

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
November 19, 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	Dale Snyder, Finance Director
Jay Jolly, Councilmember	Justin Dyer, Library Director
Leann Richmond, Mayor Pro Tem	
Christi Ward, Communications & Executive Assistant	

Councilmember Dana Robinson was absent

Others present:

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

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

Mayor Johnson led the Pledge of Allegiance.

Proclamations or Recognitions

Mayor Johnson read a proclamation honoring the Office of the Municipal Clerk, or City Secretary. It was declared for November 19th to serve as Municipal Clerks Day. City Secretary, Jasmine Guy, was present and able to accept the proclamation.

Hear Statements from Persons Wishing to Address Council.

Dr. Darrell Brown, Superintendent of Hillsboro ISD was able to speak in regards to the traffic conditions/flow on Abbott Avenue. He shared that the school district is very well aware of the traffic flow issues and concerns at this time. He expressed his gratitude for the additional caution lights that have been placed on Abbott Ave and his appreciation for the relationship/partnership between the city and school district. Dr. Brown informed council that although the current conditions are challenging enough, Hillsboro ISD has begun to develop future plans centered toward the future growth of Hillsboro. He reported that Hillsboro ISD will be entering into a Graphic Study Report in the spring of 2025 partnering with the city and Hill College. This will assist in recognizing the specific trends in what to expect as far as future growth and development for Hillsboro. Dr.

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Brown continued by informing council of the school district's plans in the event that the anticipated growth is achieved and how this will impact Abbott Ave. He concluded by thanking council for their time and opened for any questions. There were no questions or comments.

Consent Agenda

Mayor Johnson informed Council that agenda numbers six (6) 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 #6)

Deliberate and Act on the Approval of the Minutes for the Regular Meeting on November 5, 2024.

(Agenda Item #7)

Act on the Approval of Bills.

(Agenda Item #8)

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 and Asset Management Software Upgrade
Resolution No. R2024-11-68

(Agenda Item #9)

Deliberate and Act on a Resolution Releasing a Restrictive Covenant Placed by the City of Hillsboro in 1993 in a Deed to Edward Schronk
Resolution No. R2024-11-73

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 Richmond, Consent Agenda Items #6 through #9 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

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(Agenda Item #10)

Deliberate on a Presentation by TxDOT Area Engineer Josh Voiles Regarding Abbott Avenue Traffic Flow and Safety Considerations

City Manager, Megan Henderson shared that there has been a considerable amount of concern around the community and on social media in addition to a number accidents that have taken place on Abbott Avenue between the high school and elementary. She informed council that city staff has reached out to TxDOT and their Area Engineer, Josh Voiles has agreed to come out tonight to address any concerns and discuss future plans for the traffic flow on Abbott Ave. Engineer Voiles was able to introduce himself and thanked council for their time. He referenced the PowerPoint that showed a layout of the roadways between the elementary and high school. He shared that he knows the difficulties people are facing during drop off and pick up times. He provided some background regarding the history of Abbott Ave. He shared that this highway has been around for a long time and its layout has an awkward alignment of roadways that is one that you no longer see being created. Since the elementary has been built, there has been some unique traffic movements introduced. He reported that there has been a number of unprecedented wrecks within this area (10-12 incidents). He described their attempts to "fix" the problem by going from a two-way frontage road to a now one-way frontage road to promote a circular traffic flow. He described the current traffic flow difficulties and the appropriate ways that the traffic flow is supposed to run given the layout. He shared that this is now causing delays and since the elementary has been built, wait times have been introduced. He reported that he believes that since the school zone items have been implemented, it will help with maintaining the speed and serve as additional caution. Engineer Voiles then discussed long-term plans regarding Abbott Ave. He shared that he does not have an exact time frame on what long-term/future looks like, but they are looking at some schematic planning and some "temporary/long-term" options. He reported that they are looking at ways to utilize the existing conditions to incrementally improve the traffic flow conditions given the fact that future growth is to be expected in Hillsboro. Engineer Voiles discussed funding and future planning. He concluded by expressing that TxDOT is aware of the conditions of Abbott Ave at this time and they are working on making the necessary changes to improve those conditions before opening for questions. City Manager Henderson asked a couple of questions regarding implementing a traffic light and source of funding. Engineer Voiles reported that given the alignment/layout, it would not meet the criteria for a traffic light. He also explained their source of funding and how funds are dispersed. Councilmember Lloyd asked a question in regards to another crossover further south. Engineer Voiles stated yes and Councilmember Lloyd asked if that could possibly be utilized as well to navigate the traffic. City Manager Henderson also asked about obtaining grant funds and in what way could the city be of help to increase the efforts to get to a solution. Attendees were able to express questions or comments in regarding to turning the frontage roads back into two way streets. Engineer Voiles explained that the crossover at Stadium Dr. was the area where majority of the accidents were happening so this was the reasoning for the converting it into a one-way. Another attendee asked about possibly adding another access road further down south to relieve the congestion. Engineer Voiles shared that they are exploring this option as a temporary solution. He further explained that they are also

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exploring some alternate routes as well. Another attendee asked if there was any aerial views or information obtained at the times of congestion. Engineer Voiles shared that they do not and currently do not have the capabilities of obtaining any aerial footage. There were no further comments or questions. This was a presentation only, no action was taken.

