

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
March 17, 2026

Present were:

Scott Johnson, Mayor
Larry Lloyd, Councilmember
Eric Fleming, Councilmember
Dana Robinson, Councilmember
Jay Jolly, Councilmember
Leann Richmond, Mayor Pro Tem
Edgar Hernandez, Councilmember

Megan Henderson, City Manager
Tony Cain, Asst, City Manager
Jasmine Guy, City Secretary
Jessica Trew, ED HEDC
Justin Dyer, Library Director

Others present:

Shannon Cottongame, The Reporter
Hillsboro Police Department
Pastor James Hoskins-1st Methodist Church of Hillsboro

Mayor Johnson called the meeting to order at 6:01PM

Pastor James Hoskins of the 1st Methodist Church of Hillsboro completed the invocation.

Mayor Johnson led the Pled of Allegiance

Hear Statements from Persons Wishing to Address Council

James Steven Peterson, a resident at 6063 SH 171 addressed council regarding agenda item #10. He provided council with some background information regarding his residency and history within the city. Mr. Peterson reported that there was some information put out a few weeks ago by the BZ Watchdog media group regarding an open records request stating that there was no acting City Manager. He shared that he has asked similar questions three years ago and never received a response. He provided details regarding several other requests that he has made for the same related information and reported that he has never received any records in response. He provided that he now has an investigative journalist putting out some uncomfortable questions as he has asked all of this before but doesn't have a social media platform. Mr. Peterson then begin to discuss agenda item #10 (Deliberate and Act on a Resolution Ratifying the Designation of Carl Tony Cain as Acting City Manager in the Case of Absence or Disability of the City Manager) and referenced Article 4.01 Sub-section E of the Hillsboro City Charter. He expressed that this implies that one already existed and that time has passed. Mr. Peterson continued and provided that for over a decade, with no fault that comes on, Carl Tony Cain Jr. has held the title/position of Assistant City Manager, which there is no record, or no hours ever created within the

Charter or Ordinance(s.) Mr. Peterson reported that this is statutorily defined as Texas Penal Code subsection 37.11: Impersonating a Public Official. Mr. Peterson shared that the fact that this item is now appears on the City Council agenda represents questionable legal advice, about the same that allowed this to happen for the past 15/18 years. Mr. Peterson expressed that acting on item number #10 will have no legal or lawful effect in itself, except for an admission of the lack of any secretary at this point. He provided that the city council will still need to address the fact there has never been a duly appointed city manager at this point. Mr. Peterson asked “has anybody ever appointed him to in an office for City Manager in the title?” Mr. Peterson concluded by asking if the Mayor will begin to correct these legal issues as they are brought to life and stated that this is not the only city employee currently parading around with an incorrect title.

Consent Agenda

Mayor Johnson informed Council that agenda numbers five (5) through ten (10) 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 March 3, 2026.

(Agenda Item #06)

Act on the Approval of Bills.

(Agenda Item #07)

Deliberate and Act on a Resultion Accepting the Certification of Unopposed Candidates, Declaring the Unopposed Candidates for Places on the City Council Elected to Those Offices, and Ordering the Cancellation of the City Officers Election Scheduled to be Held on May 2, 2026. *Deliberar y actuar sobre un resultado que acepta la certificación de candidatos sin oposición, declara electos para dichos cargos a los candidatos sin oposición para los puestos en el Concejo Municipal y ordena la cancelación de la elección de funcionarios de la ciudad programada para el 2 de mayo de 2026.*

