining a new water source, the rate increase and how it has impacted residents, water leaks throughout the city, drainage, and water leak repair efforts. City Manager Henderson was open and answered all questions from residents before concluding. The Public Hearing was closed at 6:47p.m and the first reading of the ordinance was declared completed.

(Agenda Item #14)

Hold a Public Hearing, First Reading, and Deliberate on an Ordinance Authorizing an Exemption from Ad Valorem Taxation of Real Property for the Purpose of Operating a Child-Care Facility

City Manager, Megan Henderson presented the agenda item. Senate Bill 1145 was approved last legislative session and was added to the Tax Code. It seeks to allow taxing jurisdictions to create a property tax exemption for licensed child care facilities. The exemption applies to facilities either owned or rented by the child care provider. City Manager Henderson shared how affordable child care is essential to the city's strategic goals of Ensuring Responsible, Equitable Growth, Boost Economic Development, and Enhance Quality of life. Staff is recommending for council to consider approving a partial or full exemption of child-care facilities. The exemption could be any amount from 50% to 100%.

Councilmember Richmond asked if this will only apply to child-care facilities who own their own facility or to those who are leasing. City Manager Henderson shared that it will be applicable to all child-care facilities. Daycare owners who are renting will need to follow protocol with the property owner. There were no further questions or comments from council. Mayor Johnson opened the Public Hearing at 6:50p.m. A member from the audience provided comments regarding that the facility must be providing subsidized care. An additional audience member provided his comments regarding regular residents not receiving property tax exemption. City Manager Henderson provided that she will address his comments during her City Manager's Report. There were no further questions or

comments. Mayor Johnson closed the Public Hearing at 6:52p.m. The first reading of the ordinance was declared completed.

(Agenda Item #15)

Hear and Deliberate on City Manager's Report.

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

- 43 Pattons Mill Phase 3 - development
- 120 Estimated 4-year infill - development
- 156 Somerset Phase 1 – predevelopment
- 78 Park Terrace – predevelopment
- 181 Somerset Phase 2 – predevelopment
- 124 Hillsboro Meadows P1 - predevelopment
- 15 Electra – predevelopment
- 78 Canaan Estates – predevelopment
- 65 Meadow Terrace – predevelopment
- 170 Somerset Phase 3 – conceptual
- 200 Hillsboro Meadows P2&3 - conceptual
- 300 Project Mark - conceptual
- 1530 Units in Active Pipeline

i. Responsible, Equitable Growth

- Water Supply
 - Raising Lake Aquilla
 - Update Study (\$400k, time)
 - ½ from Corps of Engineers (USACE)
 - ½ from Aquilla WSD Board (us)
 - Get Federal approval for project (done)
 - Seek funding. USACE expects no federal funding
 - 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 seems to be moving forward

ii. Foster Transparency and Connection

- Staff held 2 Town Hall meetings October 29 to report on Strategic Plan progress.
- Staff is continuing to construct the new City website.
- Staff is continuing to prioritize communication regarding city initiatives.
- Tons of communication regarding water rates
- Videos on City's YouTube channel

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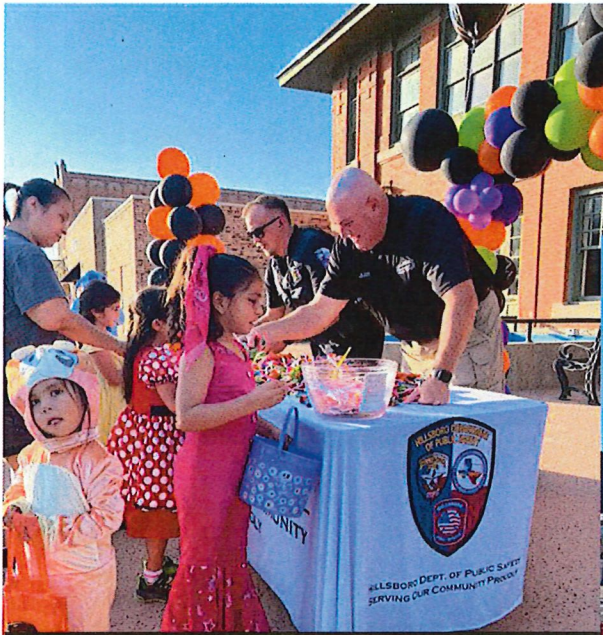
- Citizens Communications Committee met in October
- Staff Communications Committee met in October
- Staff is working through recommendations from those meetings

