

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
June 16, 2026

Present were:

Scott Johnson, Mayor	Megan Henderson, City Manager
Dana Robinson, Councilmember	Tony Cain, Asst. City Manager
Larry Lloyd, Councilmember	Jasmine Guy, City Secretary
Edgar Hernandez, Councilmember	Dale Snyder, Finance Director
Brianna Garner, Councilmember	Justin Dyer, Library Director
Leann Richmond, Mayor Pro-Tem/ Councilmember	
Eric Fleming, Councilmember	

Others present:

Shannon Cottongame, the Reporter
Hillsboro Police Department
Pastor David Hurt- First Baptist Church

Mayor Johnson called the meeting to order at 6:01p.m.

Pastor David Hurt of the Frist Baptist Church completed the invocation and Mayor Johnson led the Pledge of Allegiance.

Hear Statements from Persons Wishing to Address Council.

- Susie Hafer-Hillsboro, TX-spoke in support of Councilmember Richmond-reported knowing Councilmember Richmond and her family for over 30 years- Councilmember Richmond was described as dedicated and generous-commented on how Councilmember Richmond has given tirelessly to the Hillsboro Community-addressed comments regarding her current and future residency.
- Basil Zangare-alleged that Mayor Pro Tem/Councilmember Leann Richmond no longer meets the residency requirements to serve on the City Council-reported that she is no longer a resident of her district and is delaying her “full move” for tax-related reasons-Mr. Zangare reported to have pictures and videos to support his claims and expressed for Councilmember Richmond’s resignation by the next council meeting-reported to intend to file criminal complaint while stating Councilmember Richmond is violating other city ordinances and state laws-encouraged her to resign rather than face legal action-Mr. Zangare expressed general support for the other members of the council while reiterating Councilmember Richmond’s need to do the honorable thing and resign.

Consent Agenda

Mayor Johnson informed Council that agenda numbers five (5) through seven (7) 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 Regular Meeting on June 2, 2026.

(Agenda Item #6)

Act on the Approval of Bills.

(Agenda Item #7)

Deliberate and Act on a Resolution Approving the Department of Public Safety to Submit a Grant Application Through the Office of the Governor for Rifle-Resistant Body Armor.

[Assistant City Manager, Tony Cain provided council with the following information in the council packet prior to the meeting: The Hillsboro Department of Public Safety (Police Department) requests the City Council to authorize submission of a grant proposal to Office of the Governor for a Rifle-Resistant Body Armor Grant, the Criminal Justice Division Rifle-Resistant Body Armor Grant will allow the Department of Public Safety to obtain rifle-resistant body armor for its officers. The Criminal Justice Division Rifle-Resistant Body Armor Grant does not require matching funds from the City of Hillsboro.]

Consent agenda items. There were no items removed from the Consent Agenda. There were no further questions or comments. On a motion by Councilmember Lloyd and second by Councilmember Fleming, Consent Agenda Items #5 through #7 were accepted and approved.

On roll call, the following votes were cast:

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

Nays: none Absent:

Regular Agenda

(Agenda Item #8)

Hold a Public Hearing, Second Reading and Deliberate and Act on an Ordinance to Increase Water Service Rates.

City Manager, Megan Henderson presented the agenda item. She began by reviewing the history of recent rate increases, noting that more detailed information was provided during the first reading. She shared that in 2024, increases were intended to generate additional

revenue with efforts to eliminate operating deficits, fund system improvements, and offset wholesale water cost increases. City Manager Henderson added that because customers reduced water usage after rates increased, actual revenue fell significantly below projections. As a result, the city was unable to fully address aging infrastructure or rebuild reserves. She added that although recent water line replacement projects have successfully reduced water loss, additional funding is still needed. City Manager Henderson further explained that implementing the rate increase earlier than usual is needed to assist with reconstruction work associated with a major infrastructure projects coordinated with TxDOT. City Manager Henderson provided details surrounding the project and overall goal and funding. City Manager Henderson acknowledged that fully resolving the financial challenges would require much larger increases, but staff is recommending a smaller increase to lessen the impact on residents. She noted that staff is currently proposing a 12%-15% increase to address ongoing financial and infrastructure challenges within the city's water system.

