

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
February 18, 2025

Present were:

Scott Johnson, Mayor	Megan Henderson, City Manager
Leann Richmond, Mayor Pro Tem	Tony Cain, Assistant City Manager
Eric Fleming, Councilmember	Richard Reinhardt, Planning Official
Jay Jolly, Councilmember	
Frances Zarate, Councilmember	
Christi Ward, Communications & Executive Assistant	
Allyson Cliett, Special Projects Coordinator	

Councilmember Larry Lloyd, Councilmember Dana Robinson, and City Secretary, Jasmine Guy were absent

Others present:

Shannon Cottongame, the Reporter
Hillsboro Police Department
Michael Nemec-Christ Lutheran Church

Mayor Johnson called the meeting to order at 6:00p.m.

The invocation was completed by Pastor Michael Nemec of the Christ Lutheran Church

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 (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 Regular Meeting on
February 4, 2025**

(Agenda Item #6)

Act on the Approval of Bills.

(Agenda Item #07)

Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission to Approve the Final Plat of Canaan Estates, in the City of Hillsboro, on a Certain Tract of Land Being 19.496 Acres Situated in the J. Cupee Survey, Abstract No. 156, the G.D. Tarlton Survey, Abstract No. 1139, and the D. Spears Survey, Abstract No. 838 and Being the Same Property as Referenced in Volume 2180, Page 737 and Volume 2202, Page 633, of the Official Public Records of Hill County, Texas. Also Known as the Property to the South of Stoneridge Addition.

[Planning Director, Richard Reinhardt provided council with the following information within the council packet prior to the meeting: The preliminary plat for Canaan Estates was approved on the 21st of February 2023. The final plat was originally submitted shortly after. However, due to comments regarding drainage issues on the final construction plans, the developers revised their plans. Three lots in the southwest corner of the subdivision are being changed into an area for a detention pond. The applicant is also designating additional right-of-way for Cho Street. MRB Group has reviewed the final construction plans and determined that they appear to be in conformance with the Subdivision Regulations for the City of Hillsboro. The Planning and Zoning Commission reviewed the Final Plat for Canaan Estates at their meeting on Monday, February 10, 2025 and forwarded their recommendation of approval.]

(Agenda Item #08)

Deliberate and Act on a Resolution Denying the Increase in Rates Proposed by Atmos Energy Corporation in its Mid-Tex Division filed on about December 16, 2024 and Authorizing the City Manager to Execute All Necessary Documents.

[City Manager, Megan Henderson provided council with the following information within the council packet prior to the meeting: On about December 16, 2024, Atmos Energy Corporation (Atmos or Atmos Energy) filed a Statement of Intent to increase its base rate revenues for its Mid-Tex Division within certain cities, by approximately \$16.73 million; this equates to an increase in annual revenue of about 7.08% including gas costs, and 11.51% excluding gas costs. This is Atmos's first request to increase its base rates since 2018. Following the conclusion of its 2018 rate gas (Gas Utilities Docket No. 10742), Atmos has raised its rates by means of six Interim Rates Adjustment ("IRA") filings, also known as "GRIP" filings. Atmos proposes an effective date of January 20, 2025, for its change in rates. As is explained below, the proposed Resolution related to Atmos's application to increase its base rate revenues, if adopted, denies the proposed increase in rates. Crucially, on November 18, 2024, Atmos filed with the Railroad Commission of Texas (RRC or Commission) substantially the same proposal to increase

rates. Because Atmos filed its application to increase rates with the RRC several weeks before it filed the same application with the city, and other similarly situated cities, the time line for the RRC to issue a decision regarding Atmos's application with the RRC is such that by the time the City's statutory deadline to make its decision regarding the application Atmos filed with the City, the RRC proceedings will be close to, if not at, their end. Thus, it is highly likely the RRC will make a decision on the merits of Atmos's application before the City completes its review and makes its decision.]

(Agenda Item #09)

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

[Assistant City Manager/Police Chief, Tony Cain provided the following information within 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 Richmond and second by Councilmember Fleming, Consent Agenda Items #5 through #9 were accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Zarate, Richmond, and Jolly

Nays: none Absent: Lloyd & Robinson

Resolution No. R2025-02-08, R2025-02-10, and R2025-02-09

Regular Agenda

(Agenda Item #10)

Hear and Deliberate on a Presentation by Emilie Zalfini regarding the National League of Cities Service Line Warranty Program.

Item was omitted.

(Agenda Item #11)

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 (Last Amended by O2007-01-01 (Last Amended by Ordinance No. O2024-11-23), Whereby the Purpose is to Amend and Establish Requirements for Guest Houses and to Amend the Definition of Guest House.

Planning Official, Richard Reinhardt presented the agenda item. He reported that he will not go into a lot of detail as this is the seconding reading. The Planning and Zoning Commission reviewed a request for a guesthouse at a location where there had not previously been a guesthouse and tabled the request until requirements could be put in place for guesthouses. The commission was able to meet multiple times reviewing certain requirements and guidelines that would be applicable to the city of Hillsboro. He was able to provide an overview of the requirements that the commission was able to develop. The Planning and Zoning Commission was able to forward their recommendation for approval during their January 27th meeting.