[City Secretary, Jasmine Guy provided council with the following information in the council packet prior to the meeting: On February 12, 2026, Council ordered the City Officers Election for May 2, 2026, for the purpose of electing three City Councilmembers for two-year terms - for Place 2, Place 4, and Place 6, Elected at Large. The candidate filing period began on January 15, 2026 and continued through 5:00 p.m. on February 13, 2026. Incumbents for Place 2, and Place 4 filed for re-election and were all unopposed. A sole applicant for and Place 6 filed and was unopposed. If all candidates are unopposed, the City Secretary issues a Certification of Unopposed Candidates. The governing body then accepts the certification, declares the unopposed candidates elected and cancels the election. Section 2.053 of the Election Code provides that the Certificate of Election shall

be issued “in the same manner and at the same time” as for a candidate elected at an election. Therefore, the candidates, declared “elected” at this meeting, must wait until after the official election day of May 2, 2026 (even though no election is held) and no earlier than the prescribed canvassing period to be sworn in. Candidates shall take the Oath of Office and be issued a Certificate of Election at the Regular meeting of the City Council scheduled for May 5, 2026.]

(Agenda Item #08)

Deliberate and Act on a Resolution Regarding a Request by the Main Street Board to Close Various Streets for the Purpose of Holding Antique Alley (Apr. 18th) and ChurroFest (May 16th;) and Related Events.

[Main Street Manager, Tiffany Barron, provided council with the following information in the council packet prior to the meeting: The Main Street Board will be hosting several upcoming events within the Downtown Area and are requesting the approval for street closures. All closures will follow specific locations and times as listed on the street closure permits for each event (locations and times vary.)

The list of events are as follows:

- Antique Alley (April 18th)
- ChurroFest (May 16th)

(Agenda Item #09)

Deliberate and Act on a Resolution Selecting a Contractor for Ongoing Waterline Replacements in Fiscal Year 2026 and Fiscal Year 2027

[City Manager, Megan Henderson provided council with the following information in the council packet prior to the meeting: As discussed in previous Council meetings during the City Manager’s report, we have an urgent need to begin replacing water lines and staff believes the most cost-effective way is to hire a contractor to replace as many lines as possible. In February Council approved moving forward with seeking competitive sealed proposals to identify a contractor to be paid on a daily or weekly basis and simply keep working, line by line, as long as we can afford to keep moving. Proposals are due Friday, March 13, and after reviewing the proposals staff will recommend a contractor to move forward with.]

(Agenda Item #10)

Deliberate and Act on a Resolution Ratifying the Designation of Carl Tony Cain as Acting City Manager in the Case of Absence or Disability of the City Manager

[City Manager, Megan Henderson provided council with the following information in the council packet prior to the meeting: The Hillsboro City Charter requires that the City Manager designate an Acting City Manager. Since Tony Cain’s appointment to the position of Assistant City Manager in 2010, all successive City Managers and City Councils have deemed that appointment sufficient to clarify the need articulated in the Charter. Recently, however, at least one observer has found this insufficiently clear. We

are happy to take additional steps to ensure there is absolute clarity that Tony Cain is the person who would be Acting City Manager in the event of Megan's absence or incapacity. Therefore Megan has filed a letter with the City Secretary appointing Tony Acting City Manager, and that letter is presented to you for your approval.]

There were no questions or comments from council. Mayor Johnson announced that agenda item #10 will be moved to the regular agenda for discussion and action. There were no further questions or comments. On a motion by Councilmember Robinson and second by Councilmember Fleming Consent Agenda Items #5-#9 were accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Hernandez, Richmond, Jolly

Nays: none Absent:

Resolution No: R2026-03-24, 25, 26

Regular Agenda

(Agenda Item #10)

Deliberate and Act on a Resolution Ratifying the Designation of Carl Tony Cain as Acting City Manager in the Case of Absence or Disability of the City Manager

City Manager, Megan Henderson presented the agenda item. City Manager Henderson provided clarification for the agenda item and its current purpose due to some questions received. She shared that The Hillsboro City Charter requires that the City Manager designate an Acting City Manager. Since Tony Cain's appointment to the position of Assistant City Manager in 2010, all successive City Managers and City Councils have deemed that appointment to be sufficient to clarify the need articulated in the Charter. City Manager Henderson provided that the city is happy to take additional steps to ensure that there is clarity that Tony Cain is the appointed person who would serve as the Acting City Manager in the event of her absence or incapacity. City Manager Henderson reported that she has filed a letter with the City Secretary appointing Tony Cain as Acting City Manager. She expressed that a copy of said letter has been provided to all council before concluding.