Several members of the council provided their commentary and questions regarding the increases, opposition, and the impact on citizens. Mayor Johnson opened the public hearing at 6:25PM. Members of the audience raised concerns and expressed their opinions surrounding the following topics:

- Years of deferred maintenance created the current problems and that higher utility bills are becoming difficult for residents to afford
- Frustration over repeated water rate increases in a short period.
- Suggested limiting the increase to 5% annually rather than implementing a larger increase at one time.
- Recommendation was given to reduce other city expenditures (such as police department budget) to help fund water system improvements instead of placing the full burden on taxpayers.

City Manager Henderson was able to address some of the audience's comments and provided that modest annual increases will still be necessary in future years to keep pace with inflation and wholesale water costs. Mayor Johnson closed the public hearing at 6:32PM. City Manager Henderson and council further discussed the proposal and generally agreed that the rate increase is not wanted, but the city must address decades of deferred infrastructure maintenance and deteriorating water lines. Councilmember Fleming was able to suggest a 20% rate increase, but majority favored a 15% as the minimum. Councilmember Garner suggested that staff return with alternative options before making a final decision. Councilmember Lean Richmond made a motion to approve a 15% rate increase. Second by was given by Councilmember Fleming. The ordinance was accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Hernandez, Richmond,

Nays: Robinson, Garner Absent:

Ordinance No. O2026-06-06

(Agenda Item #8)

Hold a Public Hearing, Second Reading and Deliberate and Act on an Ordinance to Increase Wastewater Service Rates.

City Manager Henderson presented the agenda item. She explained that although wastewater rates have remained unchanged for many years, wastewater revenues have declined because customers are using less water. City Manager Henderson added that since wastewater charges are based on water consumption, the city needs to adjust rates to cover the cost of providing the service. She provided an overview of the proposed ordinance that reflect the following:

- The monthly minimum wastewater charge will be reduced from \$17.33 to \$13.00.
- The 2,000 gallons currently included in the minimum bill be removed.
- Charge \$3.00 per 1,000 gallons for residential customers and \$3.50 per 1,000 gallons for commercial customers.
- Results include a relatively small increase in actual monthly bills, with the combined impact of the proposed water and wastewater increases estimated at about \$13 per month for a 2,000-gallon residential customer and about \$16.50 per month for a 4,000-gallon customer.

City Manager Henderson presented that staff is looking at a 10% increase for residential and 30% for commercial. City Manager Henderson presented that a residential customer using 2,000 gallons would see an increase of about \$1.67 per month. Commercial users using 4,000 gallons would see an increase of about \$2.29 per month. A customer using 4,000 gallons would see an increase of about \$2.29 per month.

There were no further questions or comments from council. Mayor Johnson opened the public hearing at 6:42PM. One member of the audience criticized the proposed increase, arguing that multiple utility rate increases were being considered at the same meeting due to poor financial management. It was also questioned whether council members who were planning to move out of the city should participate in the vote and commended Councilmember Robinson and Councilmember Garner for opposing the increases. There were no further comments. Mayor Johnson closed the public hearing at 6:44PM. On a motion by Councilmember Fleming and second by Councilmember Hernandez, the ordinance was accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Hernandez, Richmond,

Nays: Robinson, Garner Absent:

Ordinance No. O2026-06-07

(Agenda Item #10)

Hold a Public Hearing, Second Reading and Deliberate and Act on an Ordinance to Increase Trash Service Rates.

