

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
January 20, 2025

Present were:

Leann Richmond, Mayor Pro Tem	Megan Henderson, City Manager
Jay Jolly, Councilmember	Jessica Trew, ED HEDC
Eric Fleming, Councilmember	Richard Reinhardt, Planning Director
Dana Robinson, Councilmember	Jasmine Guy, City Secretary
Edgar Hernandez, Councilmember	Justin Dyer, Library Director
Larry Lloyd, Councilmember	John Graham, Airport Manager

Mayor Scott Johnson and Assistant City Manager, Tony Cain were absent.

Others present:

Shannon Cottongame, the Reporter
Hillsboro Police Department
Lynette Hearrell-Director of Hillsboro Chamber of Commerce

Mayor Pro Tem Richmond called the meeting to order at 6:00PM

Mayor Pro Tem Richmond led the Pledge of Allegiance.

Hear Statements from Persons Wishing to Address Council

Matt Ashcraft was able to provide commentary regarding agenda item #13. He was able to provide council with some background information regarding the agenda item and the current issue it presents with current hangar owners/renters. He was able to review the potential verbiage change and asked council to consider approval before concluding.

Consent Agenda

Mayor Johnson informed Council that agenda numbers five (5) through thirteen (13) 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 #05)

Deliberate and Act on the Approval of the Minutes for the Regular Meeting on January 6, 2026.

(Agenda Item #06)

Act on the Approval of Bills.

(Agenda Item #07)

Deliberate and Act on a Resolution Authorizing the Department of Public Safety to Submit a Grant Application Through the Office of the Governor for Active Attack Response Equipment.

[Police Chief, Tony Cain provided council with the following information in the council packet prior to the meeting: The Active Attack Response Equipment Grant Program (FY2027) administered by the Texas Office of the Governor's Public Safety Office (PSO), provides funding to law enforcement agencies to equip peace officers with essential protective and tactical gear. Specifically, grant funds must be used to purchase breaching tools and bullet-resistant shields that comply with National Institute of Justice (NIJ) Level III, III+, or IV standards. To be eligible, applicant agencies must adopt a "Critical Incidents In-Progress" (Active Shooter) policy and ensure that any officer receiving a grant-funded shield has completed or will complete 16 hours of ALERRT (Advanced Law Enforcement Rapid Response Training).

Anticipated Total Awarded: \$15 million

Date Due: 2/12/2026]

(Agenda Item #08)

8Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission to Re-Plat Lots 73-76, Buck Addition, Becoming Lots 73R-1, 73R-2, 74R-1, 74R-2, 75R-1 and 76-X, Buck Addition, in the City of Hillsboro, Being the Same Property by Reference as Recorded in Volume 2064, Page 230 and Volume 2325, Page 741 of the Official Public Records of Hill County, Texas. Also Known as the 200 Block of Luke Street.

[Planning Director, Richard Reinhardt provided council with the following information in the council packet prior to the meeting: HHR Construction LLC is requesting to re-plat lots in the Buck Addition located in the 200 block of Luke Street, which is an undeveloped right-of-way. They are requesting to plat lots that are fifty (50) feet in width in order to line up with the lots to the north. The developer is proposing to plat five lots beginning at Pine Street. The 200 block of Luke Street will end in a temporary cul-de-sac until such a time that it can connect with Locust Street. The developer also requested a variance from the side yard setback in order to accommodate a house width of thirty-five (35) feet ten (10) inches. The encroachment would only be five (5) inches on either side of the house with the exception of the corner lot. The site plan shows setbacks of seven (7) feet, one (1) inch on each side of the house for each lot. Since the exterior side yard setback is fifteen (15) feet, the encroachment would be greater for that particular lot. The Board of Adjustment approved the requested variance at their meeting on January 8, 2026. The Planning and Zoning Commission reviewed the re-plat at their meeting on Monday, January 12, 2026 and forwarded their recommendation of conditional approval on the acceptance of final civil plans.]

(Agenda Item #09)

Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission to Re-Plat Lots 68 and 69, Tarlton Addition, Becoming Lots 68R-1, 68R-2, 69R-1 and 69R-2, Tarlton Addition, in the City of Hillsboro, Being the Same Property by Reference as Recorded in Volume 2346, Page 329 of the Official Public Records of Hill County, Texas. Also Known as the Property to the South of 705 McKenzie Avenue.