There were no further questions or comments. On a motion by Councilmember Fleming and second by Councilmember Robinson, the resolution was accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Hernandez, Richmond, Jolly

Nays: none Absent:

Resolution No. R2026-03-27

(Agenda Item #11)

Hear and Deliberate on a Presentation By Jessica Trew, Executive Director of HEDC Regarding Community & Economic Development Updates

Jessica Trew, Executive Director of the Hillsboro Economic Development Corporation presented the agenda item. She provided council with an update regarding current and last year's economic development activity. Executive Director Trew presented information regarding receiving the 2025 Economic Excellence Recognition by TEDC, active projects, business attractions, business retention and expansion, outlet mall progress, downtown businesses information and updates, and 2025 statistics surrounding main street events and overall economics. Executive Director Trew closed by providing council with the 2026 calendar of events for Main Street Hillsboro.

There were no questions or comments from council. This was a presentation only. No action was taken.

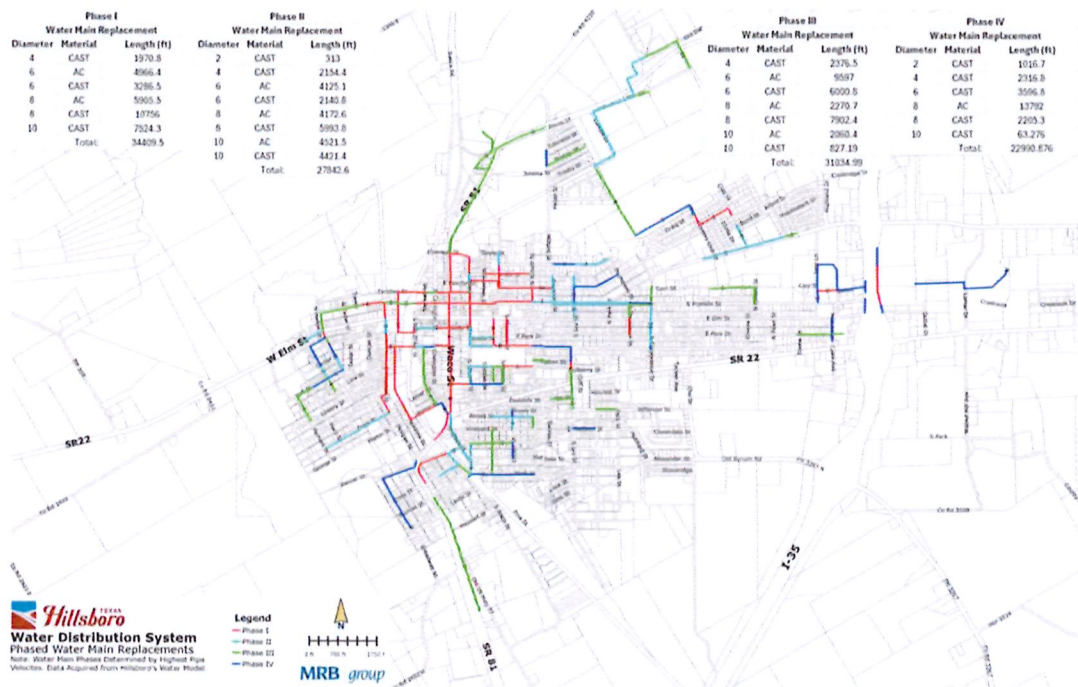
(Agenda Item #11)