City Manager, Megan Henderson presented the agenda item. She shared that the proposed ordinance is to implement the previously approved trash service rate increases resulting from the city's contract with Frontier Waste Solutions. City Manager Henderson explained that the city is already paying the higher rates, and the ordinance simply passes those costs on to customers so the city does not absorb the increase. City Manager Henderson noted that The Frontier contract allows for an annual rate increase of up to 5%, based on the Consumer Price Index (CPI) or 5%, whichever is lower. She reiterated the increase of 5% for residential customers, 10% for commercial customers, and a 0% increase for manifested customers. City Manager Henderson emphasized that with the increase, residential trash rates will still be lower than they were under the previous Republic Services contract.

Councilmember Lloyd was able clarify if the rates will continue to remain lower than the rates proposed from another vendor. City Manager Henderson confirmed that the new rates would still be lower than those proposed by Republic. There were no questions or comments from council. Mayor Johnson opened the public hearing at 6:47PM. No one spoke for or against the ordinance. Mayor Johnson closed the public hearing at 6:48PM. On a motion by Councilmember Lloyd and second by Councilmember Garner, the ordinance was accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Hernandez, Richmond, Garner

Nays: Robinson, Absent:

Ordinance No. O2026-06-08

(Agenda Item #11)

Hear and Deliberate on City Manager's Report.

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

a. Report on Open Records

- Past 30 days: 62 open records requests
- Top 2 Requesters: 45% (28 of those requests)
- Across all requestors, the average request contains ~5 points or facets and requires work of 2 people
- One requestor's average request contains ~18 points or facets and requires work of 5 people.
 - This means 5 people must estimate the amount of time needed to fulfill the request, then fulfill the request, and the City Secretary has to coordinate all of this including legal inquiries, timelines, payment, etc.
- Only the cost for work collecting the requested documents can be recovered from the requestor.
- The City recovers roughly 30% of the cost of the eligible time, and none of the cost of the other time.

- Cost estimate forthcoming.

b. Update on Strategic Goals 5-8



OUR GOALS

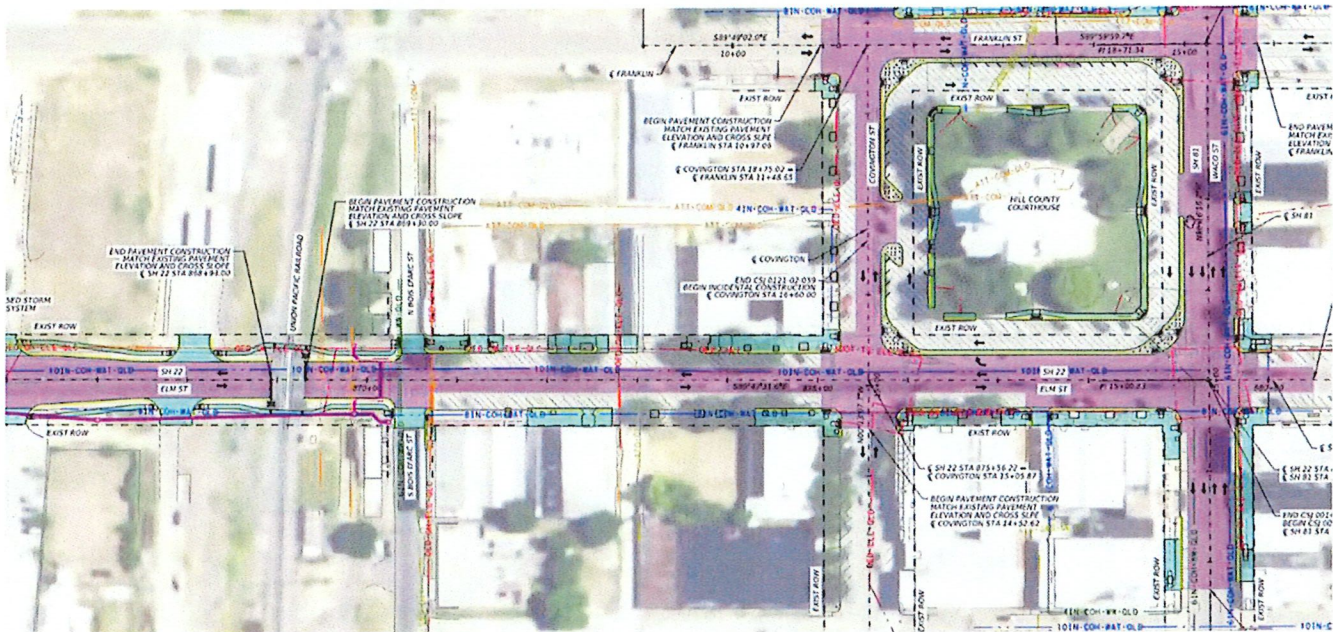
- Ensure responsible and equitable growth.
- Foster transparency and connection.
- Support preservation and beautification.
- Deliver efficient and effective government.
- Build better infrastructure.
- Deliver essential services.
- Boost economic development.
- Enhance quality of life.