There were no further questions or comments from council. Mayor Johnson opened the public hearing 6:06.m. There were no questions or comments. Major Johnson closed the public hearing at 6:07p.m. The seconding reading of the ordinance was declared complete.

On roll call, the following votes were cast:
Ayes: Fleming, Zarate, Richmond, and Jolly
Nays: none Absent: Lloyd & Robinson
Ordinance No. O2025-02-01

(Agenda Item #12)

Hear and Deliberate on the City Manager’s Report

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

- a. Update on Strategic Goals 5-8
- v. Build Better Infrastructure**

Project Progress			
Concept Funding Prof Procurement Design Bidding Award Construction			
Street	Total	Status	Notes
Park Drive (WP)	\$6,083,741 + \$120,000 80% Complete as of 2/14/25	Park Drive: Near Completion	Park: Last element is the Ivy intersection; proceeding as soon as weather will permit
Old Brandon Rd (WP)		OBR: Complete	OBR: Complete
Walnut Street (WP)		Walnut: Utilities and Street Underway	Walnut: needed more info on Walnut/Ivy intersection; then will proceed with remaining demo and lime
Church Street (WP)		Church: Utilities Underway	Church: Changed to go to full-depth reclamation instead of mill/overlay due to condition of concrete underneath; will add \$120k to project but increase life of improvements.
Water Tower (MRB)	\$4,770,518	All Phases	Complete

	Streets	Water	Sewer	Drainage	Facilities
System Assessment	Complete	Complete	Fall 2025	? 2026 ?	
Plan contract & in-house work Phase I	Complete	First draft complete	Winter 2025		
Fund contract work Phase 1	Complete	\$30M Loan Requested	Request Fall 2025		
Design contract work Phase I	Complete				
Fund in-house work Phase 1	Complete	Complete			
Implement contract work Phase 1	80%				
Implement in-house work Phase I	5%	1%			
Plan contract work Phase II	Spring 2025				

vi. Deliver Essential Services

- Street Maintenance – reducing the list of utility cut repairs and potholes
- Water/Wastewater – repairing leaks & challenges due to weather
- Parks – minor repairs at Wallace Park in advance of softball/baseball
- Public Safety – purchasing 6 patrol vehicles through Enterprise lease
- Solid Waste – Republic and Frontier coordinating service switch April 1

City Manager Henderson then introduced Matt McGowan for a presentation regarding comprehensive planning. Mr. McGowan shared that his presentation would be about preparing for the future of Hillsboro. He reported that he has spent the last few weeks getting to know more about the city and its wants and needs in regards to future growth and comprehensive planning. He emphasized the city's need to proactively manage its rapid growth and its expectation that the population will double by 2050. Mr. McGowan was able to highlight the importance of placemaking to attract talent, foster innovation, and ensure economic sustainability. He shared that the City of Hillsboro must be able to adapt to demographic shifts and the evolution of household structures by implementing diverse housing options and smart growth strategies. Mr. McGowan was able to present on urban planning history and today's technology driven era. He shared the importance of upgrading infrastructure, revitalizing neighborhoods, and pursuing responsible economic development. He emphasized that prioritizing thoughtful planning and community engagement, Hillsboro can shape a future that is functional, beautiful, and economically

resilient. Mr. McGowan add that Hillsboro is in a great position for the future. He reported that new housing is coming, there is strong industrial development, and solid leadership working on infrastructure upgrades and improvements. Mr. McGowan was able to open for questions. Several people the from the community were able to ask a variety of questions and discussions in regards to the following topics:

- Future of downtown Hillsboro
- Airport Expansion-was the expansion of the airport a necessity
- Further information needed regarding Mr. McGowan's background and expertise/role
- Internet Access and Connectivity
- Economic Development in regards to job creation
- Infrastructure vs. Growth
- Consultant Engagement with Councilmembers
- Recommendations from other cities regarding growth strategies
- Participation in Statewide Growth Organizations
- Managing growth without being overwhelmed
- Community discussion on growth preferences
- Demographic research
- Diversity and inclusion efforts
- Historic home preservation and revitalization
- Event-based economic stimulation
- Community turnout and engagement
- Cultural and familial amenities for minority participation

Mr. McGowan was able to conclude his presentation and thanked the council and community for their time.

(Agenda Item #15)

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 6:34p.m.

(Agenda Item #16)

Reconvene in open session

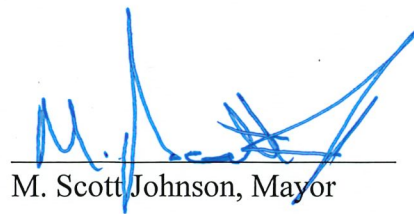
Mayor Johnson announced the exit from closed session at 7:58p.m.

(Agenda Item #17)

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

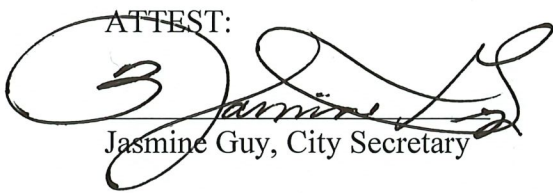
None

With no further business to address, Mayor Johnson adjourned the meeting at 7:59p.m.



M. Scott Johnson, Mayor

ATTEST:



Jasmine Guy, City Secretary

Note:

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