[Richard Reinhardt, Planning Director provided council with the following information in the council packet prior to the meeting: An application has been submitted to re-plat two lots on the southeast corner of McKenzie Avenue and Monroe Street, an undeveloped right-of-way. The applicant is requesting to re-plat those two (2) lots which were originally designed to front on Monroe Street into four (4) lots fronting on McKenzie Avenue. The two lots fronting on Monroe Street have 190 feet of depth. Re-orienting the lots to front on McKenzie Avenue would only allow for lot widths of 47.5 feet, which requires a variance since the requirement is at least 50 feet. The Board of Adjustment reviewed this request on Thursday, January 8, 2026 and ultimately tabled the request until a more detailed site plan could be presented. The applicant provided a more detailed site plan at the Planning and Zoning Commission meeting on Monday, January 12, 2026. An adjacent property owner raised concerns of added density and street parking, among other concerns and ultimately expressed opposition to the request. The applicant agreed to make the driveways wide enough to accommodate two vehicles in order to address at least one of the concerns that was raised. Since the variance request was tabled, the Board of Adjustment will review it at their next meeting, scheduled for Thursday, February 12, 2026. However, the Planning and Zoning Commission approved the re-plat contingent upon the variance also being approved. Texas Local Government Code requires plats to be approved within a timely process. Since the first Council meeting after the next Board of Adjustment meeting isn't until February 17, 2026, and by then more than thirty (30) days will have passed since the Planning and Zoning Commission recommended conditional approval on January 12, 2026, the proposed re-plat is being placed on the January 20, 2026 Council agenda.]

(Agenda Item #10)

Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission to Conditionally Approve the Preliminary and Final Plat of Carothers Addition, in the City of Hillsboro, on a Certain Tract of Land Being 0.56 Acres in the John Carothers Survey, Abstract No. 148, Hill County, Texas, and Being the Same Property by Reference as Recorded in Volume 2373, Page 645, of the Official Public Records of Hill County, Texas. Also Known as 425 and 427 Luke Street.

[Planning Director, Richard Reinhardt provided council with the following information in the council packet prior to the meeting: A preliminary plat and final plat has been submitted for property located at 425 and 427 Luke Street. The applicant is requesting to

divide property into three single-family residential lots. The Planning and Zoning Commission reviewed the preliminary and final plat at their meeting on Monday, January 12, 2026 and forwarded their recommendation of conditional approval that necessary corrections are made to the plat.]

(Agenda Item #11)

Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission to Conditionally Approve the Preliminary and Final Plat of Hillsboro Trails Addition, in the City of Hillsboro, on a Certain Tract of Land Being 9.606 Acres in the Haywood Weatherly Survey, Abstract No. 972 and the William Mills Survey, Abstract No. 638 Hill County, Texas, and Being the Same Property by Reference as Recorded in Volume 2399, Page 5 of the Official Public Records of Hill County, Texas. Also Known as Property on the West Side of North Outlet Drive.

[Planning Director, Richard Reinhardt provided the following information in the council packet prior to the meeting: A preliminary plat and final plat has been submitted for the Hillsboro Trails Addition on North Outlet Drive to allow for the development of a mixed income senior apartment housing project. The Council has previously approved a resolution in support of the project and approved the rezoning request to accommodate the proposed apartments. The Planning and Zoning Commission reviewed the preliminary and final plat at their meeting on Monday, January 12, 2026 and forwarded their recommendation of conditional approval on the acceptance of final civil plans.]

(Agenda Item #12)

Deliberate and Act on a Resolution to Increase Hangar Rent and Land Lease Fees and Authorizing City Staff to Execute All Necessary Documents.

[Airport Manager, John Graham provided the following information in the council packet prior to the meeting: In order to continue to receive monies from the FAA and TxDOT Aviation, Airports must be charging current market rates to remain in compliance for continued funding. In order to stay with the current market, Airport management along with the Airport Board have approved the recommendation to increase hangar rental and land lease rates. These rates were determined from the Consumer Price Index (CPI) from year 2025 given to us by the City's Finance Director. The CPI for the Dallas area was 2.7%. The Airport Board did recommend with its (2023) rate proposal, that we further increase rates by no more than 5% per year for the next three years. This is the last year of this three-year period. Airport management and the Airport Board will once again scrutinize rates and fees after this three-year period. A new survey will be conducted at the end of this year (2026.) Those results will go to the city council for any adjustments to help ensure rates are competitive. If approved by council, these rate increases will be effective starting April 1, 2026. The Airport Board recommend approval at their meeting held on January 14, 2026.