Hear and Deliberate on the City Manager's Report

City Manager, Megan Henderson presented an update on Goals 5-8

v. Build Better Infrastructure

Estimated Engineering, Surveying, and Construction Costs				Funding			
Street	General	W/WW	Total	Agency Grant/ Loan Funds	Source	Local Funds	Source
Church Street	\$868,283	\$803,350	\$1,671,633			\$1,671,633	COs
Old Brandon Road	\$1,179,773	\$151,050	\$1,330,823			\$1,330,823	COs
Park Drive	\$942,576	\$396,000	\$1,338,576	\$227,000	TDA CDBG	\$1,111,576	COs
Walnut Street	\$1,130,765	\$1,003,350	\$2,134,115			\$2,134,115	COs
Meter Project		\$1,652,501	\$1,652,501			\$1,652,501	Financing
Water Tower		\$4,770,518	\$4,770,518	\$3,150,000 \$300,000	TWDB DWSRF Hillsboro EDC	\$1,320,518	COs
Downtown Sidewalk Project	\$592,855		\$592,855	\$500,000	TDA MS	\$92,855	Gen Fund
Safe Routes to Schools	\$594,259		\$594,259	\$594,259	TxDOT SRTS	\$0	
Totals	\$5,308,511	\$8,776,769	\$14,085,280	\$4,471,259		\$9,614,021	



	Street	From	To	Existing	Proposed	Distance	Cost/ L.F.	Cost
A - \$1.9M	Church	Elm	Smith	4	6	1000	100	100000
	Church	Smith	Chenault	8	8	400	120	48000
	Chenault	Church	Waco	8	8	500	120	60000
	Waco	Walnut	Fancher	6	8	1400	120	168000
	Waco	Fancher	Chenault	8	8	1000	120	120000
	Franklin	Church	Houston	8	8	2200	120	264000
	Fancher	Church	Chestnut	4	6	1800	100	180000
	Chestnut	Franklin	Gould	8	8	1000	120	120000
B - \$1.8M	Walnut	Bois d'Arc	Church	10	10	800	140	112000
	Service Road	Old Brandon	Starbucks	8	8	2400	120	288000
	Line through the college			8	10	1500	140	210000
	Line through the hospital			8	8	1600	120	192000
	Jane Lane and around hospital			8	8	1800	120	216000
	Carr Street loop			6	6	1700	100	170000

C - \$1.4M	Franklin	Church	Ransome	8	8	2200	120	264000	
	Smith	Church	Abbott	8	8	1600	120	192000	
	Paschal	Church	Pleasant	10	10	800	140	112000	
	Pleasant	Paschal	Craig	10	10	150	140	21000	
	Craig	Pleasant	Ransome	10	10	1400	140	196000	•
D - \$3.6M		Water							•
	Fancher	Tower	Houston	16	16	1100	200	220000	•
	Franklin	Houston	Hedge	6	6	1800	100	180000	•
	Houston	Fancher	Abernathy	16	16	2700	200	540000	
	Morgan	Abernathy	Abbott	16	16	1900	200	380000	
	Houston	Fancher	Abernathy	8	8	2700	120	324000	
	Morgan	Abernathy	Abbott	8	8	1900	120	228000	
	Chestnut	Walnut	Abernathy	6	6	1100	100	110000	
	Hawkins	Abernathy	Abbott	6	6	1700	100	170000	
	Hedge	Elm	Hall	6	6	1100	100	110000	
E - \$1.9M	Walnut	Church	Ivy	8	8	2700	120	324000	
	New	Walnut	elm	4	6	650	100	65000	
	Pleasant	Walnut	Elm	4	6	750	100	75000	
	Nowlin	Church	New	4	6	750	100	75000	
			Corporatio						
	Craig	Ransome	n	4	6	2400	100	240000	
	Smith	Abbott	Past Ivy	8	8	1300	120	156000	
	Abbot	Corsicana	Franklin	8	8	1000	120	120000	
	Ransome	Corsicana	Franklin	8	8	1000	120	120000	
Total linear feet						51800		6,470,000.00	
			Fire Hydrant			104	7500	777,000.00	
			Service Connection			518	1000	518,000.00	
			concrete/asphalt			10360	170	1,761,200.00	
			testing/cleanup					40,000.00	
			mobilization/bonds/insurance					120,000.00	
			traffic control					100,000.00	
			construction monitoring					300,000.00	
			contingency					504,310.00	
								10,590,510.00	