(Agenda Item #11)

Hear a Presentation from the Airport Board Vice Chair, Richard Trawick Regarding Updates Pertaining to the Airport Expansion Project.

Airport Board Chair, Richard Trawick presented the agenda item. He reported to council an update regarding the Airport Expansion Project and recent purchases. Reconstruction began as of October 7th. Project is expected to have a 185 day timeframe with completion being scheduled for April 9, 2025 depending on the weather. Knife River Construction was the lowest bidder and handling the reconstruction. Mr. Trawick was able to reference the PowerPoint to show council images of the current reconstruction and all that is taking place. Centurion was selected to complete the Airport's Layout Plan (ALP.) The airport's last plan was completed back in 2004. Key items covered in the ALP with narrative will include:

- Inventory of the airport
- Aviation demand forecast
- Facility requirements
- Alternatives analysis
- Capital improvements program with financial plan
-

There will be a public meeting held on December 11th from 5:30p.m. to 7:30p.m. at Historic City Hall regarding more detailed information. Mr. Trawick also reported that he is working on obtaining a 501c3 to obtain future funding for airport expansion projects. A minimum of 25 additional acres is looking to be purchased for the runway expansion project to 5,000 ft. Funding is looking to be obtained by this 501c3. Mr. Trawick opened for questions. There were no further questions or comments. This was a presentation only, no action was taken.

(Agenda Item #12)

Hold a Public Hearing, Second Reading and Deliberate and Act on an Ordinance Accepting the Recommendations of the Planning and Zoning Commission to Re-Zone a Portion of Buck Addition, Lot 73, From Heavy Industrial (I-2) to Single Family Residential (SF-5). Also Known as the Property to the East of Pine Street and to the North of an Undeveloped Portion of Luke Street.

City Manager Henderson presented the agenda item in the absence of Planning Official, Richard Reinhardt. City Manager Henderson referenced the PowerPoint to show the area in which the rezone has been requested. It was shown that a portion of a lot fronting on an undeveloped portion of Luke Street (southwest corner of Buck Addition, Lot 73)is currently zoned Heavy Industrial (I-2.) The remaining portion of the lot is zoned Single

Family Residential (SF-5.) Applicant has requested that the whole lot be zoned for single family residential uses for the purpose of housing development. The Planning and Zoning Commission reviewed this request at their meeting on September 23rd and forwarded their recommendation for approval.

There were no further questions or comments from the councilmembers, the Mayor opened the Public Hearing at 6:45p.m. An attendee spoke in favor of the rezone. The Public Hearing was closed at 6:47p.m. On a motion by Councilmember Richmond 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. O2024-11-22

(Agenda Item #13)

Hold a Public Hearing, Second Reading and Deliberate and Act 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.

City Manager Henderson presented the agenda item in the absence of Planning Official, Richard Reinhardt. She explained to council the objective of an Overlay and its purpose. The basic design of the overlay was to allow flexibility and create opportunities for property development. She added that there is also a need to create flexibility in regards to the rear yard setback for properties fronting the service road. The following setbacks have been 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.

City Manager Henderson referenced the PowerPoint to show a visual representation of the proposed setback. 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 6:50p.m. No one spoke for or against the ordinance. The Public

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Hearing was closed at 6:51p.m. On a motion by Councilmember Lloyd and second by Councilmember Fleming, 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. O2024-11-23

(Agenda Item #14)

Deliberate and Act on a Resolution Authorizing the Sale by Sealed Bid of Real Property Located at 213 Craig Street, Known as Craig Addition, Lot 40C; and at 217 Craig Street, known as Craig Addition, Lot 41; Collectively Known as the Old Clinic Property