iv. Deliver Efficient, Effective Government

- OPERATIONS ISSUES
 - A server crashed, backups were corrupted, and Admin and Finance staff lost access to critical files.
 - Some files and access are in the process of being restored.
- PLANNING
 - Strategic Plan
 - Implementation Report is (mostly) complete
 - Town Hall meetings were held on October 29
 - A second round of meetings will be scheduled soon
 - Comprehensive Plan: RfP will go out Thursday of this week
- CFO-to-Go
 - Staff is working with consultants from Weaver, an accounting firm contracted by Texas Water Development Board
 - They are reviewing our water financials and management practices
- Water Loss Audit
 - A system specialist with Texas Water Development Board is working with staff to review system information and help us determine with greater detail exactly where our water goes
- S&P Evaluation of Aquilla WSD
 - Staff participated in a call and has compiled and submitted information to support
- WATER
 - Increase maintenance, repair and replacement
 - Installing receivers to read meters constantly: underway
 - Install valves to allow for isolation within the downtown tower area: valves are being added to current project
 - Fix leaks faster: overtime authorized to get to zero.
- SEWER
 - Wastewater system study: work plan in formation now
 - In discussions with Veregy, a design-build firm, to assess possible capacity for wastewater system improvements
- DRAINAGE
 - Drainage master plan added to State Water Plan

b. Staff Activity and Events

- HR recruiting for open positions
- Downtown Halloween activities held on 10/26 and 10/31



iii. Support Preservation and Beautification

- Code Enforcement efforts continue: Parking wrong way/in front yard 68 violations issued last week.
- Update on Knox Fuel Stop: Deputy Fire Marshal Cary continues to write citations for tall grass and substandard buildings.
- Amigos: No new news.
- 81 Motel: Completed parking lot, will be working on getting power to the building.

- Building and Standards Board: Meeting October 17, 2024 6pm. (HCH), presenting 5 properties: These properties have been before the board, board will be giving an updates.
- Hillsboro Operation Welcome Mat: November 04 meeting attendees worked on Christmas decorations.
- Curb clean-up: Efforts are being made to get the word out about cleaning up along the curbs. Code Enforcement is sending letters to residents.

(Agenda Item #16)

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 7:08p.m.

(Agenda Item #18)

Reconvene in Open Session

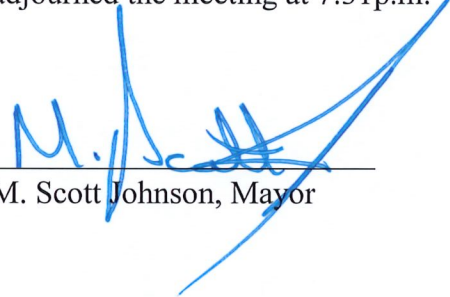
Mayor Johnson announced the exit from closed session at 7:30p.m.

(Agenda Item #19)

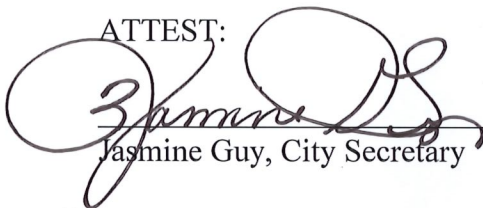
Deliberate and Act on Matters Discussed in Closed Session, If Any.

There were none

With no further business to address, Mayor Johnson adjourned the meeting at 7:31p.m.


M. Scott Johnson, Mayor

ATTEST:


Jasmine Guy, City Secretary