T-HANGARS	CURRENT	PROPOSED
#1 - #5	\$240 PER MONTH	\$247 PER MONTH
#6 WITH LARGE STORAGE AREA	\$295 PER MONTH	\$303 PER MONTH
OLD AL RICE HANGER	\$320 PER MONTH	\$329 PER MONTH
LARGE 100' X 120'	\$2,550 PER MONTH	\$2,619 PER MONTH
LARGE 125' X 125" "DIVIDED IN QUARTERS"	\$835 PER MONTH	\$858 PER MONTH
LAND LEASE FEES	FLAT RATE \$.16 PER SQ. FT.	FLAT RATE AT \$.17 PER SQ. FT.

(Agenda Item #13)

Deliberate and Act on a Resolution Approving a Text Amendment to the Current Hangar Land Lease Agreement to Update the Terms of Lease Verbiage.

[Airport Manager, John Graham provided the following information in the council packet prior to the meeting: It is usual and customary for public airports in the United States to approve 20 to 50 year land leases (often with renewal clauses) to private individuals and businesses for the purpose of building permanent improvements (i.e. aircraft storage hangars). Typically (but not mandated) at the end of such land leases all construction and permanent improvements become the property of the municipality and available for public rent/lease at fair market value. These policies are designed to encourage economic development and to generate long term revenue. The Hillsboro airport ground leases in question include twenty and thirty year leases with ten year contract extensions and require both parties (City of Hillsboro and leasee) to agree to contract extensions. This verbiage causes difficulty in appraising resale value of the buildings, since the fair market price of the hangars depends mainly on the remaining length of the ground lease. The usual and customary approach is to allow the leasee to exercise the extension so long as all airport rules, regulations, and building conditions are in compliance.]

Consent agenda items. There were no items removed from the Consent Agenda. There were no further questions or comments. On a motion by Councilmember Robinson and second by Councilmember Fleming, Consent Agenda Items #5 through #13 were accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Hernandez, Jolly

Nays: none Absent:

Resolution No: R2026-01-06, 07, 08, 09, 10, 11, 12

Regular Agenda

Hear and Deliberate on the City Manager's Report

City Manager, Megan Henderson presented the following updates on 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)	\$6,203,741	SUBSTANTIALLY COMPLETE	Final 2.5% of funds retained for small punch-list items. Final walkthrough to be scheduled in next 2 weeks.
Old Brandon Rd (WP)			
Walnut Street (WP)			
Church Street (WP)			

- Streets
 - Assessment: Complete
 - Big projects: 4 completed
 - Small projects: not completed
 - Strategy Adjustment:
 - increase capacity to self-perform
- Water
 - Assessment: Complete
 - Big projects: 2 completed
 - Small projects: not completed
 - Strategy Adjustment:
 - contract more
 - Update: line from college tower to outlet mall completed; line in Hummingbird completed
- Sewer
 - Assessment: Underway
 - Big projects: 1 completed
 - Small projects: 1 completed
- Drainage
 - Assessment: Planned

vi. Deliver Essential Services

- Facilities Master Plan – architects have completed facilities tours and need to meet with staff to discuss initial thoughts before preparing report.
- Street Maintenance – Assessing ability to increase self-performed work
- Public Safety – Ongoing enhanced review of departmental policies
- Municipal Court – New Court Clerk begins next week; still working through backlog of cases
- Water – assessing opportunities for contracting system improvement on a PAY-go basis; assessing processes to find areas we can improve and become more efficient
- Wastewater Treatment – completing process for renewal of our treatment permit
- Parks – continuing maintenance of Wallace Park