City Manager Henderson presented the agenda item. Since 2007, the city has owned the old clinic property on Craig Street. The property is currently composed of two separate parcels located at 213 and 217 Craig Street. City Manager Henderson reported that the Housing Finance Corporation has recommended to place these parcels up for sale “as is.” City Manager Henderson explained that the properties would go up for sale by a competitive sealed bid. She shared that they have looked at several provisions that would allow the city to request proposals and stipulate what kind of development is wanted. But there is limited ability to do so, only for specific exceptions including affordable housing. Due to the area, it was determined that it would not be in the best interest to limit it to affordable housing. To keep the options open, it will be compliant with the Texas Government Code to offer these parcels for sale by competitive sealed bid. She referenced the PowerPoint to show council images of the three properties that the city owns within that area. Two out of the three properties will be placed up for the sale currently. Mayor Johnson asked about the number of homes that could be placed on the property. City Manager Henderson explained that it will vary depending on which property is bought and what the buyer wishes to do on the property that is purchased subject to zoning. The larger lot is zoned for up to four homes. Mayor Johnson was able to make a comment regarding some talk in the past pertaining to keeping the same style of homes within the area or will the land owner be able to place any type of home that is appropriate per the zoning. City Manager Henderson explained that they will be able to build anything that is appropriate per the zoning regulations. Councilmember Richmond asked if it does or does not fall under the Residential Historic District. City Manager shared that since both lots are vacant, it does not technically contribute to the historic aspect of the area. Councilmember Richmond asked if it was elected for the habitat housing to follow that layout or was it required in the deed. City Manager Henderson shared that she believes it to have been required in the deed. Councilmember Lloyd asked if the plot wanted to be divided into four lots, would it need to be re-platted and City Manager Henderson confirmed that it would. Mayor Johnson asked about the zoning of the area. City Manager Henderson informed council that is SF-5. Councilmember Richmond asked if could be up-zoned to SF-7. City Manager Henderson shared that it would increase the chances of getting accused of spot-

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zoning. Councilmember Richmond asked some additional questions in regards to zoning and square footage. City Manager shared that an overlay could be considered. Mayor Johnson made some further comments regarding the historical preservation aspect of the area and the property owners concerns for maintaining that. City Manager suggested that no action can be taken tonight to give city staff the opportunity to look into it further. Councilmember Fleming made comments in regards to a new law prohibiting the ability to tell people what types of homes they are able to build. City Manager Henderson expressed that there has been a law passed that prohibits the ability to tell builders what type of material they are able to use. She added that the city will not be obligated to accept any proposals. She stated that bids will be able to be requested, results can be opened, and they can be thrown out if needed/wanted. There were no further questions or comments from council.

On a motion by Councilmember Jolly and second by Councilmember Fleming, 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. R2024-11-72

(Agenda Item #15)

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 (Aquila Water Supply District) that the city's cost for water would be increasing by \$1M/year. City Manager Henderson added that for every month a proportionate increase in rates does not occur, the city loses money. If this rate of 15% is approved, by the time it will go into effect, the city will have lost \$250,000. This increase will not make up for the loss of that money. Staff does not believe it be ethical to recommend the increase of 24%, so the recommendation is for an increase of 15%. City Manager continued by explaining that in the ordinance there is some additions for fire suppression systems and its costs. She reiterated that this recommendation is the best plan at this time before opening for questions.

There were no further questions or comments from council, Mayor Johnson opened the Public Hearing at 7:03p.m. An attendee made a comment in favor of the increase of 24%. There were no further comments. The Public Hearing was closed at 7:04p.m. On a 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, Lloyd, Zarate, Richmond, and Jolly

Nays: none Absent: Robinson

Ordinance No. O2024-11-25

(Agenda Item #16)

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 to allow taxing jurisdictions to create a property tax exemption for licensed child care facilities. City Manager Henderson shared how affordable child care is essential to the city of Hillsboro as it is a limited resource. Staff is recommending for council to consider approving a 100% exemption. City Manager Henderson added that the term for the exemption shall remain in place for 5 years. Once the 5 years are up, council may choose to extend, alter, or cease the exemption.

Councilmember Richmond asked if there is a caveat for the properties that are leasing to a child-care facility. City Manager Henderson explained the protocol that the property owner will need to follow in order for that facility to receive the exemption. Councilmember Lloyd asked if there was any other city that this is being modeled after or if there was particular facility that requested this. City Manager Henderson shared that it is based on the legislation and The Little Learners Children's Academy of Hillsboro requested the exemption. There were no further questions or comments from council. Mayor Johnson opened the Public Hearing at 7:06p.m. The owners of Little Learners were present and shared that they are currently leasing the building for their facility. This would be a great help to them currently and in the future as they seek to purchase their own building. He shared some statistics regarding the amount of child care facilities that have closed since Covid and the need for child care within Hillsboro. There were no further questions or comments. Mayor Johnson closed the Public Hearing at 7:08p.m. On a motion by Councilmember Lloyd and second by Councilmember Richmond 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. O2024-11-24

(Agenda Item #17)

Hear and Deliberate on City Manager's Report.