Build Better Infrastructure

Formally assess the conditions of street, water and sewer infrastructure and implement projects and processes that will, if continued over time, bring and keep those systems in predominantly “good” condition.

	Streets	Water	Sewer	Drainage
Assess Condition	Complete	Complete	First Phase Complete	Assessment Planned
Projects	Street & Infrastructure Project: Complete			
	TxDOT Courthouse Project: Engineering Underway			
		Line Replacements Phase I: Engineering Underway		Projects will be recommended in the assessment document
Processes	In-house replacement: Equipment purchased, position posted	Constant contract replacement: Underway	Manhole coating: Budget 2027	Will plan based on assessment

- **Project:** TxDOT Courthouse Square: last conference call 6/12; confirmed reimbursement can be made at intervals throughout the project.



Process: Water Line Constant Contract Replacement

- | | |
|---|-----------------------------|
| - Previously Completed: | 2% of needed linear feet |
| - Current Planned Spending: \$600,000, | 4% of needed linear feet |
| - Total : | 6% of needed linear feet |
| - Conservative Estimate Loss Reduction: | 9% reduced water loss |
| - Conservative Estimate Saved Gallons: | approx. 38,700,000 gallons |
| - 2025 Total Billed Gallons: | approx. 313,458,300 gallons |

Deliver Essential Services

Deliver streets, water, wastewater, parks, public safety and other essential services and systems that are dependable, in good repair, and of acceptable and/or improving quality

- Water – Working towards utility fiscal health
- Wastewater – Working towards utility fiscal health
- Street Maintenance – Crack sealer operational; utility cut repairs underway
- Parks – Continuing upkeep and maintenance of facilities; splash pad repaired
- Public Safety – Continuing operations

Boost Economic Development

Implement business retention and attraction programs so that a variety of small and large businesses meet our resident's employment, entertainment, and commercial needs and establish Hillsboro as a vital part of Central Texas' economic landscape.

7.1 Business Attraction

- Project Dispatch – continuing due diligence
- Project Freeze Pop – closing date extended but coming soon
- Project Treasure Hunt – reviewing possible partnership 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