vii. Boost Economic Development

7.1 Business Attraction

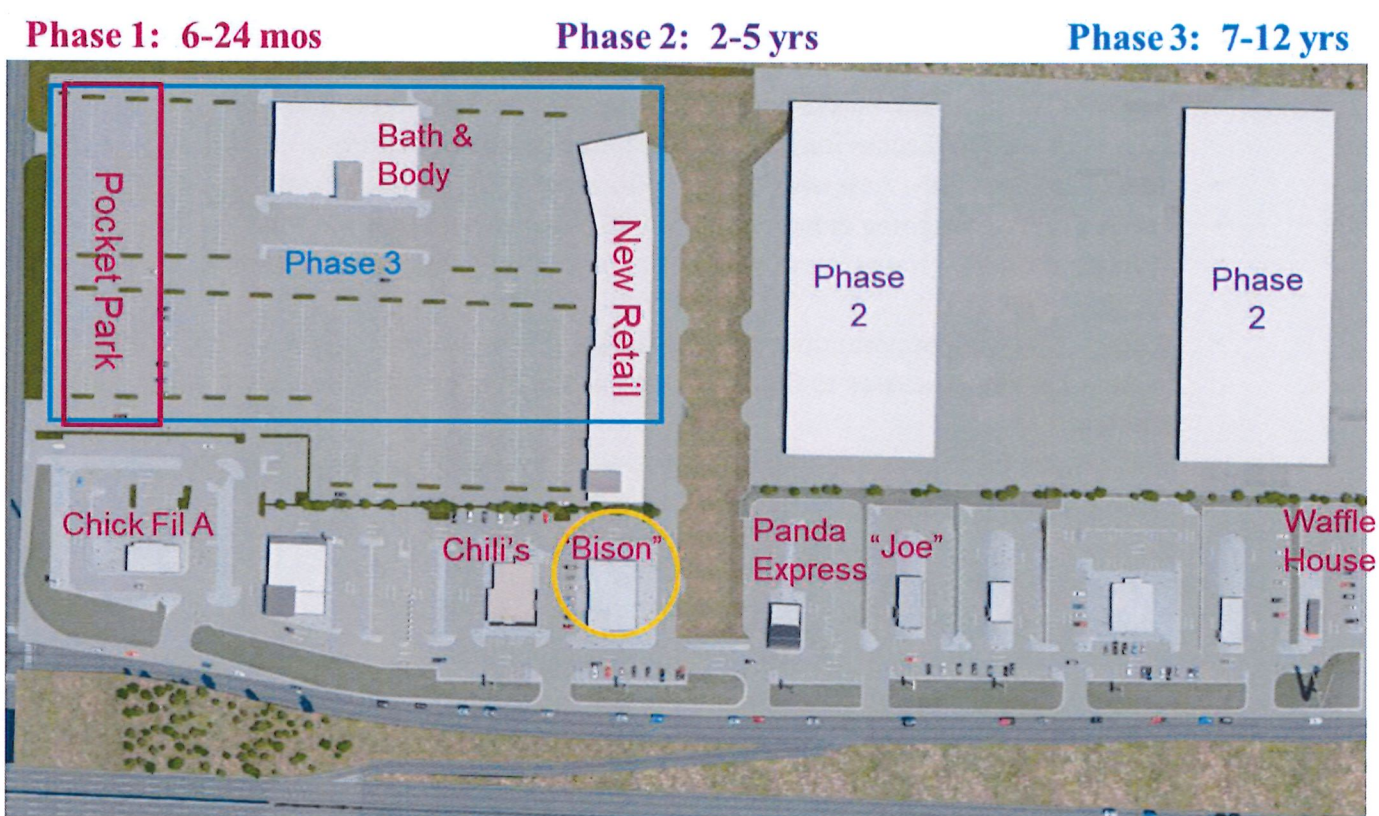
- Project Dispatch – continuing due diligence
- Project Freeze Pop – moving forward
- Project Treasure Hunt – reviewing possible investment options
- Project Pitstop – moving forward
- Retail Coach continuing to work with prospects
 - Restaurant and retail prospects are being pursued for specific locations

7.3 Entrepreneurship and Small Businesses

- Main Street committees working on projects

7.6 Pursue redevelopment of the Outlet Mall

- Panda Express construction anticipated
- Chili's building under construction
- Chick Fil A new signs up
- Waffle House civil plans approved
- Demolition continues
- Staff/ developer weekly calls
- "Glow up" for remaining buildings expected to begin soon



vii. Enhance Quality of Life

- Library
 - Meeting with USDA RD on funding for library expansion
 - Door repair project underway
 - Applying for second round of funding for ESL classes
 - Regular programming continues, including knitting, chess club, story hour, Club Code, and others
- Parks & Recreation
 - Wallace Park: working on facilities

b. Recent and Upcoming Staff Activities and Events

Staff Activities

- Employee separations
- New employee beginning in Municipal Court
- W2s going out
- Hiring Water Technician
- 2 potential new patrol officers in academy now
- 2 dispatchers hired
- Creating redundancy with Animal Control duties

Events:

- Fire and Ice preparations underway for February 21

(Agenda Item #15)

Hold a Closed Session Under the Provisions of Section 551.087 of the Government Code (Economic Development-Project Windows.)

Mayor Pro Tem Richmond announced entrance into closed session at 6:24PM

(Agenda Item #16)

Reconvene in Open Session.

Mayor Pro Tem Richmond announced the exit from closed session at 6:52PM

(Agenda Item #17)

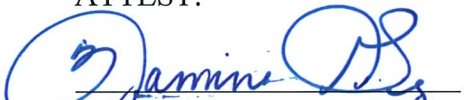
Deliberate and Act on Matter Discussed in Closed Session, If Any

None

With no further business to address, Mayor Pro Tem Richmond adjourned the meeting at 6:53p.m.


M. Scott Johnson, Mayor

ATTEST:


Jasmine Guy, City Secretary

Note:
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