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

a. Update on Strategic Goals 1-4

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; issued change order to switch this intersection to concrete due to complicated drainage just below street
Old Brandon Rd (WP)		OBR: Near Completion	OBR: complete except for spot repairs and sod
Church Street (WP)			
Walnut Street (WP)		Walnut: Utilities and Street Underway Church: Utilities Underway	Walnut: contractors needed direction on water line tie-in; after that will proceed with remaining demo and lime Church: sewer complete; performing water tie-ins and adding base material to driveways; base almost to 3 rd and moving north following utility completions. Recommend changing to go to full-depth reclamation instead of mill/overlay due to condition of concrete underneath.
Water Tower (MRB)	\$4,770,518	All Phases	Complete

- Street Plan:
 - Study the system
 - Initial study completed 2021
 - Updated street condition study commissioned from NEXCO; to be performed in November/ December
 - This will analyze the entire system and predict future conditions
 - Perform block-by-block replacements
 - 20% of the blocks, 80% of the cost
 - Work performed by outside contractors
 - 80% of the blocks, 20% of the cost
 - Work performed by our crew
- Water Plan
 - Study the system
 - Initial study completed 2024
 - Perform line replacements
 - \$55-65 million in replacements needed
 - \$30 million requested from Texas Water Development Board; major plans waiting on results of this ask

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- In the meantime, crews have begun small-scale replacements
- Sewer Plan
 - Study the system
 - Initial study not yet begun
 - Walker Partners selected to perform the work
 - We are currently negotiating a scope of services and associated fee proposal
 - In the meantime staff continues with maintenance of existing system
- Drainage Plan
 - Study the system
 - We do not currently have funds to perform a drainage study
 - Working with MRB Group we have added a drainage study to the Texas Water Plan, which will allow us to apply for funds for this study in the future
 - In the meantime staff continues with maintenance of existing system
 -

vi. Deliver Essential Services

- Water Rates
 - Recent Rate Increase:
 - Meter-reading receivers
 - Have been installed on water towers
 - Utility Billing Office has received first training on new capabilities
 - Need practice before fully implementing
 - Valves to isolate leaks
 - New valves are being installed; existing valves located
 - 3 times in recent weeks water issues have been confined via valves
 - Water line replacements
 - Crews have replaced a line in 4th Street
 - Scheduled to replace line in Hummingbird over the next month
 - Next Rate Increase:
 - No new capabilities, partially address cost increase from Aquilla WSD
- Solid Waste Services
 - Frontier Waste Solutions selected via RfP
 - Draft contract being reviewed by Frontier now
- Texas Water Development Board
 - Application submitted for \$30M in water improvement loan funds
 - Our eligibility rests on the County adopting Model Subdivision Regulations

- Utilities Preparation for Development
 - Future development will require additional infrastructure
 - Current Projects will need to contribute \$200/ lot
 - Additional Impact Fees under development pending work by staff and engineers

vii. Boost Economic Development

7.1 Business Attraction

- Economic Development team working on
 - Project Dispatch – contract approved
 - Project Spark Zero – awaiting updates on finalist sites
 - Project Freeze Pop - executed letter of intent
 - Project Ice Man – developing potential infrastructure
 - Project Treasure Hunt – prospect has selected Hillsboro and is moving forward
- 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 downtown

7.6 Pursue redevelopment of the Outlet Mall

- Glaser Retail has 7 prospects working on leases and development plans
- Staff is working through documents for Project Nosh for future council approval

viii. Enhance Quality of Life

- Library
 - Facilities
 - Gearing up for grant-funded work to the facade
 - Working on funding for new version of expansion plans
 - Programming
 - Weekly programming continues, including knitting, chess club, story hour, Club Code, and others
- Hill Pavilion:
 - Hill County Farm Stall Market and Trade Days continue

b. Staff Activity and Events

Staffing Update:

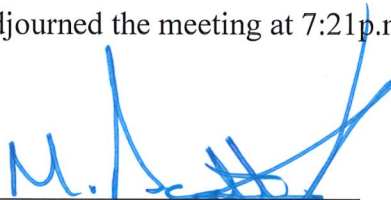
- We continue to have several openings
- New and open positions in the Water Department are a top priority

Upcoming Events:

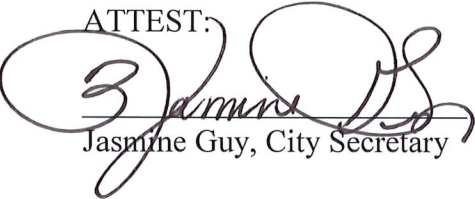
- Small Business Saturday, November 30
- Library Gala, December 6

- Christmas Parade, December 7
- Staff Winter Celebration, December 18

With no further business to address, Mayor Johnson adjourned the meeting at 7:21p.m.



M. Scott Johnson, Mayor

ATTEST:


Jasmine Guy, City Secretary