F	Ivy	Corsicana	Walnut	8	8	2200	120	264000
	Ivy	Walnut	Corsicana	8	8	900	120	108000
	Ivy	Highway	Highway	8	8	2100	120	252000
	Sycamore	Brown	Mark	6	8	1600	120	192000
	Mark	Church	Ivy	8	8	2600	120	312000
	Alexander	Ivy	Cho	6	8	3100	120	372000

Total linear feet	12500	1,500,000.00
Flow meters	5	50000 250,000.00
SCADA	2	35000 70,000.00
Fire Hydrant	25	7500 187,500.00
Service Connection	125	1000 125,000.00
concrete/asphalt	2500	150 375,000.00
testing/cleanup		40,000.00
mobilization/bonds/insurance		70,000.00
traffic control		60,000.00
construction monitoring		150,000.00
contingency		107,750.00
		2,935,250.00

- Previously Completed: 2% of needed linear feet
- Current Budget Planned Spending: \$200,000, 1% of needed linear feet
- EDC Request: \$400,000, 3% of needed linear feet
- Ellzey Community Project Funds Request: \$10M, 25% of needed linear feet
- Texas Water Development Board Request: \$5M, 6% of needed linear feet
- Total Unique Projects/Requests: 37% of needed linear feet
- Conservative Estimate Loss Reduction: 55% reduced water loss
- Conservative Estimate Saved Gallons: approx. 200,000,000 gallons
- 2025 Total Billed Gallons: approx. 313,458,300 gallons

vi. Deliver Essential Services

- Water – Working through discussions with S&P and Texas Water Development Board regarding utility fiscal health
- Wastewater Treatment – Process complete for renewal of our treatment permit
- Drainage
 - Texas Water Development Board will fund citywide drainage study
 - CHARM workshop revealed more flood risk areas
- Street Maintenance – Ordered Asphalt Zipper and working to schedule training
- Public Safety – Ongoing enhanced review of departmental policies

- Municipal Court – Still working through backlog of cases
- Parks – continuing maintenance of Wallace Park
- Facilities Master Plan – architects preparing report

vii. Boost Economic Development

7.1 Business Attraction

- Project Dispatch – continuing due diligence
- Project Freeze Pop – moving forward; closing soon
- Project Treasure Hunt – reviewing possible investment options
- Project Pitstop – no recent movement
- 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 underway
- Chili's building under construction
- Chick Fil A construction underway
- Waffle House construction underway
- "Joe" documents signed
- "Bison" documents expected to be signed this week
- Demolition largely complete
- Exterior remodel of remaining buildings underway

viii. Enhance Quality of Life

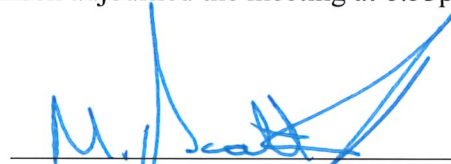
- Library
 - Meeting with USDA RD on funding for library expansion
 - Door repair project underway
 - Spring Break programming in full swing
 - "Pi Day" held Saturday with approx. 200+ attendees
 - Regular programming continues, including knitting, chess club, story hour, Club Code, and others
- Parks & Recreation
 - Wallace Park: working on facilities

b. Staff Activities and Events

- Staff Activities
 - New hires in Public Safety
 - Openings include dedicated Paramedic
- Events:

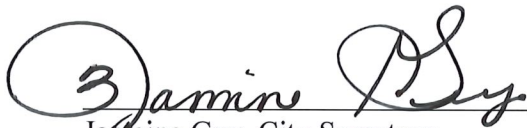
- Hillsboro Chamber of Commerce Banquet this Thursday – March 19
- Community Cleanup preparations underway for this Saturday - March 21

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



M. Scott Johnson, Mayor

ATTEST:



Jasmine Guy, City Secretary