- New businesses coming downtown, including retail experience and restaurant

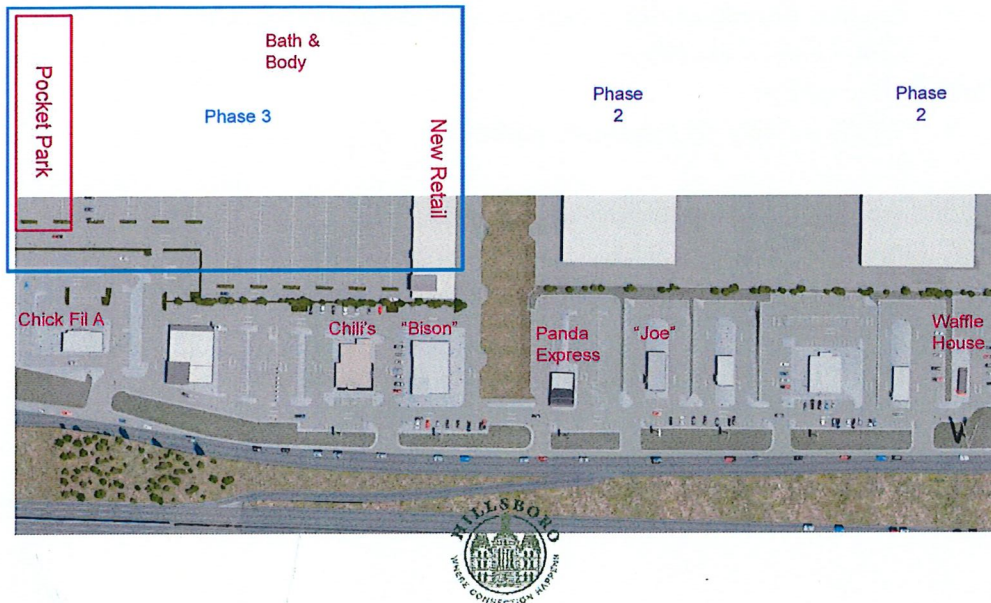
7.6 Pursue redevelopment of the Outlet Mall

- First 2 years of TIRZ complete
 - “Development Requirement” expected to be complete by end July
 - Incentivized additional development expected to be complete by Q1 2027
 - If any of that doesn't happen, part of demo costs will be reimbursed
- TIRZ revenues expected to pay full demo costs by 2032
- TIRZ and property tax revenues expected to pay all existing costs by 2033
- Additional \$1.4 Million in sales tax expected 2026-2033
- Profit of up to \$892,000 on property sale back to developer
- Projections don't include lease revenue or additional pad site development

Phase 1 & 1A: 6-24 mos

Phase 2: 2-5 yrs

Phase 3: 7-12 yrs



7.6 Pursue redevelopment of the Outlet Mall: 2025-2033

	Hold North Tract	Sell Both Tracts	Sales Tax City	Sales Tax EDC	Property Tax Low	Property Tax High	Total
	-1,796,903	892,212	1,399,223	466,408	-297,867	468,990	
Best Case		892,212	1,399,223			468,990	2,760,426
Plan B		892,212	1,399,223		-297,867		1,993,569
Plan C	-1,796,903		1,399,223			468,990	71,310
Worst Case	-1,796,903		1,399,223		-297,867		-695,546
w/EDC	-1,796,903		1,399,223	466,408	-297,867		-229,138
Worst case scenario breaks even 2 years later (2035)							

Enhance Quality of Life

Maintain a system of clean, functional, and varied enrichment facilities and programs throughout the city, including best-in-class library and team sports.

- Library
 - Reviewing expansion costs and possible redirection based on facilities study
 - Summer programming in full swing
 - Regular programming continues, including knitting, chess club, story hour, Club Code, and others
- Parks & Recreation
 - Wallace Park: tournaments underway

c. Recent and Upcoming Staff Activities and Events

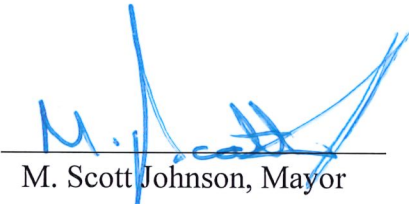
Staff Activities

- Staff Convocation Held Yesterday

Events:

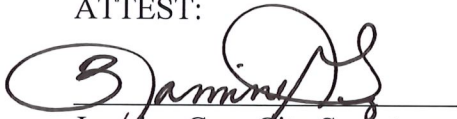
- Bond's Alley Weekend plus Firefly Experiences

With no further business to address, Mayor Johnson adjourned the meeting at 7:13p.m.



M. Scott Johnson, Mayor

ATTEST:



Jasmine Guy, City Secretary